(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Serial No. 001
Addressed to: Northern Arc Capital Limited
Date: 23rd January 2024

PLACEMENT MEMORANDUM
(FOR PRIVATE PLACEMENT)

By

UGRO CAPITAL LIMITED

A public limited company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013.

Corporate Identification Number (CIN): L67120MH1993PLC070739
Permanent Account Number (PAN): AAACC2069E
Date of Incorporation: 10th February 1993
Place of Incorporation: Mumbai
Registered Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai – 400070

Corporate Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070
Telephone No.: 9122 41821600
Compliance Officer: Mr. Satish Kumar
Email: cs@ugrocapital.com
Website: www.ugrocapital.com
Registration certificate number issued by the Reserve Bank of India: 13.00325, dated 26th October 2018

Placement Memorandum for issue of debentures on a private placement basis under Schedule II of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time in relation to the issue of up to 5,000 (five thousand) listed, rated, senior, unsecured, taxable, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each aggregating up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only) for cash, at par, in dematerialised form to certain identified investors (the "Issue").

Key details of the Debentures are as follows:

(a) **Rating**: The Debentures are rated as "IND A/Stable" by India Ratings and Research Private Limited pursuant to the letter dated 8th January 2024 and the press release dated 8th January 2024. Please refer Annexure II for the rating letter, rating rationale and the press release. No other credit ratings have been obtained for the purposes of this Issue.
(b) **Listing**: The Debentures are proposed to be listed on the Wholesale Debt Market ("**WDM**") segment of BSE Limited within the time period prescribed under the SEBI Listing Timelines Requirements (as defined below).
(c) **Eligible Investors**: Please refer Section 10.10 of this Placement Memorandum.
(d) **Coupon related details**: Fixed Coupon. Please refer Section 8.1 of this Placement Memorandum for details about coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount.
(e) **Underwriting**: The Issue is not underwritten.
(f) **Electronic Book Provider Platform**: BSE EBP Platform.
(g) **Green Shoe**: Not Applicable.

Issue Schedule

Issue Opening on: 23rd January 2024
Issue Closing on: 23rd January 2024
Pay In Date: 24th January 204
Date of earliest closing of the issue, if any: N.A.
Deemed Date of Allotment: 24th January 2024

Registrar and Transfer Agent
LINK INTIME INDIA PRIVATE LIMITED
Address: C 101, 247 Park B S Marg, Vikhroli West, Mumbai 400 083
Tel: +91 22 49186000
Fax: N.A.
Website: www.linkintime.co.in
Email: debtca@linkintime.co.in

Debenture Trustee
VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Address: 3rd Floor, Room No – 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal – 700001, India
Tel: 022 – 4264 8335
Website: https://www.vardhmantrustee.com
Contact Person: Mr. Rushabh Desai

Rating Agency
INDIA RATINGS AND RESEARCH PRIVATE LTD
Address: Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Tel: +91 22 4035 6166
Tel: **Website**: www.indiaratings.co.in
Contact Person: Mr. Prasanth Chegu
Email: Prasanth.chegu@indiaratings.co.in

Issuer's Company Secretary and Compliance Officer:
Mr. Satish Kumar
Tel: 91 22 41821600
Email: satish.kumar@ugrocapital.com

Issuer's Chief Financial Officer:
Mr. Kishore Lodha
Tel: 91 22 41821600
Email: Kishore.Lodha@ugrocapital.com

Issuer's Promoters:
Poshika Advisory Services LLP
Tel: 91 124 4091777
Email: snath@poshika.com

BACKGROUND

This Placement Memorandum is related to the Debentures to be issued by UGRO Capital Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on August 08, 2023 and the Board of Directors of the Issuer on May 15, 2023 and November 11, 2019, and the Investment and Borrowing Committee of the Board of Directors of the Company on January 17, 2024 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

ISSUER'S ABSOLUTE RESPONSIBILITY
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum 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 Placement Memorandum 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 Placement Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMER

- This Placement Memorandum contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Placement Memorandum, such statements shall be considered to be null and void.

- This Issue does not form part of non-equity regulatory capital mentioned under Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The face value of each debt security issued on private placement basis under this Issue is INR 1,00,000/- (Indian Rupees One Lakh only).

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Capitalised terms used herein and not defined shall have the meanings given to them in the Transaction Documents. Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Act or Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	means the allotment of the Debentures pursuant to this Issue.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable and includes the Indian Accounting Standards (IND-AS).
Applicant	means a person who has submitted a completed Application Form to the Issuer.
Application Form	means the application form for subscription of the Debentures annexed to this Placement Memorandum and marked as Annexure IV.
Application Money	means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards
Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners.
Board / Board of Directors	means the Board of Directors of the Issuer.
BSE	means BSE Limited.
Business Day	means any day (other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which the commercial banks are open for general business in New Delhi, India. For the purpose of this definition, in respect of: (a) Announcement of issue period: Business Day shall mean all days, excluding public holidays, on which commercial banks in Mumbai, India are open for general business. (b) The time period between the Issue Closing Date and the listing of the Debentures on the BSE: Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. (c) For the payment / redemption of interest with respect to

	Debentures falls due: Business Day shall mean all the days on which money market is functioning in New Delhi, India.
CDSL	means the Central Depository Services (India) Limited.
Client Loan	means each loan disbursed by the Issuer as a lender, and "Client Loans" shall be construed accordingly.
Company/Issuer/UGRO/ UGRO Capital	UGRO Capital Limited, a company incorporated under the Companies Act, 1956 and validly existing under Companies Act, 2013 with corporate identification number L67120MH1993PLC070739 and a non-banking financial company registered with the Reserve Bank of India, and having its registered office at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla Mumbai - 400070, Maharashtra, India, and acting through its office at 1st Floor Samayak Tower, Pusa Road, Near Karol Bagh Metro Station, New Delhi - 110007, India.
Conditions Precedent	means the conditions precedent set out in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Conditions Subsequent	means the conditions subsequent set out in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	has the meaning given to it in the Companies Act.
Crore / Cr. / Crs.	means ten million
Debenture Holders / Investors	means each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders, (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail.
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debenture Trustee	Vardhman Trusteeship Private Limited.
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debentures/NCDs	up to 5,000 (five thousand) listed, rated, senior, unsecured, taxable, redeemable, non-convertible debentures denominated in Indian Rupees ("**INR**"), having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each aggregating up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only).
Debt Disclosure	Means, collectively, this Placement Memorandum and the PPOA.

Documents	
Debt	means the aggregate of: (a) all outstanding long-term borrowings (whether secured or unsecured); (b) all contingent liabilities pertaining to corporate and financial guarantees given on behalf of any company, special purpose vehicle, any subsidiary or affiliate to the extent of the amounts outstanding in respect of such guaranteed debt; (c) all outstanding short-term debt borrowings (whether secured or unsecured), availed of in lieu of any long-term debt or by way of bridge financing for a long-term debt; (d) all amounts raised by acceptance under any acceptance credit facility; (e) all receivables sold or discounted (other than receivables that are sold on a non-recourse basis); (f) any obligation under any put option, any shortfall/liquidity support undertaking, any debt service reserve account undertaking, any keep fit letter(s), any letter of comfort issued in favour of any person(s); and (g) all amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but shall not include any cash-in-hand and/or any amounts available in the bank accounts of the Issuer.
Deemed Date of Allotment	means 24th January 2024.
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time
Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
DRR	has the meaning given to it in Section 6.28 (*Other Details*) of this Placement Memorandum.
Due Dates	means, collectively, the dates on which any principal amounts, interest, any additional interest, default interest, any liquidated damages, early redemption premium, any premature redemption amount and/or any other amounts payable, are due and payable, including but not limited to the Interest Payment Dates, each Redemption Date and the Final Redemption Date, or any other date (including because of acceleration) on which any payment is to be made by the Issuer under the Transaction Documents.

Early Redemption	means the meaning ascribed in the Sections named "*Early Redemption*" in Section 8.1 (*Summary Terms*) of the Placement Memorandum
Early Redemption Premium	An amount calculated at a rate of 5% p.a. (five percent per annum) (over and above the Coupon Rate) of the total principal amount prepaid in case early redemption is exercised by Company after the Lock-in Period and on any date before the Final Redemption Date, not arising due to an Event of Default.
EBP	Electronic Book Building Platform of BSE.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the Listed NCDs Master Circular and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Effective Date	means the date of execution of the Debenture Trust Deed.
EFT	Electronic Fund Transfer
Eligible Investors	shall have the meaning specified in Section 10.10 of this Placement Memorandum.
Events of Default	means the event(s) of default set out in Section 8.1 (*Summary Terms*) of this Placement Memorandum and "Event of Default" shall be construed accordingly.
Final Redemption Date	means 18th April 2026.
Final Settlement Date	means the date on which all Unsecured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;

	(i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.
Gross NPA	means the gross non-performing assets of the Issuer determined in accordance with the NBFC Directions.
ICCL Bank Account	The clearing corporation bank account selected, and as disclosed below in the section titled "*Application Process*" in Part B of Section 10, by the Issuer, for the pay-in of funds towards the issue of Debentures on EBP.
Interest Payment Dates	means the dates on which interest in respect of the Debentures is required to be paid, as more specifically set out in Annexure VI of this Placement Memorandum.
Issue	means the private placement of the Debentures.
Issue Closing Date	23rd January 2024
Issue Opening Date	23rd January 2024
Listed NCDs Master Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", as amended, modified, or restated from time to time.
Listing Period	has the meaning given to it in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll
Management Control	means, in respect of any person: (a) the right to appoint a majority of the directors of the board of

	directors of such person; and (b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements of such person
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on: (a) the financial condition, business or operation of the Issuer which is prejudicial to the ability of the Issuer to perform its obligations under the Transaction Documents; (b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (c) the ability of the Issuer to perform its obligations under the Transaction Documents; or (d) the legality, validity or enforceability of any of the Transaction Documents.
NBFC	Non-banking financial company
NBFC Directions	means the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended, modified or restated from time to time) as may be applicable. and the RBI's circular no. DOR.STR.REC.68/ 21.04.048/2021-22 dated November 12, 2021 on "*Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications*", each as amended, modified, supplemented or restated from time to time.
Net Worth	has the meaning given to it in the Companies Act
N.A.	Not Applicable
NSDL	National Securities Depository Limited
Outstanding Amounts	means, on any date, the Outstanding Principal Amounts together with any interest, additional interest, default interest, Early Redemption Premium, costs, fees, charges, expenses and other amounts payable by the Issuer in respect of the Debentures
Outstanding Principal Amount	means, at any date, the principal amounts outstanding under the Debentures.
PAN	Permanent Account Number
Payment Default	means the occurrence of the event of default set out in paragraph (a) under the section named "Events of Default" under Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Placement Memorandum/Offer Document	means this placement memorandum issued by the Issuer for the issue of the Debentures on a private placement basis in accordance with Applicable Laws.
Potential Event of Default	means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default
Private Placement Offer cum Application	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus

Letter/PPOA	and Allotment of Securities) Rules, 2014.
Promoter	means, Poshika Advisory Services LLP.
Purpose	has the meaning given to it in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
Rating	means a credit rating for the Debentures from the Rating Agency, which has affirmed/re-affirmed a rating of "IND A (Stable)" (pronounced as " IND A with Stable Outlook") through its letter dated 8th January 2024.
Rating Agency	shall mean India Ratings and Research Private Limited, a company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013 with corporate identification number U67100MH1995FTC140049, having its registered office at Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India.
RBI	Reserve Bank of India.
Record Date	means the date being 7 (seven) calendar days prior to each Due Date.
REF / Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular.
Redemption Dates	means the dates as specified in **Annexure VI** of this Placement Memorandum, or any other date in accordance with the Sections named "*Early Redemption*" in Section 8.1 (*Summary Terms*) of the Placement Memorandum, on which payment of the Outstanding Principal Amounts is required to be made in respect of the Debentures, and "Redemption Date" means any one of them.
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.
Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
Registrar/R&T Agent	shall mean Link Intime India Private Limited, a company incorporated under the provisions of Companies Act, 1956 and validly existing under the provisions of Companies Act, 2013 with corporate identification number U67190MH1999PTC118368 and having its registered address at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai City, Mumbai, Maharashtra, India, 400083.
Related Party	has the meaning given to it in the Companies Act.
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).

SEBI Centralized Database Requirements	means the requirements prescribed in Chapter IV (*Centralized Database for corporate bonds/ debentures*) of the Listed NCDs Master Circular read together with Chapter XII (*Centralised Database - Responsibilities of Debenture Trustee*) of the SEBI Debenture Trustees Master Circular.
SEBI Debenture Trustees Master Circular	means circular dated 31st March 2023 issued by SEBI titled "Master Circular for Debenture Trustees", bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109, as amended, modified, or restated from time to time.
SEBI ILNCS Regulations/ SEBI NCS Regulations/ SEBI Debt Listing Regulations/ Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 together with the Listed NCDs Master Circular, as amended, modified or restated from time to time.
SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, the SEBI NCS Regulations, the SEBI LODR Regulations (to the extent applicable) and SEBI LODR Master Circular.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular as replaced by the SEBI's circular bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 dated November 30, 2022 on "*Review of timelines for listing of securities issued on a private placement basis*".
SEBI LODR Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 on "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", as amended, modified, supplemented, or restated from time to time.
SEBI LODR Regulations/LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, modified or restated from time to time
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
Step Up	has the meaning given to it in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Step Up Rate	has the meaning given to it in Section 8.1 (*Summary Terms*) of this Placement Memorandum.
Special Resolution	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
Stock Exchange	BSE Limited
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "*Prudential Framework for Resolution of*

	Stressed Assets", as amended, modified or restated from time to time.
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law
TDS	Tax Deducted at Source.
Tier I Capital	has the meaning given to it in the NBFC Directions.
Tier II Capital	has the meaning given to it in the NBFC Directions.
Total Assets	means, for any date of determination, the total Assets of the Issuer on such date.
Transaction Documents	means: (a) the DTD; (b) the Debenture Trustee Agreement; (c) the Debt Disclosure Documents; (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) each tripartite agreement between the Issuer, 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 them.
Unsecured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, early redemption premium, the default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	means an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the Listed NCDs Master Circular as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) are adequate and in conformity with the Listed NCDs Master Circular and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter(s) and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to the Issuer or any other person in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) comes are required to inform themselves of, and to observe, any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the Listed NCDs Master Circular. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial

and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

AS PER THE PROVISIONS OF THE LISTED NCDS MASTER CIRCULAR, IT IS NOT STIPULATED THAT A COPY OF THIS PLACEMENT MEMORANDUM HAS TO BE FILED WITH OR SUBMITTED TO THE SEBI FOR ITS REVIEW / APPROVAL. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PLACEMENT MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED OR VETTED BY SEBI AND THAT THIS ISSUE IS NOT RECOMMENDED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL FOR WHICH THE DEBENTURES ISSUED THEREOF IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PLACEMENT MEMORANDUM.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals set out in Section 8.1 (*Summary Terms*) below. This Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.8 DISCLAIMER OF DEBENTURE TRUSTEE

The Issuer confirms that all necessary disclosures have been made in this Placement Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of this Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or as to the monies paid/invested by investors for the Debentures.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

The details of the Promoters of the Issuer are set out below:

1. Poshika Advisory Services LLP

(a) Date of Incorporation: November 02, 2017

(b) Age: Not applicable

(c) Registered Address: 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon, Haryana - 122 011

(d) Educational Qualifications: Not applicable

(e) Experience in the business or employment: Not applicable

(f) Positions/posts held in the past: Not applicable

(g) Directorships held: Not applicable

(h) Other ventures of the promoter: Nil

(i) Special achievements: Not applicable

(j) Their business and financial activities:

Poshika Advisory Services LLP is carrying on the business of:

(i) to act as financial management consultants, advisor, investor;

(ii) provide advice, services, consultancy in various fields;

(iii) provide general administrative services in relation to promotion, formation, management and sponsorships of various entities;

(iv) 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

(v) 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.

(k) Permanent Accountant Number: AAVFP0398R

(l) Other details: Not applicable

The Issuer hereby confirms and declares that, to the extent applicable, the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to BSE, at the time of filing the draft Placement Memorandum.

SECTION 4: GENERAL RISKS

GENERAL RISK

Investment in non-convertible securities involve a degree of risk 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 4 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

RISK FACTORS

Data contained throughout this Placement Memorandum has been supplied by the Company and the same has not been verified from any independent sources (including the original source documents). In the absence of independent verification, neither the legal advisors nor any of the intermediaries are or can be held responsible for the correctness, completeness or the adequacy of the data contained herein.

The Company believes that there are certain factors that may affect its ability to fulfil its obligations in respect of the Debentures. All these factors are contingencies which may or may not occur and the Company is not able to express a view on the likelihood of any such contingency occurring. In addition, there are certain factors which are material for assessing the market risks associated with the Debentures. Such Investors are strongly recommended to consult with their financial, legal, tax and other professional advisors before making any investment decision.

The following are the risks envisaged by the management and Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. The risks have been quantified wherever possible. If any one of the following stated risks occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

4.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential investors ("**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 Debentures is subject to the credit risk of the Issuer whereby the Investors may or may not recover all or part of the funds in case of default by 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.

4.2 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES; THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID; LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGE.

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

4.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(A) ***This Placement Memorandum includes certain audited financial information, in relation to the Issuer.***

This PPOA and the Placement Memorandum includes audited standalone financial results in relation to the Issuer, for the year ended March 31, 2023, in respect of which M/s MSKA & Associates, Chartered Accountant, the statutory auditors of the Company for the Financial Year 2022-23 have issued their Independent Auditor's Report for the year ended March 31, 2023, dated May 15, 2023 and the and the limited review financial statements for the period ended 30th September 2023.

(B) ***The Issuer provides both secured and unsecured loans to the clients and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

There is uncertainty on the Client's ability to fulfil its loan obligations it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact the Issuer's results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on September 30, 2023, the gross NPA was INR 130.19 Crores (Indian Rupees One Hundred Thirty Crore and Nineteen Lakh) on a gross portfolio (Exposure at Default (EAD)) of INR 4,561.91 Crores (Indian Rupees Four Thousand Five Hundred Sixty One Crores and Ninety One Lakh).

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that it's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(C) ***Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.***

Issuer's core business is to provide loans to Micro, Small and Medium Enterprise ("MSME") segments primarily in the urban and semi-urban areas. Any downturn in the area of activity

by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

The Issuer has separated sales from credit department. This helps in better credit evaluation of the customer. The collateralisation of the Client loans under secured facilities happens by the way of hypothecation of stocks/machineries and or mortgage of immovable property. The ability to repay the loan is taken care of by the internal credit evaluation and intention to repay is taken care of by the collaterals obtained.

(D) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(E) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(F) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(G) ***The Issuer requires to comply with applicable statutory and regulatory requirements for conducting its business and the failure to comply with the same in a timely manner or retain its registration may adversely affect operations***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as a NBFC. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time.

(H) ***Competition from banks and financial institutions, as well as state-sponsored programs, may adversely affect the Issuer's profitability and position in the Indian NBFC lending industry***

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes can have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

4.4 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit rating to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

4.5 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, 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 pricing of the Debentures.

4.6 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.7 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

4.8 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

4.9 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.10 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.

4.11 LEGALITY OF PURCHASE

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

4.12 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

4.13 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.

4.14 REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

4.15 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. The Issuer cannot assure the

Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

SECTION 5: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended 31st March 2023, 31st March 2022 and 31st March 2021 and the limited review financial statements for the period ended 30th September 2023 are set out in **Annexure V** of this Placement Memorandum.

SECTION 6: REGULATORY DISCLOSURES

This Placement Memorandum is prepared in accordance with the provisions of Listed NCDs Master Circular and in this section, the Issuer has set out the details required as per the Listed NCDs Master Circular (including Schedule II thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee:**

The following documents have been / shall be submitted to the BSE and the Debenture Trustee:

(a) Placement Memorandum;

(b) Memorandum of Association and Articles of Association;

(c) Copy of the requisite board/ committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of securities;

(d) Copy of last three years Annual Reports;

(e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;

(f) An undertaking from the issuer that that NCDs are unsecured in nature and the Trust Deed has been executed within the time frame prescribed in the relevant regulations/Act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where such securities have been proposed to be listed;

(g) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;

(h) Due diligence certificate from the Debenture Trustee in the format as specified in Schedule IV of the Debt Listing Regulations; and

(i) Due diligence certificate from the Debenture Trustee as per the format specified in Annexure IIB of the SEBI Debenture Trustees Master Circular.

6.2 **The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:**

Due diligence certificate from the Debenture Trustee as per the format specified in Annexure IIA of the SEBI Debenture Trustees Master Circular and the format as specified in Schedule IVA of the Debt Listing Regulations.

6.3 **Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

The Debentures have been rated "IND A/Stable" by the Rating Agency. The rating letter, press release and the rating rationale from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

6.4 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board**

The Debentures are proposed to be listed on the WDM segment of BSE within the time period prescribed under the SEBI Listing Timelines Requirements. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Recovery Expense Fund will be created by the Issuer with BSE.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE within the timelines prescribed under SEBI Listing Timelines Requirements and the same is annexed in **Annexure XI** of this Placement Memorandum.

The Debentures are not proposed to be listed on more than one stock exchange.

6.5 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	23rd January 2024
Issue Closing Date	23rd January 2024
Pay In Date	24th January 2024
Deemed Date of Allotment	24th January 2024

6.6 **Name, logo, addresses, website URL, email address, telephone number and contact person of:**

(a) **Debenture Trustee to the Issue**

Name	Vardhman Trusteeship Private Limited
Logo	VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting your Trust
Address	3rd Floor, Room No – 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal – 700001, India
Website	https://www.vardhmantrustee.com/
E-mail address	compliance@vardhmantrustee.com
Telephone Number	022 – 4264 8335
Contact Person Details	Mr. Rushabh Desai

(b) **Credit Rating Agency for the Issue**

Name	India Ratings and Research Private Limited
Logo	India Ratings & Research A Fitch Group Company
Address	Wockhardt Towers, 4th Floor, Wockhardt Towers, West Wing, 4, G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai- 400051, Maharashtra, India
Website	www.indiaratings.co.in
E-mail address	Prasanth.chegu@indiaratings.co.in
Telephone Number	+91 -22 4000 1700
Contact Person Details	Mr. Prasanth Chegu

(c) **Registrar the Issue**

Name	Link Intime India Private Limited

Logo	LINKIntime
Address	C 101, 247 Park B S Marg, Vikhroli West, Mumbai 400083, Maharashtra, India
Website	www.linkintime.co.in
E-mail address	Debtca@linkintime.com
Telephone Number	9122 49186000
Contact Person Details	Mr. Ganesh Jadhav

(d) **Statutory Auditors**

Name	M/s Sharp & Tannan Associates
Logo	There is no LOGO of the firm
Address	87, Nariman Bhavan, 227 Nariman Point, Mumbai (Bombay) 400021
Website	www.sharpandtannan.com
E-mail address	mumbai.office@sharpandtannan.com
Telephone Number	+91 22 6153 7500
Contact Person Details	Mr. Tirtharaj Khot / Mr. Parthiv Desai

(e) **Legal Counsel**

Name	Juris Corp, Advocates & Solicitors
Logo	Juris Corp advocates & solicitors
Address	302, Century Bhavan, 3rd Floor, Dr Annie Besant Road, Worli, Mumbai - 400 030, India
Website	www.jclex.com
E-mail address	securities@jclex.com
Telephone Number	022 6720 5555
Contact Person Details	Partner, Securities Team

(f) **Guarantor**

Name	Not applicable
Logo	Not applicable
Address	Not applicable
Website	Not applicable
E-mail address	Not applicable
Telephone Number	Not applicable
Contact Person Details	Not applicable

(g) **Arrangers**

Name	Not Applicable
Logo	Not Applicable
Address	Not Applicable
Website	Not Applicable
E-mail address	Not Applicable
Telephone Number	Not Applicable
Contact Person Details	Not Applicable

6.7 **About the Issuer**

(A) brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information)

(a) ***Overview of the business of the Issuer***

UGRO Capital limited is a listed (NSE, BSE), MSME fintech platform. UGRO Capital's mission is 'Solve the Unsolved' - Small Business Credit Need with its omnichannel distribution model combining physical and digital journey of the customer. The Company envisions to spearhead India's transition of MSME lending market to the new age of on-tap financing.

Technology underpins every aspect of UGRO's lending process, from API integrations, sectoral and sub-sectoral statistical scorecards, state-of-the-art AI/ML credit underwriting engine combining bank, bureau and GST statement analysers, automated policy approvals, and machine learning OCR technology. Company's GRO Extreme platform empowers fintech and other institutional platforms to deepen their distribution reach through a plug and play API driven seamless integration with UGRO. The Company has also developed full tech stack to fully automate the complete life cycle of a loan right from origination to collection during the entire customer journey from Gro X.

UGRO Capital lends to select 8 sectors & Micro-Enterprises basis an extensive study of macro and micro economic parameters of 180+ sectors carried out in conjunction with market experts like CRISIL.

The Company raised upto ₹ 1261 crore of capital from marquee Private Equity Investors, family Offices from the year 2018 to till date.

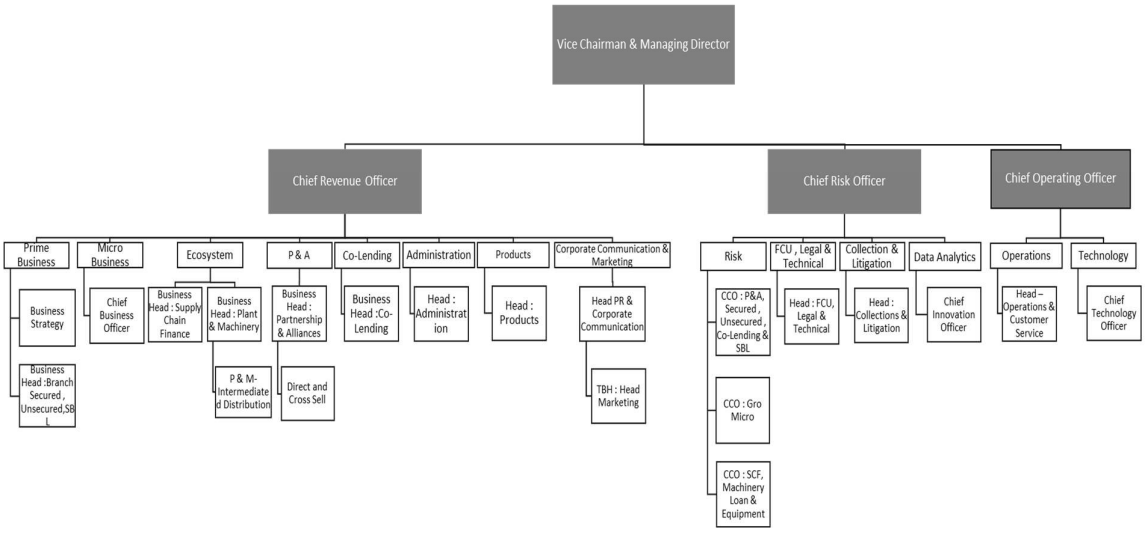
As on the date of this Placement Memorandum, the Company has 109 branches in India.

Details of the branches of the Company is set out more particularly in detail in the **Annexure XIV** of this Placement Memorandum.

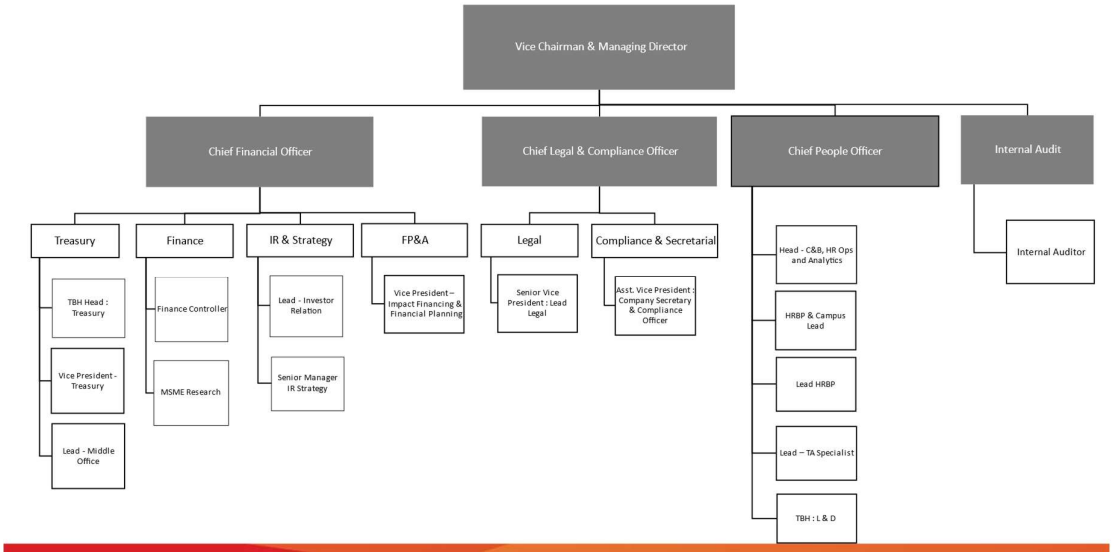
The Company does not have any holding or subsidiary company.

(b) ***Corporate Structure of the Issuer***

The graphic description/organogram of the corporate structure of the Issuer is as follows:



Executive Committee supported by strong second layer of management



(c) ***Project cost and means of financing, in case of funding of new projects:*** Not applicable

6.8 Financial Information

(a) ***A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the placement memorandum or issue opening date, as applicable***

Please refer Section 5 of this Placement Memorandum and **Annexure V** for the audited financial results of the Issuer for the year ended March 31, 2023 and audited financial statements of the Issuer for the year ended March 31, 2022 and March 31, 2021 and the limited review financial statements for the period ended 30th September 2023, along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(b) ***Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:***
i. The issue is made on the EBP platform irrespective of the issue size; and
ii. The issue is open for subscription only to Qualified Institutional Buyers

N.A.

(c) ***The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.***

Please refer **Annexure V** for the audited financial results of the Issuer for the year ended March 31, 2023 and audited financial statements of the Issuer for the year ended March 31, 2022 and March 31, 2021 and the limited review financial statements for the period ended 30th September 2023, along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(d) ***Key Operational and Financial Parameters on a consolidated basis and standalone basis (in INR, in Lakh)***

Standalone basis

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Audited	Audited	Audited	Audited
Balance Sheet				
Net Fixed Assets	15,767.59	12,113.69	6,159.55	4,013.34
Current Assets*		-	-	-
Non-current Assets*		-	-	-
Financial assets	5,06,643.67	4,07,827.81	2,70,849.81	1,65,396.90
Other financial assets	1,670.89	2,531.23	789.62	680.88
Current tax assets (net)	210.86	203.78	164.23	-
Deferred tax assets (net)	1,994.05	2,547.36	4,381.63	4,293.55
Other non-financial assets	6,781.72	5,334.81	3,077.73	1,093.91
Total Assets	**5,33,068.78**	**4,30,558.68**	**2,85,422.56**	**1,75,478.58**
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)*		-	-	-
deferred tax liabilities (net)		-	-	-
Current liabilities Other current liabilities*		-	-	-
Trade Payables	293.99	1,411.55	682.05	325.61
Debt securities	1,03,644.88	1,14,434.45	70,376.77	31,557.55

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Borrowings (other than debt securities)	2,76,175.78	2,00,459.00	1,09,807.09	45,011.94
Other financial liabilities	7,348.89	7,744.12	4,722.81	2,118.22
Other non-current liabilities*			-	-
Current tax liabilities (net)	2,588.86	1,567.77	126.07	144.13
Provisions	5,274.60	5,776.71	2,687.22	939.67
Other non-financial liabilities	638.63	760.77	364.23	137.64
Equity share capital	9,126.03	6,932.11	7,055.94	7,052.86
Other equity	1,27,977.12	91,472.20	89,600.38	88,190.96
Total equity and liabilities	**5,33,068.78**	**4,30,558.68**	**2,85,422.56**	**1,75,478.58**
Profit and Loss				
	For the period ended Sep 30, 2023	**As at Mar 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Total revenue from operations	45,784.03	65,645.37	30,727.46	14,981.07
Other income	1,413.97	2,730.91	614.13	352.77
Total revenue	47,198.00	68,376.28	31,341.59	15,333.84
Total Expenses	39,553.82	59,993.44	29,323.81	14,120.93
Profit / (loss) before tax	7,644.18	8,382.84	2,017.78	1,212.91
Profit / (loss) after tax	5,412.86	3,977.64	1,455.06	2,872.75
Other comprehensive income	(122.77)	15.10	24.58	13.60
Total comprehensive income	5,290.09	3,992.74	1,479.64	2,886.35
Earnings per equity share: Basic; (Continuing operations)	6.23	5.69	2.06	4.07
Earnings per equity share: Diluted (Continuing operations)	6.16	5.66	2.05	4.07
Earnings per equity share: Basic (Discontinued operations)	N.A	N.A.	N.A	N.A
Earnings per equity share: Diluted (Discontinued operations)	N.A	N.A.	N.A	N.A
Earnings per equity share: Basic (Total Continuing and discontinued operations)	6.23	5.69	2.06	4.07
Earnings per equity share: Diluted (Total Continuing and discontinued operations)	6.16	5.66	2.05	4.07
Cash Flow				
	As at Sep 30, 2023	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Net cash generated from / (used in) operating activities	(62,127.47)	(1,22,042.82)	-1,13,181.68	-34,712.06
Net cash (used in) / generated from investing activities	(13,807.78)	(8,454.20)	4,137.95	-4,591.74
Net cash generated from financing activities	97,347.14	1,27,936.85	1,03,253.11	50,794.69

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	25,426.66	4,014.77	6,574.94	12,365.55
Balance as per statement of cash flows	25,426.66	4,014.77	6,574.94	12,365.55
Additional information				
Net worth	1,37,103.15	98,404.31	96,656.32	95,243.82
Cash and Cash Equivalents	25,426.66	4,014.77	6,574.94	12,365.55
Current Investments*	-	-	-	-
Total Investments	5,876.53	6,010.69	6,943.99	5,522.75
Assets Under Management	7,592.41	6,080.71	2,968.91	1,316.88
Off Balance Sheet Assets	3,404.86	2,442.25	514.97	11.18
Total Debts to Total assets (times)	0.71	0.73	0.63	0.44
Debt Service Coverage Ratios (times)	N/A	N/A	N/A	N/A
Interest Income	33,335.54	48,291.34	27,215.28	14,683.43
Interest Expense	19,808.31	29,327.40	13,738.92	4,456.24
Interest service coverage ratio (times)	N/A	N/A	N/A	N/A
Provisioning & Write-offs	4,549.34	5,679.99	2,941.54	1,961.71
Bad debts to Account receivable ratio (times)	N/A	N/A	N/A	N/A
Gross NPA (%)	2.85%	2.46%	2.28%	2.72%
Net NPA (%)	1.52%	1.31%	1.70%	1.75%
Tier I Capital Adequacy Ratio (%)	24.20%	19.63%	33.61%	65.15%
Tier II Capital Adequacy Ratio (%)	0.64%	0.60%	0.76%	0.40%

***** 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.

Thus, assets and liabilities are classified into Financial and Non-Financial as per the above guidelines and hence neither assets nor liabilities are classified into Current and Non-Current.

Consolidated basis: Not applicable, as the Issuer does not maintain financial statements on a consolidated basis.

(e) ***Debt: Equity Ratio of the Issuer***

Before the issue as on 30th September 2023	2.77
After the issue	2.81

6.9 **Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:**

Nil

6.10 **A brief history of the Issuer since its incorporation giving details of its following activities:**

(a) ***Details of Share Capital as on last quarter end, i.e., September 30, 2023:***

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on September 30, 2023:

(In ₹, except for share data)

Particulars	Amount in (₹)
AUTHORISED SHARE CAPITAL	
10,45,00,000 Equity Shares of face value of ₹ 10 each	104,50,00,000
2,05,00,000 preference shares of face value of ₹ 10 each	20,50,00,000
TOTAL	**125,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
9,24,98,482 Equity Shares of face value of ₹ 10 each	92,49,84,820
Nil preference shares of face value of ₹ 10 each	Nil
TOTAL	**92,49,84,820**
Securities Premium Account^	**1064,27,62,066.90**

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

^Includes securities premium received on account of issuance of equity share capital and preference share capital of our Company net-off applicable Ind AS adjustments as of September 30, 2023.

(b) ***Changes in its capital structure as on last quarter end i.e., September 30, 2023 for the last three 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.

**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 the current financial year.*

(c) ***Equity Share Capital History of the Company for the last three years and current financial year as on 15th January 2024:***

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:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative			Remarks
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)	
Opening Balance as on April 1, 2020						**7,05,28,550**	**70,52,85,500**	**7,76,73,44,826**	**Nil**
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	Nil
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	Nil
May 17, 2023	1,52,38,095	10	157.50	Cash	Allotment pursuant to Preferential	9,24,08,739	92,40,87,390	10,95,74,64,306	Nil

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative			Remarks
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)	
					Allotment				
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	Nil
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	Nil
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	Nil
November 23, 023	6,700	10	173.85	Cash	Allotment pursuant to ESOP	9,25,48,532	92,54,85,320	10,97,45,58,051	Nil
	3,350	10	137.40	Cash					Nil

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative			Remarks
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)	
	20,000	10	130	Cash	2017 (5)				Nil
	20,000	10	130	Cash					Nil
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	Nil
Closing Balance as on 15th January 2024#						9,25,99,839	92,59,98,390	10,98,07,14,891	Nil

(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 50050 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(6) Allotment of 51307 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

 # The closing balance as on 15th January 2024 is not adjusted with share issue expense and other adjustments.

(d) ***Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:*** *Nil*

(e) ***Details of any Reorganization or Reconstruction in the last 1 (one) year:*** *Nil*

(f) ***Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations****:* The shareholding pattern of the Issuer as of September 30, 2023, prepared in accordance with the LODR Regulations is set out in **Annexure XII** of this Placement Memorandum.

(g) ***List of top 10 holders of equity shares of the Company as on 30th September 2023*:**

S. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Danish Sustainable Development Goals Investment Fund K S	1,52,38,095	1,52,38,095	16.47
2.	Clearsky Investment Holdings Pte Limited	1,51,16,279	1,51,16,279	16.34
3.	NewQuest Asia Investments III Limited	1,51,16,279	1,51,16,279	16.34
4.	Samena Fidem Holdings	59,56,757	59,56,757	6.44
5.	Poshika Advisory Services LLP	20,27,709	20,27,709	2.19
6.	SBI Life Insurance Co. Limited	17,37,400	17,37,400	1.88
7.	Go Digit General Insurance Limited	15,32,692	15,32,692	1.66
8.	Suresh Kumar Agarwal	15,00,000	15,00,000	1.62
9.	Suryavanshi Commotrade Private Limited	14,45,936	14,45,936	1.56
10.	Employee Benefit Trust	12,38,252	12,38,252	1.34
TOTAL		**6,09,09,399**	**6,09,09,399**	**65.85**

6.11 **Following details regarding the directors of the Company:**

(a) ***Details of the current directors of the Company:***

This table sets out the details regarding the Company's Board of Directors as on date of this Placement Memorandum:

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships	Whether willful defaulter (Yes / No)
Satyananda Mishra ***Designation*:** Non-Executive Chairman (Independent Director) **DIN:** 01807198	75	D-138, Second Floor, Defence Colony, New Delhi - 110 024	July 05, 2023(1)	• Invesco Trustee Private Limited; • SME Mavens Private Limited; • Paradeep Phosphates Ltd; and	**No**

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships	Whether willful defaulter (Yes / No)
				• India International Depository IFSC Limited; • National Foundation for India.	
Shachindra Nath ***Designation*:** Vice Chairman & Managing Director **DIN:** 00510618	52	Villa, GV-65, The Palm Springs, Sector - 54, DLF Golf Course Road, Gurgaon - 122 002	June 22, 2023(2)	• Livfin India Private Ltd; • Poshika Financial Ecosystem Private Limited; • Poshika Advisory Services LLP; • Qwazent Talent Solutions Private Limited	**No**
Karuppasamy Singam ***Designation*:** Independent Director **DIN:** 03632212	69	A-1301, Monarch Ashar Residency, Thane - 400610, Maharashtra, India	July 05, 2023(3)	-	**No**
Sekar Karnam ***Designation*:** Independent Director **DIN:** 07400094	63	House no. 72, Hi Rise KVR Paradise Bachupally Mallampet, Medchalmalkajgiri, Telangana - 500 090	February 08, 2022	• INCRED Financial Services Limited; • INCRED Prime Finance Limited; • INCRED Holdings Limited	**No**
Hemant Bhargava ***Designation*:** Independent Director **DIN:** 01922717	64	C -1709, Satyen Nivaasa, Mangalam Radiance, Near Fern Hotel, Jaipur- 302018	February 08, 2022	• SMC Global Securities Limited; • ITC Limited; and	**No**

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships	Whether willful defaulter (Yes / No)
				• Larsen And Toubro Limited.	
Rajeev Krishnamuralilal Agarwal ***Designation*:** Independent Director **DIN:** 07984221	65	30, Punam, Hyderabad Estate, Nepeansea Road, PDP Park, Malabar Hill, Mumbai - 400006	July 05, 2023(4)	• ACC Limited; • Star Health and Allied Insurance Company Limited; • Trust Asset Management Private Limited; • MK Ventures Capital Limited.	**No**
Amit Gupta ***Designation*:** Nominee Director **DIN:** 02282600	47	341 Bukit Timah Road, #05-02 Honolulu Tower, Singapore 259719	July 05, 2018(5)	-	**No**
Chetan Kulbhushan Gupta ***Designation*:** Nominee Director **DIN:** 07704601	43	Flat - Gt.3-2404, Emirates Hill, Po Box 126229, Dubai	November 02, 2018(6)	• Imperativ Hospitality Private Limited; • SC India Manager Private Limited.	**No**
Manoj Kumar Sehrawat ***Designation*:** Nominee Director **DIN:** 02224299	50	22 Bayshore Road, #01-08, The Bayshore Singapore – 469970	July 05, 2018(7)	• Micro Plastics Private Limited; • Amber Enterprises India Limited; and • Encore Asset Reconstruction Company Private Limited.	**No**
Deepa Agar Hingorani ***Designation*:** Nominee Director	53	68 Stevans Road #03-09 Singapore – 257856	May 18, 2023(8)	• DISA India Limited; • Roserve Enviro Private Limited	**No**

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships	Whether willful defaulter (Yes / No)
DIN: 00206310					
Tabassum Abdulla Inamdar ***Designation*:** Independent Director **DIN:** 07637013	57	703, Tower B, Imperial Heights, Motilal Nagar – 1, BEST Nagar, Opp. Fire Station, Goregaon West, Mumbai – 400104	August 01, 2023[9]	• INDIFI Capital Private Limited; • Franklin Templeton Asset Management (India) Private Limited; • INDIFI Technologies Private Limited.	**No**

(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) Amit Gupta is nominee director from NewQuest Asia Investment III Limited.

(6) Chetan Kulbhushan Gupta is a nominee director from Samena Fidem Holdings

(7) Manoj Kumar Sehrawat is a nominee director from Clearsky Investment Holding Pte. Ltd.

(8) Deepa Agar Hingorani is a nominee director from Danish Sustainable Development Goals Investment Fund K/S.

(9) Tabassum Abdulla Inamdar is a Non-Executive & Independent Director of the Company.

(b) ***Details of change in directors since last three years:***

NAME	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE	REMARKS
Abhijit Ghosh	Whole Time Director & Chief Executive Officer	07935397	05/07/2018	30/04/2021	30/04/2021	Resignation
Navin Kumar Maini	Independent Director	00419921	05/07/2018	08/02/2022	08/02/2022	Resignation
Ranjana Agarwal	Independent Director	03340032	05/07/2018	08/02/2022	08/02/2022	Resignation
Navin Puri	Independent	08493643	07/08/2019	08/02/2022	08/02/2022	Resignation

NAME	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE	REMARKS
	Director					
Kanak Kapur	Non-Executive Director	03299278	07/08/2019	02/11/2021	02/11/2021	Resignation
Nisheeth Saran	Alternate Director to Mr. Kanak Kapur	03037307	20/05/2020	02/11/2021	02/11/2021	Resignation as an Alternate Director to Mr. Kanak Kapur
Karnam Sekar	Independent Director	07400094	08/02/2022	-	-	-
Hemant Bhargava	Independent Director	01922717	08/02/2022	-	-	-
Smita Aggarwal	Independent Director	01478327	31/03/2022	-	04/07/2023	Resignation as an Independent Director
Abhijit Sen	Independent Director	00002593	05/07/2018	04/07/2023	-	completion of term
Deepa Agar Hingorani	Non-Executive (Nominee) Director	00206310	18/05/2023	-	-	-
Tabassum Abdulla Inamdar	Independent Director	07637013	01/08/2023	-	-	-

Note: This does not include changes such as regularisations or change in designations.

6.12 **Following details regarding the auditors of the Issuer:**

(a) ***Details of the auditor of the Issuer:***

NAME OF THE AUDITOR	ADDRESS	AUDITOR SINCE
M/s Sharp & Tannan Associates	87, Nariman Bhavan, 227 Nariman Point, Mumbai (Bombay) 400021	08.08.2023

(b) ***Details of change in auditors since last three years:***

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE
M/s Sharp & Tannan Associates	87, Nariman Bhavan, 227	08.08.2023	N.A.	N.A.

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE
	Nariman Point, Mumbai (Bombay) 400021			
M/s M S K A & Associates, Chartered Accountant	Floor 3, Enterprise Centre, Nehru Road Near Domestic Airport, Vile Parle (E) Mumbai - 400099	12.08.2020	08.08.2023	N.A.

6.13 **Details of borrowings of the Company, as at the end of the last quarter or if available, a later date:**

The information set out in (a) to (f) below has been disclosed as of September 30, 2023.

(a) Details of Outstanding Secured Loan Facilities: As on September 30, 2023

Our Company's total principal outstanding for secured borrowings as on September 30, 2023 amount to ₹ 2,25,197.00 lakh and the total amount outstanding for secured borrowings as on September 30, 2023 (as per Ind AS) is ₹ 2,21,927.78 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.	Canara Bank	03-Feb-20	Term Loan	1,000.00	350.00	15-Jun-25	Secured	CRISIL A-/Stable	Standard
2.	IDFC First Bank	03-Jul-20	Term Loan	4,000.00	1,222.22	31-Aug-24	Secured	CRISIL A-/Stable	Standard
3.	Manveeya Development Finance	03-Dec-20	Term Loan	4,000.00	364.00	30-Dec-23	Secured	NA	Standard
4.	AU Small Finance Bank	22-Dec-20	Term Loan	2,000.00	222.22	03-Jan-24	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
5.	State Bank of India	28-Dec-20	Term Loan	5,000.00	1,909.45	29-May-25	Secured	CRISIL A-/Stable	Standard
6.	Indian Bank	30-Dec-20	Term Loan	2,500.00	250.00	30-Dec-23	Secured	CRISIL A-/Stable	Standard
7.	ESAF Small Finance Bank	18-Feb-21	Term Loan	2,500.00	428.53	10-Mar-24	Secured	CRISIL A-/Stable	Standard
8.	MAS Financials Services Ltd	26-Mar-21	Term Loan	5,000.00	166.67	05-Oct-23	Secured	NA	Standard
9.	MAS Financials Services Ltd	26-Mar-21	Term Loan	2,000.00	500.00	25-Jun-24	Secured	NA	Standard
10.	Vivriti Capital Pvt Limited	30-Apr-21	Term Loan	2,500.00	383.33	13-Feb-24	Secured	CRISIL A-/Stable	Standard
11.	Kisetsu Saison	17-Jun-21	Term Loan	2,500.00	250.00	31-Dec-23	Secured	NA	Standard
12.	Canara Bank	03-Aug-21	Term Loan	2,500.00	1,750.00	25-Jan-27	Secured	CRISIL A-/Stable	Standard
13.	South Indian Bank	17-Aug-21	Term Loan	2,000.00	1,166.25	31-Aug-26	Secured	CRISIL A-/Stable	Standard
14.	Hinduja Leyland Finance Ltd	31-Aug-21	Term Loan	2,200.00	814.93	02-Sep-24	Secured	NA	Standard
15.	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	1,500.00	813.63	31-Mar-25	Secured	NA	Standard
16.	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	500.00	270.93	31-Mar-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
17.	Karnataka Bank	18-Sep-21	Term Loan	2,000.00	800.00	28-Jul-24	Secured	CRISIL A-/Stable	Standard
18.	Kisetsu Saison	23-Sep-21	Term Loan	2,500.00	500.00	15-Mar-24	Secured	NA	Standard
19.	Dhanlaxmi Bank Limited	28-Oct-21	Term Loan	1,000.00	642.86	30-Oct-25	Secured	CRISIL A-/Stable	Standard
20.	Nabkisan Finance Limited	23-Nov-21	Term Loan	2,000.00	1,166.67	01-May-25	Secured	NA	Standard
21.	Ujjivan Small Finance Bank	24-Nov-21	Term Loan	2,000.00	777.78	30-Nov-24	Secured	CRISIL A-/Stable	Standard
22.	TATA Capital	22-Dec-21	Term Loan	1,500.00	624.99	15-Nov-24	Secured	NA	Standard
23.	MAS Financials Services Ltd	24-Dec-21	Term Loan	5,000.00	629.90	25-Dec-24	Secured	NA	Standard
24.	Aditya Birla Finance Ltd	27-Dec-21	Term Loan	2,500.00	1,829.45	01-Jan-27	Secured	NA	Standard
25.	IDBI Bank	27-Dec-21	Term Loan	2,500.00	1,805.56	01-Jan-26	Secured	CRISIL A-/Stable	Standard
26.	Indian Bank	30-Dec-21	Term Loan	1,500.00	750.00	31-Dec-24	Secured	CRISIL A-/Stable	Standard
27.	Utkarsh Small Finance Bank	30-Dec-21	Term Loan	3,000.00	1,384.62	25-Mar-25	Secured	CRISIL A-/Stable	Standard
28.	Punjab and Sind bank	06-Jan-22	Term Loan	5,000.00	3,000.00	20-Dec-25	Secured	CRISIL A-/Stable	Standard
29.	Bandhan Bank Ltd	22-Feb-22	Term Loan	2,500.00	1,363.64	01-Mar-25	Secured	CRISIL A-/Stable	Standard
30.	IDFC First Bank	22-Feb-22	Term Loan	7,500.00	4,531.25	25-Feb-26	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
31.	Kotak Mahindra Bank Ltd	22-Feb-22	Term Loan	5,000.00	2,361.11	28-Feb-25	Secured	CRISIL A-/Stable	Standard
32.	ESAF Small Finance Bank	09-Mar-22	Term Loan	2,000.00	999.80	10-Mar-25	Secured	CRISIL A-/Stable	Standard
33.	Capital Small finance Bank	10-Mar-22	Term Loan	2,500.00	1,330.61	01-Mar-25	Secured	CRISIL A-/Stable	Standard
34.	Canara Bank	28-Mar-22	Term Loan	2,500.00	1,944.00	30-Mar-27	Secured	CRISIL A-/Stable	Standard
35.	State Bank of India	06-Apr-22	Term Loan	3,000.00	1,749.91	25-May-25	Secured	CRISIL A-/Stable	Standard
36.	State Bank of India	06-Apr-22	Term Loan	7,000.00	4,085.00	25-May-25	Secured	CRISIL A-/Stable	Standard
37.	State Bank of India	06-Apr-22	Term Loan	4,062.00	2,235.29	30-Apr-25	Secured	CRISIL A-/Stable	Standard
38.	Bank of Maharashtra	11-Apr-22	Term Loan	3,000.00	2,550.00	12-Nov-27	Secured	CRISIL A-/Stable	Standard
39.	DCB bank	21-Apr-22	Term Loan	2,500.00	1,458.33	30-Apr-25	Secured	CRISIL A-/Stable	Standard
40.	Jana Small Finance Bank	28-Apr-22	Term Loan	5,000.00	2,998.77	03-Oct-24	Secured	CRISIL A-/Stable	Standard
41.	STCI Finance Limited	18-May-22	Term Loan	3,000.00	2,200.00	30-Jun-27	Secured	NA	Standard
42.	SBM Bank India Ltd	30-May-22	Term Loan	2,000.00	1,111.11	30-May-25	Secured	CRISIL A-/Stable	Standard
43.	Hinduja Leyland Finance Ltd	16-Jun-22	Term Loan	1,700.00	1,055.77	22-Jun-25	Secured	NA	Standard
44.	HDFC Bank	22-Jun-22	Term Loan	1,000.00	222.22	01-Jan-24	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
45.	RBL Bank Limited	24-Jun-22	Term Loan	2,500.00	937.50	29-Jun-24	Secured	CRISIL A-/Stable	Standard
46.	Piramal Enterprises Limited	30-Jun-22	Term Loan	3,000.00	1,777.78	05-Jan-25	Secured	NA	Standard
47.	Suryoday Small Finance Bank	27-Jul-22	Term Loan	2,500.00	1,696.51	05-Aug-25	Secured	CRISIL A-/Stable	Standard
48.	Nabsamruddhi Finance Ltd	04-Aug-22	Term Loan	1,500.00	1,099.71	28-Feb-26	Secured	NA	Standard
49.	CapriGlobal	18-Aug-22	Term Loan	2,500.00	900.00	15-Mar-25	Secured	NA	Standard
50.	Union Bank of India	19-Sep-22	Term Loan	2,500.00	2,105.26	30-Sep-27	Secured	CRISIL A-/Stable	Standard
51.	Indian Bank	20-Sep-22	Term Loan	2,500.00	1,668.00	15-Sep-25	Secured	CRISIL A-/Stable	Standard
52.	Central Bank of India	21-Sep-22	Term Loan	5,600.00	5,040.00	30-Mar-28	Secured	CRISIL A-/Stable	Standard
53.	Central Bank of India	21-Sep-22	Term Loan	1,900.00	1,805.00	30-Apr-28	Secured	CRISIL A-/Stable	Standard
54.	Kisetsu Saison	29-Sep-22	Term Loan	2,000.00	1,000.00	15-Sep-24	Secured	NA	Standard
55.	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,500.00	1,041.67	31-Oct-25	Secured	CRISIL A-/Stable	Standard
56.	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,000.00	961.54	31-Oct-25	Secured	CRISIL A-/Stable	Standard
57.	UCO Bank	21-Nov-22	Term Loan	5,000.00	4,166.67	31-May-27	Secured	CRISIL A-/Stable	Standard
58.	SIDBI	24-Nov-22	Term Loan	10,000.00	8,200.00	10-Nov-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
59.	Jana Small Finance Bank	26-Dec-22	Term Loan	3,500.00	2,625.00	03-Jan-25	Secured	CRISIL A-/Stable	Standard
60.	Bandhan Bank Ltd	28-Dec-22	Term Loan	5,000.00	4,166.67	29-Dec-25	Secured	CRISIL A-/Stable	Standard
61.	Shriram Housing Finance	30-Dec-22	Term Loan	2,000.00	1,527.01	05-Jul-25	Secured	NA	Standard
62.	Canara Bank	16-Jan-23	Term Loan	7,500.00	7,500.00	23-Jan-28	Secured	CRISIL A-/Stable	Standard
63.	IDFC First Bank	17-Jan-23	Term Loan	6,000.00	4,666.67	31-Jan-26	Secured	CRISIL A-/Stable	Standard
64.	IDFC First Bank	17-Jan-23	Term Loan	4,000.00	3,555.56	18-May-26	Secured	CRISIL A-/Stable	Standard
65.	State Bank of India	07-Feb-23	Term Loan	20,000.00	18,000.00	23-Feb-28	Secured	IND A/Stable	Standard
66.	Karur Vysya Bank	21-Mar-23	Term Loan	2,500.00	2,343.75	05-Apr-27	Secured	IND A/Stable	Standard
67.	Bank of Maharashtra	27-Apr-23	Term Loan	5,000.00	4,750.00	12-Jun-28	Secured	IND A/Stable	Standard
68.	HDFC Bank	27-Apr-23	Term Loan	5,000.00	2,187.50	06-May-25	Secured	IND A/Stable	Standard
69.	TATA Capital	27-Apr-23	Term Loan	1,500.00	1,333.33	05-May-26	Secured	NA	Standard
70.	IREDA	02-May-23	Term Loan	24,900.00	23,655.00	30-Jun-28	Secured	IND A/Stable	Standard
71.	SIDBI	18-May-23	Term Loan	10,000.00	10,000.00	10-May-26	Secured	IND A/Stable	Standard
72.	Piramal Enterprises Limited	28-Jun-23	Term Loan	4,000.00	3,733.33	02-Jan-26	Secured	NA	Standard
73.	Woori Bank	28-Jun-23	Term Loan	2,500.00	2,282.61	30-Jun-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
74.	IDBI Bank	20-Jul-23	Term Loan	2,500.00	2,500.00	01-Sep-28	Secured	IND A/Stable	Standard
75.	Canara Bank	21-Jul-23	Term Loan	5,000.00	5,000.00	31-Jul-28	Secured	IND A/Stable	Standard
76.	Canara Bank	21-Jul-23	Term Loan	5,000.00	5,000.00	28-Aug-28	Secured	IND A/Stable	Standard
77.	Union Bank Of India	08-Aug-23	Term Loan	5,000.00	5,000.00	31-Aug-28	Secured	IND A/Stable	Standard
78.	Maharashtra Gramin Bank	14-Aug-23	Term Loan	2,500.00	2,500.00	31-Aug-28	Secured	CRISIL A-/Stable	Standard
79.	UCO BANK	20-Sep-23	Term Loan	10,000.00	10,000.00	30-Sep-26	Secured	CRISIL A-/Stable	Standard
80.	Ponawala Fincorp	26-Sep-23	Term Loan	5,000.00	5,000.00	05-Oct-26	Secured	NA	Standard
81.	Indian Bank	27-Sep-23	Term Loan	6,000.00	6,000.00	30-Sep-27	Secured	IND A/Stable	Standard
82.	Kotak Mahindra Bank Ltd	30-Sep-23	Term Loan	2,500.00	2,500.00	30-Sep-24	Secured	CRISIL A-/Stable	Standard

(b) ***Details of Outstanding Unsecured Loan Facilities: as on the quarter ended September 30, 2023***

Our Company's total principal amount outstanding for unsecured borrowings as on September 30, 2023 amount to ₹ 23,796.67 lakh and the total amount outstanding for unsecured borrowings as on September 30, 2023 (as per Ind AS) amount to ₹ 23,345.09 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)	Northern Arc	02-Feb-22	Term Loan	5,000.00	1,250.00	05-Feb-24	N.A.

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
2)	Vivriti Capital Pvt Limited	14-Mar-22	Term Loan	1,000.00	400.00	21-Sep-24	N.A.
3)	Vivriti Capital Pvt Limited	22-Sep-22	Term Loan	1,800.00	1,080.00	27-Mar-25	N.A.
4)	Vivriti Asset Management	17-Mar-22	NCD	1,000.00	666.67	31-Dec-24	ACUITE A
5)	Indian Bank	13-Jul-23	CP	2,500.00	2,500.00	12-Jan-24	CRISIL A1
6)	Northern Arc	29-Aug-23	CP	4,000.00	4,000.00	23-Feb-24	IND A1
7)	The Greater Bombay Co-op Bank Ltd	19-Apr-23	CP	1,000.00	1,000.00	28-Mar-24	CRISIL A1
8)	The Kangra Central Coop Bank	10-Mar-23	CP	1,500.00	1,500.00	07-Mar-24	CRISIL A1
9)	Unity Small Finance Bank	03-Jul-23	CP	3,000.00	3,000.00	03-Oct-23	CRISIL A1
10)	Unity Small Finance Bank	25-Jul-23	CP	2,000.00	2,000.00	23-Oct-23	CRISIL A1

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
11)	Northern ARC	28-Sep-23	Term Loan	5,000.00	5,000.00	06-Oct-25	N.A.
12)	Deogiri/Pusad/Pune/Vima Coop Bank	25-Sep-23	CP	1,400.00	1,400.00	26-Mar-24	IND A1

(c) Details of Outstanding Non-Convertible Securities: as on the quarter ended September 30, 2023

Series of NCS	Tenor (in Yrs)	Coupon	Principal O/s Amt on Sept 23	Date of Allotment	Maturity Date	Credit Rating	Secured /unsecured	Security
INE583D07109	3.8	11.55%	16.67	26-Mar-21	31-Dec-24	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07174	2.3	10.03%	16.67	15-Nov-21	16-Feb-24	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07190	6.0	11.30%	46.00	17-Dec-21	17-Dec-27	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07208	6.0	11.30%	26.00	26-Dec-21	29-Dec-27	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07216	6.0	11.30%	35.00	10-Jan-22	12-Jan-28	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07224	3.0	10.25%	25.00	20-Jan-22	19-Jan-25	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D08024	2.8	11.50%	6.67	17-Mar-22	31-Dec-24	ACUITE A	Unsecured	Unsecured
INE583D07232	3.2	11.70%	50.00	29-Mar-22	29-May-25	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07240	1.5	10.00%	20.40	5-May-22	05-Nov-23	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07257	2.3	10.15%	7.80	5-May-22	05-Aug-24	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07265	3.0	10.40%	44.01	5-May-22	05-May-25	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07273	1.7	9.45%	30.00	23-May-22	23-Jan-24	ACUITE PPMLD A	Secured	Exclusive first charge over specific pool of receivables
INE583D07281	1.3	10.25%	25.00	15-Jul-22	15-Oct-23	ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07273	1.4	9.45%	50.00	23-Aug-22	23-Jan-24	ACUITE PPMLD A	Secured	Exclusive first charge over specific pool of receivables
INE583D07323	2.0	10.35%	25.00	29-Aug-22	29-May-24	CRISIL A-	Secured	Exclusive first charge over specific pool of receivables

Series of NCS	Tenor (in Yrs)	Coupon	Principal O/s Amt on Sept 23	Date of Allotment	Maturity Date	Credit Rating	Secured /unsecured	Security
INE583D07299	1.5	10.15%	39.17	28-Sep-22	28-Mar-24	CRISIL A- & ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07307	2.3	10.35%	11.55	28-Sep-22	28-Dec-24	CRISIL A- & ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07315	3.0	10.50%	49.28	28-Sep-22	28-Sep-25	CRISIL A- & ACUITE A	Secured	Exclusive first charge over specific pool of receivables
INE583D07273	1.7	8.75%	50.00	27-Sep-22	23-Jan-24	ACUITE PPMLD A	Secured	Exclusive first charge over specific pool of receivables
INE583D07331	3.4	10.00%	25.00	19-Dec-22	15-Apr-26	CRISIL PPMLD A-	Secured	Exclusive first charge over specific pool of receivables
INE583D07349	1.5	10.00%	20.00	24-Feb-23	24-Aug-24	CRISIL A-	Secured	Exclusive first charge over specific pool of receivables
INE583D07356	3.0	10.50%	50.00	8-Mar-23	08-03-2026	CRISIL A-	Secured	Exclusive first charge over specific pool of receivables
INE583D07364	1.5	10.25%	20.83	6-Jun-23	06-Dec-24	IND A1	Secured	Exclusive first charge over specific pool of receivables
INE583D07372	1.5	8.56%	50.00	18-Sep-23	18-03-2025	IND A1	Secured	Exclusive first charge over specific pool of receivables
INE583D07380	3.0	10.50%	28.00	25-Sep-23	26-09-2026	NA	Secured	Exclusive first charge over specific pool of receivables

(d) List of Top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on September 30, 2023

Name of holders	Amt O/s (Rs. in Crs)	% Of Total Outstanding
UTI International Wealth Creator 4	107.00	13.93%
Vivriti Alpha Debt Fund	69.00	8.98%
S K Finance Limited	50.00	6.51%
GMO-Z.Com Payment Gateway India Credit Fund	28.00	3.65%
The Kangra Central Co-Op Bank Ltd	25.00	3.25%
Northern Arc Capital Limited	25.00	3.25%
Vivriti Short Term Bond Fund	23.37	3.04%
Ajanta Pharma Limited	15.00	1.95%
Vivriti Emerging Corporate Bond Fund	6.00	0.78%
Capri Global Holdings Private Limited	5.50	0.72%

(e) Details of outstanding commercial paper as at the end of the last quarter in the following format:

The principal amount outstanding for commercial papers issuances as on September 30, 2023 is ₹ 15,400.00 lakh and the total amount outstanding as on September 30, 2023 (as per Ind AS) is ₹ 14,998.87 lakh, the details of which are set forth below:

Sr. No.	Series of NCS	ISIN of Commercial Paper	Tenor/ Period of Maturity	Coupon	Amount outstanding (in ₹ lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.
1)	CP 19	INE583D14204	6	9.65%	1,500.00	10-Mar-23	07-Mar-24	CRISIL A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit rating agency: CRISIL Rating Limited
2)	CP 21	INE583D14220	6	9.25%	1,000.00	19-Apr-23	28-Mar-24	CRISIL A1	Unsecured	N.A.	Issuing and paying agent: YES

											Bank Limited Credit rating agency: CRISIL Rating Limited
3)	CP 23	INE583D14246	12	9.25%	3,000.00	3-Jul-23	03-Oct-23	CRISIL A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit rating agency: CRISIL Rating Limited
4)	CP 24	INE583D14253	12	9.50%	2,500.00	13-Jul-23	12-Jan-24	CRISIL A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit ratin

											g agency: CRISIL Rating Limited
5)	CP 25	INE583D14261	3	9.25%	2,000.00	25-Jul-23	23-Oct-23	CRISIL A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit rating agency: CRISIL Rating Limited
6)	CP 26	INE583D14279	3	9.90%	4,000.00	29-08-2023	23-02-2024	IND A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit rating agency: India Ratings and

											Research Private Limited
7)	CP 27	INE583D14287	6	8.80 %	1,400.00	25-Sep-23	26-03-2024	IND A1	Unsecured	N.A.	Issuing and paying agent: YES Bank Limited Credit rating agency: India Ratings and Research Private Limited

(f) ***Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares), as on September 30, 2023:***

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Security
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

6.14 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:** Nil

6.15 **Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials**

S. NO.	PARTICULARS OF DISCLOSURE	DETAILS

1.	**Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC**	**Lending Policy**: Please refer Section 9. **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc**: Please refer Section 9. **Classification of loans into several maturity profile denomination**: Please refer Section 9. **Aggregated exposure to top 20 borrowers**: Please refer Section 9. **Details of loans, overdue and classified as Non-performing assets (NPA)**: Please refer Section 9.
2.	**Details of borrowings made by NBFC**	**Portfolio Summary of borrowings made by NBFC**: Please refer Section 9. **Quantum and percentage of Secured vs. Unsecured borrowings**: Please refer Section 9.
3.	**Details of change in shareholding**	**Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India**: Please refer Section 9.
4.	**Disclosure of Assets under management**	**Segment wise break up and Type of loans**: Please refer Section 9.
5.	**Details of borrowers**	**Geographical location wise**: Please refer Section 9.
6.	**Details of Gross NPA**	**Segment wise**: Please refer Section 9.
7.	**Details of Assets and Liabilities**	**Residual maturity profile wise into several bucket**: Please refer Section 9.
8.	**Additional details of loans made by, Housing Finance Company**	N.A.
9.	**Disclosure of latest ALM statements to stock exchange**	Please refer Section 9.

6.16 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year:**

Nil

6.17 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities.**

Nil

6.18 **Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company:**

Nil

6.19 **Details of default and non-payment of statutory dues**

Nil

6.20 **The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.**

The Debenture Trustee for the proposed issuance of Debentures is Vardhman Trusteeship Private Limited. The Debenture Trustee has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

6.21 **If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document**

Not applicable

6.22 **Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention:** Please refer **Annexure VI** of this Placement Memorandum.

(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:***

(i) Interest and all other charges shall accrue based on an actual/actual basis.

(ii) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.

(iii) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.

(iv) If the Final Redemption Date or any other date on which the Debentures are redeemed in full (including in accordance with the provisions on early redemption under the DTD (please refer to the Section named "*Early Redemption*" in Section 8.1 (*Summary Terms*) of the Placement Memorandum)) falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

(b) ***Procedure and time schedule for allotment and issue of securities should be disclosed****:* Please refer Section 6.5 and Section 10.

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration****:* Please refer **Annexure VI**.

6.23 **Disclosures pertaining to wilful defaulter:**

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) ***Name of the bank declaring as a wilful defaulter:*** Not applicable

(ii) ***The year in which it was declared as a wilful defaulter:*** Not applicable

(iii) ***Outstanding amount when declared as a wilful defaulter:*** Not applicable

(iv) ***Name of the entity declared as a wilful defaulter:*** Not applicable

(v) ***Steps taken, if any, for the removal from the list of wilful defaulters:*** Not applicable

(vi) ***Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions:*** Not applicable

(vii) ***Any other disclosure as specified by the Board***: Not applicable

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: Not applicable

6.24 **Undertaking by the Issuer**: Please refer Section 7.1 of this Placement Memorandum.

6.25 **Risk Factors**: Please refer Section 4 of this Placement Memorandum.

6.26 **Attestation by Directors**: Please refer Section 7.3 of this Placement Memorandum.

6.27 **Disclosure in case of non-convertible preference shares**: Not Applicable.

6.28 **Other details:**

(a) ***Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability:***

(i) It is hereby clarified that as on the Effective Date, pursuant to the Companies (Share Capital and Debenture Rules), 2014, non-banking financial companies registered with the RBI are exempted from the requirement to maintain a debenture redemption reserve ("**DRR**") in case of privately placed debentures. As the Issuer is a non-banking financial company registered with the RBI, it is as on the Effective date, exempted from the requirement to maintain a DRR.

(ii) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Companies Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

(iii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation

of the DRR, the Issuer shall abide by such guidelines and shall do all such deeds, acts and things as may be required in accordance with Applicable Law.

(iv) Where applicable, the Issuer shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Issuer has transferred the required amount to the DRR at the end of each Financial Year.

(v) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within such time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

(b) ***Issue/instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines, etc.):***

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act, 2013 including the relevant notified rules thereunder, the Listed NCDs Master Circular, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in Payment:***

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 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 Unsecured Obligations are repaid.

(d) ***Delay in Listing:***

In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the date of allotment of the Debentures until the listing of the Debentures is completed.

(e) ***Delay in allotment of securities:***

(i) The Company 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 Listing Timelines Requirements**.**

(ii) The Debentures have been deemed to be allotted to the Debenture Holders on 24th January 2024 ("**Deemed Date of Allotment**"). All benefits relating to the Debentures are available to the Debenture Holders from the Deemed Date of Allotment.

(iii) If the Company fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the

Allotment Period ("**Repayment Period**").

(iv) If the Company fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) ***Issue details*:** Please refer Section 8 of this Placement Memorandum.

(g) ***Application process*:** The application process for the Issue is as provided in Section 10 of this Placement Memorandum.

(h) ***Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any*:** The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities), Rules, 2014 is provided as **Annexure XIII** of this Placement Memorandum. Please refer **Annexure XIII** of this Placement Memorandum for all disclosures required under the Companies (Prospectus and Allotment of Securities), Rules, 2014 are set out therein.

(i) ***Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project***: Not applicable.

6.29 **Details in case of non-convertible redeemable preference shares issue**: Not Applicable.

6.30 **Summary Terms**: Please refer Section 8.1 of this Placement Memorandum.

SECTION 7: UNDERTAKINGS AND DISCLOSURES BY THE ISSUER AND DIRECTORS

7.1 UNDERTAKING BY THE ISSUER

(a) Investors are advised to read the risk factors (set out in Section 4) 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 securities/Debentures have not been recommended or approved by the 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 'Risk factors' given on page number 19 under the section 'General Risks'.

(b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document/Placement Memorandum 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 the offer document/Placement Memorandum 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/Placement Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading.

(c) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

7.2 UNDERTAKING ON SECURITY

The Debentures to be issued are unsecured in nature and accordingly there are no assets over which security is proposed to be created to secure the Debentures.

7.3 ATTESTATION BY DIRECTORS

The directors of the Issuer hereby attest as follows:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder.

(b) The compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in the Offer document/Placement Memorandum.

(d) Whatever is stated in this form/Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form/Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(e) General Risk:

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Investment in non-convertible securities involve a degree of risk 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 4 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

On behalf of the Directors of the UGRO CAPITAL LIMITED:



Name: Shachindra Nath
Designation: Vice Chairman and Managing Director

SECTION 8: TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.90% XXX 2015.	10.25% UGRO 2026
Issuer	UGRO Capital Limited
Type of Instrument	Listed, rated, senior, unsecured, transferable, redeemable, non-convertible debentures
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or Subordinated)	Senior
Eligible Investors	As specified in Section 10.10 (*Eligible Investors*) of this Placement Memorandum.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	(a) The Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the SEBI Listing Timelines Requirements ("**Listing Period**"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the date of allotment of the Debentures until the listing of the Debentures is completed.
Rating of the Instrument	"IND A/Stable"
Issue Size	INR 50,00,00,000/- (Indian Rupees Fifty Crores only)
Minimum Subscription	100 (one hundred) Debentures bearing face value of INR 1,00,000/- (Indian Rupees One Lakh) each, and in multiples of 1 (one) Debenture(s) thereafter.
Option to retain oversubscription (Amount)	Not Applicable
Objects of the Issue / Purpose for which there is requirement of funds	The proceeds of the Issue will be utilized for the following purposes: • 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. The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue

	towards: (i) any capital market instrument such as equity and equity linked instruments or any other capital market related activities (whether directly or indirectly); (ii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iii) any speculative purposes; (iv) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21. 04.172/2023-24 dated April 3, 2023 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*"); and (v) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI applicable to non-banking financial companies).
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable.
Details of the utilization of the Proceeds	The proceeds of the Issue will be utilized for the following purposes: • 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. The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any capital market instrument such as equity and equity linked instruments or any other capital market related activities (whether directly or indirectly); (ii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iii) any speculative purposes; (iv) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21. 04.172/2023-24 dated April 3, 2023 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*"); and (v) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI

	and/or SEBI applicable to non-banking financial companies).
Coupon Rate	10.25% p.a. (ten point two five percent per annum) payable monthly
Early Redemption	Early Redemption of Debentures at the instance of the Company within 12 (twelve) months from the Deemed Date of Allotment ("**Lock-in Period**") is not permitted. In case of Early Redemption of the Debentures after the Lock-in Period and on any date before the Final Redemption Date (other than due to an Event of Default), Company may by issuing at least 45 (forty-five) days prior written notice to Debenture Trustee ("**Early Redemption Notice**") redeem the Debentures on any specified day prior to the Due Date on a pro rata basis and on payment of the Early Redemption Premium.
Early Redemption Premium	An amount calculated at a rate of 5% p.a. (five percent per annum) (over and above the Coupon Rate) of the total principal amount prepaid in case early redemption is exercised by Company after the Lock-in Period and on any date before the Final Redemption Date, not arising due to an Event of Default.
Coupon Type (Fixed/Floating)	Fixed
Step Up/Step Down Coupon	In the event, the credit rating of the Debentures is downgraded from the current rating of "IND A (Stable)" ("**Rating**") and/or the credit rating of the Company is downgraded from the current rating of "IND A" ("**Company Rating**") at any point of time during the tenor of the Debentures, the Coupon Rate shall increase by 0.25% (zero point two five percent) for each notch downgrade of 1 (one) notch from the rating of the Debentures and/or Company ("**Step Up Rate**"). Such increased rate of interest shall be applicable from the date of such downgrade ("**Step Up**"). Following the Step Up until the rating of the Debentures and/or Company is restored to the Rating and/or the Company Rating (as the case may be), if the rating of the Debentures and/or the Company is upgraded, the prevailing Step Up Rate shall be decreased by 0.25% (zero point two five percent) for each upgrade of 1 (one) notch from the rating of the Debentures and/or the Company (until the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be)) and such decreased rate of interest shall be applicable from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this provision cannot, in any case, be lower than the Coupon Rate. It is clarified that, if following the Step Up, the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be), then the interest shall be payable at the Coupon Rate, from the date that the relevant rating is restored. In case the Company has obtained rating in relation to the Debentures and/or the Company from more than one rating agency, the lowest rating issued by the rating agency in relation to the Debentures and/or the Company shall be considered for the purpose of increase in the Coupon Rate.
Coupon Payment Frequency	Monthly

Coupon Payment Dates	The interest on the Outstanding Principal Amounts shall accrue at the Coupon Rate from the Deemed Date of Allotment until Final Settlement Date and shall be payable on each Interest Payment Date. The illustrative interest payment schedule is set out in **Annexure VI**.
Cumulative / non cumulative, in case of dividend	Not Applicable.
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not applicable
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.
Interest on Application Money	(a) Interest at the rate of 12.00% p.a. (twelve point zero zero percent per annum) (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid by the Issuer on the Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit up to 1 (one) day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. (b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form.
Default Interest Rate	(a) In case of failure by the Company to list the Debentures within the Listing Period, additional interest at the rate of 1% p.a. (one percent per annum) over the Interest Rate on the Outstanding Principal Amounts, will be payable by the Company from the Deemed Date of Allotment until the listing of the Debentures. (b) In case of occurrence of Payment Default or an Event of Default, as per the terms of the Debenture Trust Deed, additional interest and the rate of 2% p.a. (two percent per annum) over the Interest Rate on the Outstanding Principal Amounts, will be payable by the Company from the date of such Payment Default or Event of Default till such Payment Default or Event of Default is cured. (c) In case of any breach in the performance of any of the Financial Covenants of this Issue, the Debenture Holders reserve the right to levy a penalty of a sum equivalent to 1% (one percent) of the Outstanding Amounts under the Debentures ("**Penalty for Breach**"). In such an event, the Issuer shall pay the Penalty for Breach to the Debenture Holders within 30 (thirty) calendar days from the date of such breach.

Tenor	26 (twenty-six) months and 25 (twenty-five) days from the Deemed Date of Allotment.
Redemption Date	18th April 2026, being 26 (twenty-six) months and 25 (twenty-five) days from the Deemed Date of Allotment.
Redemption Amount	INR 1,00,000/- (Indian Rupees One Lakh) per Debenture. The illustrative redemption schedule is set out in **Annexure VI**.
Redemption Premium / Discount	Not Applicable
Issue Price	INR 1,00,000/- (Indian Rupees One Lakh) per Debenture, aggregating to up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only).
Discount at which security is issued and the effective yield as result of such discount	Not applicable.
Put Date	Not Applicable.
Put Price	Not Applicable.
Call Date	Not Applicable.
Call Price	Not Applicable.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable.
Face Value	INR 1,00,000/- (Indian Rupees One Lakh only) per Debenture.
Minimum application and in multiples thereafter / Minimum bid lot	Minimum application shall not be less than 100 (one hundred) Debentures and in multiples of 1 (one) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	23rd January 2024
2. Issue Closing Date	23rd January 2024
3. Date of earliest closing of the issue, if any.	N.A.
4. Pay-in Date	24th January 2024
5. Deemed Date of Allotment	24th January 2024
Settlement Mode of the Instrument	RTGS / NEFT
Depository	NSDL and CDSL

Disclosure of Interest/Dividend/ redemption dates	Please refer **Annexure VI** below for the indicative cash flows.
Record Date	The date being 7 (seven) calendar days prior to each Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	**Representations and Warranties** Please refer Section 8.2.1 of this Placement Memorandum. **Financial Covenants** Please refer Section 8.2.2 of this Placement Memorandum. **Reporting Covenants** Please refer Section 8.2.3 of this Placement Memorandum. **Affirmative Covenants** Please refer Section 8.2.4 of this Placement Memorandum. **Negative Covenants** Please refer Section 8.2.5 of this Placement Memorandum.
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 Placement Memorandum	Not Applicable. The Debentures proposed to be issued are unsecured in nature.
Transaction Documents	Shall be as set out in Section 8.2 below.
Conditions precedent to Disbursement	(i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee. (ii) All corporate approvals from the board of directors, committees and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed. (iii) Execution of the Form PAS-4, Debenture Trustee Agreement and the Debenture Trust Deed, in a form and

	manner satisfactory to the Debenture Trustee shall have taken place. (iv) A copy of the letter from the RTA providing its consent to act as the Registrar for the issue of Debentures. (v) The Issuer shall have uploaded the Placement Memorandum and the term sheet on the electronic book platform within the timelines set out under applicable Law. (vi) Rating of the Debentures being completed and the rating agency having provided a minimum rating of "IND A (Stable)" for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee. (vii) The Company shall have obtained the Debenture Trustee Consent Letter from the Debenture Trustee. (viii) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:- (a) the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; (b) the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded; and (c) no Material Adverse Effect has occurred in the Company, and/or the business of the Company. (ix) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Company, in a form and substance satisfactory to the Debenture Trustee, with respect to: (a) incumbency and signatures; (b) absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect; (c) all representations and warranties contained in this Placement Memorandum are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and (d) the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year. (x) Due execution of the Depository Agreements by, inter-alia, the Depository and the Company. (xi) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company. (xii) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements.

	(xiii) The Company shall have submitted to the Debenture Trustee, its audited account statements along with independent auditor's report of the Company for the financial year ended on 31st March 2023. (xiv) The Issuer shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures. (xv) A copy of the e-Form MGT-14 filed with the Registrar of Companies with respect to the board resolution or shareholders' resolution (as applicable and if required under the Act) passed for the issue of Debentures. (xvi) The Issuer shall have obtained due-diligence certificate from the Debenture Trustee. (xvii) The Issuer shall have complied with all the provisions of the SEBI Debenture Trustees Master Circular in relation to compliance with distributed ledger technology requirements. (xviii) The Issuer shall have obtained the International Securities Identification Number (ISIN) in respect of the Debentures. (xix) Payment of all fees and stamp duty under the Transaction Documents executed is done to the satisfaction of the Debenture Trustee. (xx) The Company shall provide such other information, documents, certificates, opinions and instruments as the Debenture Holder may reasonably request.
Conditions Subsequent to Disbursement	Company shall fulfil each of the following conditions within the stipulated timelines: (i) The Company shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 3 along with requisite fee within the timelines prescribed by the Act and rules framed thereunder. (ii) Certified true copy of the board resolution for the allotment of the Debentures, within 2 (two) Business Days of the Deemed Date of Allotment. (iii) Copy of Form PAS-5 being maintained by the Company in accordance with the Act, where the Company has recorded the names of the subscribers to the Debentures within 7 (seven) Business Days of Deemed Date of Allotment. (iv) Credit the demat account of the Applicants with such number of Debentures which have been allotted to them within 2 (two) Business Days from the Deemed Date of Allotment. (v) Payment of stamp duty at 0.005% (zero point zero zero five percent) on the Debentures as per the Indian Stamp Act, 1899. (vi) The Company shall provide/submit all such post listing disclosures as required under Master Circular and NCS Listing Regulations.

	(vii) As applicable to the Issuer in accordance with the applicable Law(s), relevant filings in the prescribed form to be made with an information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017. (viii) A certificate from the Company's chartered account in respect of the utilization of funds raised by the issue of the Debentures within 60 (sixty) days from the Deemed Date of Allotment. (ix) Obtaining the final listing approval from the Stock Exchange in respect of the Debentures (including but not limited to payment of all fees) and list the Debentures on the wholesale debt market segment of BSE within 3 (three) working days from the issue closing date of Debentures. (x) Any other document as required by the Debenture Trustee. (xi) Any other document as required elsewhere under the Transaction Documents.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	(a) ***Payment Defaults*** The Company does not pay on any Due Date (including on the relevant Redemption Dates) any amount payable pursuant to the Debenture Trust Deed and the Debentures at the place and in the currency in which it is expressed to be payable. (b) ***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 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 (determined without regard to whether any notice is required) 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. (ii) Any acceleration of any Financial Indebtedness of the Company, wherein any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a

	regularly scheduled required prepayment, prior to the stated maturity thereof, whether as a result of the occurrence of an event of default or the breach of any covenants (howsoever described and/or by whatever name called) under any financing documents that the Company is party to. (c) ***Payment Acceleration*** Acceleration in payment, by whatever name called, in any other Financial Indebtedness exceeding 10% (ten percent) of the Net Worth of the Company whether as a result of event of default or breach of any covenants as set out under relevant financing documents. (d) ***Material Adverse Effect*** The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders). (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) ***Change in Board*** Any act or change leading to Mr. Shachindra Nath not continuing as the Managing Director of the Company. (g) ***Transaction Documents*** The Debenture Trust Deed or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Company. (h) ***Corporate governance; Data integrity*** Failure by the Company to meet standards prescribed by the RBI with respect to management, governance, and data integrity. (i) ***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. (j) ***Creditors' Process*** A distress, attachment, execution or other legal process is initiated, levied, enforced or sued on or against any material part of the property, assets or revenues of the Issuer:

(i) The Issuer fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court or tribunal of competent jurisdiction;

(ii) Any attachment, sequestration, distress, governmental order, invalidity or unlawfulness of structure; and

(iii) Any execution that may have a Material Adverse Effect.

(k) ***Expropriation***

Any expropriation, attachment, garnishee, sequestration, distress or execution affects any asset or assets of the Company or any affiliate having an aggregate value more than or equal to the Issuance or 10% (ten percent) of its Net Worth, whichever is lesser and is not discharged within 15 (fifteen) days.

(l) ***Authorisations; Licenses***

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.

(m) ***Insolvency/Inability to Pay Debts***

The Company is unable or admits, in writing, its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation which may be admitted by any competent court or a moratorium or other protection for its creditors is declared or imposed in respect of any of its Financial Indebtedness.

(n) ***Unlawfulness, repudiation***

(i) It is unlawful for the Issuer to perform or comply with its obligations under the Transaction Documents, as a result of an act of Issuer as the case may be;

(ii) This Placement Memorandum or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes a valid, binding and enforceable obligations of the Issuer, as a result of an act of Issuer, as the case may be;

(iii) The Transaction Documents or any provision thereof are required by any law to be amended, waived, or repudiated and the same is done without

	the consent of the Debenture Trustee (acting on the instructions of the Debenture Holder) and/or such amendments/ waivers are prejudicial to the interests of the Debenture Holders; (iv) Any obligation under the Transaction Documents is not or ceases to be a valid and binding obligation of any person / party to it or becomes void, illegal, unenforceable or is repudiated by such Person (other than the Debenture Trustee), as a result of an act of Issuer; or (v) If the Issuer repudiates any Transaction Document or evidence an intention to repudiate any Transaction Document. (o) ***Re-organisation; Rearrangement; Merger or amalgamation*** If the Company has taken (voluntarily or mandatorily) any of the following action without prior written intimation to the Debenture Trustee / Debenture Holders: (i) re-organisation of share capital of the Company; (ii) any rearrangement; and/or (iii) merger or amalgamation. (p) ***Liquidation, Insolvency or Dissolution of the Company/Appointment of Receiver, Resolution Professional 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; (iii) the appointment of a liquidator, receiver, supervisor, provisional liquidator, resolution professional, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed or for all or any part of the undertaking of the Company; (iv) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Companies 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);

	(v) 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; (vi) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; (vii) Any action is taken by, or any reference/application is made/filed by, the RBI in relation to the insolvency/bankruptcy of the Issuer in accordance with applicable law (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, 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 (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 (A) to (G) above. (q) ***Action by Government Authority*** Any action by Governmental Authority by which all or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalized, expropriated or compulsorily acquired, or assumed custody or control of the business or operations of the Company or any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on the business or operations or a substantial part thereof; (r) ***Non-contest*** One or more petitions for the reorganization, arrangement adjustment, winding up or composition of debts of the Company is filed by or against the Company (voluntary or otherwise) or have been admitted or the Company makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the Company for stay, quash or dismissal within 15 (fifteen) days of filing of such petitions or assignment. (s) ***Erosion of Net Worth*** The Net Worth of the Company erodes by 50% (fifty percent) or more as compared the Net Worth of the Company as compared to the previous Financial Year.

	(t) ***Cessation of Business*** The Company without obtaining the prior consent of the Debenture Trustee ceases to carry on its business or gives notice of its intention to do so. (u) ***Failure to Certify*** The Company: (i) fails to provide a certificate from chief financial officer and/or authorized officer of the Company certifying/confirming that no Event of Default (other than any Event of Default due to any non-compliance with any financial covenants set out under the Debenture Trust Deed has occurred, within the timelines and the manner prescribed under the Debenture Trust Deed; and/or (ii) fails to provide a certificate from the chief financial officer of the Company certifying/confirming the compliance with the financial covenants prescribed under the Debenture Trust Deed in accordance with the timelines provided under the Debenture Trust Deed. (v) ***Breach of Negative Covenants*** Any breach by the Company in compliance with any of the negative covenants set out under the Debenture Trust Deed. (w) ***Breach of Financial Covenants*** Any breach by the Company in compliance with any of the financial covenants set out under the Debenture Trust Deed. (x) ***Breach of Reporting Covenants*** Any breach by the Company in compliance with any of the reporting covenants set out under the Debenture Trust Deed. (y) ***Breach of Affirmative Covenants*** Any breach by the Company in compliance with any of its obligations under the Debenture Trust Deed. (z) ***Breach of other Covenants*** Any breach of any covenant or undertaking of the Company in the Transaction Documents (other than (a) to (y) above) as may be prescribed by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders). (aa) ***Discretionary Audits*** Any failure by the Issuer to meet the standards in one successive discretionary audit conducted by the Debenture Trustee.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV (Recovery Expenses Fund) of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV (Recovery Expenses Fund) of the SEBI Debenture Trustees Master Circular.

Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Please refer sections named "*Default Interest Rate*" and "*Events of Default*".
Provisions related to Cross Default	(i) The Issuer: (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; (B) defaults 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 (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable; or (ii) Any Financial Indebtedness of the Issuer is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Roles and Responsibilities of the Debenture Trustee	Under Applicable Law and the Transaction Documents, including: The Debenture Trustee shall comply with all its roles and responsibilities as prescribed (a) the Debenture Trustee may, in relation to the DTD 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 Special 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, willful 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 request 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 DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); (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 Companies 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 Special Resolution passed at a meeting of the Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful 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 Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing 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 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; (i) notwithstanding anything contained to the contrary in the DTD, 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; (j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; and (k) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under Chapter X (*Breach of Covenants, Default and Remedies*) and Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular.
Risk factors pertaining to the issue	Please refer to Section 4 (*Risk Factors*) of this Placement Memorandum.
Governing Law & 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 Chennai, India, and as more particularly provided for in the respective Transaction Documents.
International Securities Identification Number	(a) The Issuer undertakes and confirms that: (i) the International Securities Identification Number (**"ISIN"**) for the Debentures has been/will be (promptly on receipt) provided to the Debenture Trustee; and (ii) the DTD and the other Transaction Documents are applicable to, and are valid, only in respect of the Debentures and the ISIN provided in respect of the Debentures. (b) ***Re-issuance and Consolidation*** (i) The Parties hereby agree that the Issuer, subject to the Applicable Law (including guidelines, rules/regulations of the RBI) and the Transaction Documents, shall have the option from time to time to consolidate, re-issue and/or redeem the Debentures (and the ISIN), upon obtaining prior consent from the Debenture Holders, at any time prior to the Final Settlement Date. (ii) In the event any or all of the Debentures are redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, subject to Applicable Law and the Transaction Documents, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other non-convertible debenture in their place. In respect of any redeemed Debentures, the Issuer shall have the power to (either for a part or all of the Debentures) cancel, keep alive, appoint

<table>
<tr><td></td><td>nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as is permitted under Applicable Law.</td></tr>
<tr><td>Buyback</td><td>The Company reserves the right to buyback the Debentures issued by it under the Placement Memorandum as per the provisions of Applicable Law, if any. There shall be no penalty in case of buyback of Debentures.</td></tr>
<tr><td>Additional Disclosures</td><td>In the event of any delay in the execution of any Transaction Documents (including the DTD), the Issuer shall, at the option of the Debenture Holders, either:
(i) refund the Application Money together with interest (including interest accrued) at the Coupon Rate discharge the Unsecured Obligations; or
(ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Coupon Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Unsecured Obligations are discharged (whichever is earlier).</td></tr>
<tr><td>Additional Disclosures (Default in Payment)</td><td>On the occurrence of an Event of Default (including a Payment Default), the Issuer agrees to pay additional interest at 2% (two percent) per annum above the Coupon 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 Unsecured Obligations are repaid.</td></tr>
<tr><td>Additional Disclosures (Delay in Listing)</td><td>In case of failure by the Company to list the Debentures within the Listing Period, additional interest at the rate of 1% p.a. (one percent per annum) over the Interest Rate on the Outstanding Principal Amounts, will be payable by the Company from the Deemed Date of Allotment until the listing of the Debentures.</td></tr>
<tr><td>Settlement mode of the Instrument</td><td>RTGS, NEFT, electronic clearing services, direct credit.</td></tr>
<tr><td>Settlement/Details of Subscription Account</td><td>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:

<table>
<tr><td>Name of Bank</td><td>HDFC BANK</td></tr>
<tr><td>IFSC Code</td><td>HDFC0000060</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr>
</table>

<table>
<tr><td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr>
<tr><td>IFSC Code</td><td>ICIC0000106</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
</table>
</td></tr>
</table>

	<table><tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr></table> <table><tr><td>Name of Bank</td><td>YES BANK</td></tr><tr><td>IFSC Code</td><td>YESB0CMSNOC</td></tr><tr><td>Account number</td><td>ICCLEB</td></tr><tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr></table> Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Manner of Bidding	Open bidding
Manner of Allotment	Uniform yield allotment
Manner of Settlement	Through Indian Clearing Corporation Limited
Settlement Cycle	Settlement shall be on T+1 day, where T refers to the date of bidding date.

Note:

a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

c. The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

8.2 TRANSACTION DOCUMENTS AND TERMS OF THE TRANSACTION DOCUMENTS

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Vardhman Trusteeship Private Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**"); and

(c) Such other documents as agreed between the Issuer and the Debenture Trustee.

8.2.1. **Representations and Warranties of the Issuer**

The Company makes the representations and warranties set out hereinbelow to the Debenture Trustee for the benefit of the Debenture Holders on the date of the Debenture Trust Deed and during the term of the Debentures.

(a) ***Status***

(i) It is a company, duly incorporated, registered and validly existing under the Laws of India.

(ii) It is registered as a non-banking financial company with the RBI.

(iii) It has the power to own its Assets and carry on their respective business as it is being conducted.

(b) ***Binding obligations***

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) ***Non-conflict with other obligations***

The entry into and performance by it of, the transactions contemplated by the Transaction Documents do not and will not conflict with:

(i) any Law or regulation applicable to it;

(ii) its Constitutional Documents; and

(iii) any agreement or instrument binding upon it or any of its Assets.

(d) ***Power and authority***

It has the power to issue the Debentures and to enter into, perform and deliver, and has taken all necessary authorisations for its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents.

(e) ***Validity and admissibility in evidence***

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(f) ***No default***

No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any

Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

(g) ***Pari passu ranking***

Each Debenture constitutes direct and unconditional and unsecured obligations of the Company.

(h) ***No proceedings pending***

Except as disclosed by the Company in its Disclosure Document(s), annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or to the best of its knowledge threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

(i) ***No misleading information***

(i) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(ii) It has disclosed all information in the Disclosure Document(s) that is relevant for the Applicants to apply for subscription of the Debentures.

(j) ***No Material Adverse Effect***

(i) There is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.

(ii) Neither the Company nor any Group Entity has violated, or breached any applicable Law (including, but not limited to, any Environmental and Social Requirements) which has resulted in or could reasonably be expected to have a Material Adverse Effect.

(k) ***Assets***

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

(i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.

(iii) It has disclosed all its borrowings from various banks and financial institutions in the Disclosure Document(s).

(m) ***Solvency***

(i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts (unless such payments are made by the Company in good faith) and it has not been deemed by a court to be unable to pay its debts for the purposes of applicable Law, nor will it become unable to pay its debts for the purposes of applicable Law as a consequence of entering into the Debenture Trust Deed or any other Transaction Document.

(ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.

(iii) The value of the Assets of the Company is more than its liabilities and it has sufficient capital to carry on its business.

(iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(v) No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 in respect of the Company.

(vi) No reference, enquiry or proceedings under corporate debt restructuring (CDR) mechanism or the strategic debt restructuring (SDR) mechanism of the RBI, and no steps have been taken by any lender in respect of any member of the Group, under the 'Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the RBI.

(n) ***No immunity***

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

(o) ***Legal and Beneficial Ownership***

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN of the Company on the website http://www.mca.gov.in/MCA21/index.html under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of,

or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(p) ***Compliance with Laws***

(i) The Company has conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements.

(ii) With respect to all such Environmental and Social Requirements, the Company has been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (2) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (3) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.

(iii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC (if applicable) and obtain all consents and approvals required for the completion of the Issue.

(q) ***Anti-terrorism Laws***

The Company and its affiliates are in compliance in all respects with all anti-terrorism laws, and are adhering to all regulatory requirements pertaining to anti-terrorism /and anti-money laundering.

(r) ***No Corrupt Practices***

(i) Neither the Company nor its promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

(ii) Neither the Company nor any group entity through its officers, directors or employees in such capacities or any person acting on behalf of the Company or any group entity have engaged in any Objectionable Practice.

(s) ***Taxation***

(i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;

(ii) The Company is not overdue in the filing of any Tax returns; and

(iii) No claims exceeding Tax Claims Amount are being or are reasonably likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect.

(t) ***Disclosures in Disclosure Document(s)***

The extent of disclosures made in the Disclosure Document(s) is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) ***Audit***

The Company annual accounts are audited by an auditor from a reputable firm of independent chartered accountants.

(v) ***Good Business Standard***

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(w) ***Proper book-keeping and accounting***

The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) ***Employees***

The Company is in compliance with all material obligations under the applicable labour laws and other applicable Laws in relation to its employees.

(y) ***Compliance with RBI/SEBI Regulations an' the Act's Requirements***

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable. Any provision in the Debenture Trust Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Debenture Trust Deed and the Debenture Holders shall have no right to raise any objection thereto.

8.2.2. **Financial Covenants:**

The Company shall comply with each of the following financial covenants at all times until the redemption of all outstanding Debentures:

(a) During the tenor of the Debentures, the Company shall maintain a minimum capital ratio of Tier I Capital and Tier II Capital to aggregate risk weighted assets on-balance sheet and of risk adjusted value of Off-Balance Sheet Portfolio which shall not be less than 15% (fifteen percent), or as per the regulatory minimum prescribed by the RBI under the applicable Law, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50% (fifty percent) from Tier I Capital and 50% (fifty percent) from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

(b) The Company shall ensure that the maximum permissible ratio of A:B shall be 5% (five percent), where A is the aggregate of the Portfolio at Risk Over 90 Days and write-offs (on the entire portfolio including receivables sold or discounted on a non-recourse basis of the Issuer) and B is Gross Loan Portfolio, herein the write-offs shall be calculated for trailing 12 (twelve) months.

(c) During the tenor of the Debentures, the Company shall ensure that the ratio of A:B shall not exceed 5x (five times), where A is the Financial Indebtedness of the Company and B is the Tangible Net-Worth of the Company.

For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings:

"Portfolio at Risk Over 90 days or PAR > 90" shall mean, in a district or branch or on the Issuer's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Issuer's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) days or more and includes restructured loans.

"**Tangible Net-worth**" means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.

"**Gross Loan Portfolio**" means and includes the outstanding principal amounts of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book.

"Tier I Capital" shall have the meaning given to it in the NBFC Master Directions.

"Tier II Capital" shall have the meaning given to it in the NBFC Master Directions.

The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate compliance with the aforementioned Financial Covenants.

The Financial Covenants and such other covenants as are contained in this Debenture Trust Deed can be tested at any time during the tenure of the Debentures. Without prejudice, to the other rights of the Debenture Holders under the Transaction Documents, the Debenture Holders reserve the right to levy a penalty of a sum equivalent to 1% (one percent) of the Outstanding Amounts under the Debentures in the event of breach of any of the Financial Covenants (**"Penalty for Breach"**). In such an event, the Issuer shall pay the Penalty for Breach to the Debenture Holders within 30 (thirty) calendar days from the date of such breach.

8.2.3. **Reporting Covenants**

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) Quarterly Reports
As soon as available and in any event within 45 (forty-five) calendar days after the end of each calendar quarter, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

(A) financials, financial statements, operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and Portfolio at Risk data), asset-liability management, funding in formats acceptable to the Debenture Holders;

(B) the shareholding structure and composition of the board of directors in the Company along with the management team of the Company;

(C) if applicable, the financial and other returns filed by the Company with the RBI (including without limitation, the form NBS 7 filed with the RBI);

(D) a management certified compliance certificate regarding the financial covenants set forth in **Schedule VIII** (*Financial Covenants*) of the Debenture Trust Deed in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders;

(E) details of a) operational information, b) portfolio cuts, c) monthly disbursements d) monthly dpd statement, e) changes in Board and management, f) liquidity statement and g) changes in shareholding pattern on a quarterly basis in the format as specified by the Debenture Trustee;

(F) details of transactions with related parties and balances outstanding in the format as specified by the Debenture Trustee;

(G) the static pool analysis and vintage curve data of the portfolio and Gross Loan Portfolio in the format as specified by the Debenture Trustee. On a quarterly basis beginning from the end of the current financial quarter, the Issuer shall provide an updated version of the static pool analysis and vintage curve data of the portfolio and Gross Loan Portfolio in the format prescribed by the Debenture Trustee;

(H) information on structural liquidity of the Company in the format as may be specified by the Trustee;

(I) The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:

(a) Updated list of the names and addresses of the Debenture Holders;

(b) Details of the Coupon due, but unpaid and reasons thereof;

(c) The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same;

(b) information on:

(A) any new product being introduced, including a loan product or any other financial product or change in existing product features or any new business correspondent relationship is established or discontinuance of existing relationship;

(B) expansion of operations into any new district, city or state;

(C) any change in a service or feature change in an existing product;

(D) if the Company is proposing to expand to any location other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(E) if the Company makes any material changes to the information system or loan management software or management information systems, in terms of upgrade or installing a new software, other than those specifically mentioned

in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(F) if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company;

(G) any revisions in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(H) any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment;

(I) if there is any fraud, amounting to more than 1% (one percent) of Gross Loan Portfolio; and

(J) such other operational or financial information, as may be required by the Debenture Trustee or the Debenture Holders.

(c) Annual Reports

As soon as available, and in any event within 90 (ninety) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

(A) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;

(B) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;

(C) all annual information submitted to the RBI including but not limited to the structural liquidity statement, capital to risk (weighted) assets ratio, qualifying asset certificate, unhedged foreign currency certificate; and

(D) the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy (if applicable).

(d) Event Based Reports

(A) As soon as available and in any event within 5 (five) Business Days of the occurrence of such event, the details of any change in the shareholding structure of the Company, in form and substance satisfactory to the Debenture Trustee and the Debenture Holders;

(B) As soon as available and in any event within 5 (five) Business Days of the occurrence of such event, the details of any change in board of directors and other senior management officials like Chief Executive Officer, Chief Financial Officer/Head of Finance and Treasury, Chief Risk Officer, Chief Operations Officer/Head of Business and the Head of Audit;

(C) As shared with other lenders of the Company, the annual business plan of the Company for the following Financial Year and financial projections for at least the next 5 (five) years;

(D) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon

as practicable, and in any event within 5 (five) Business Days from the occurrence of such event:

(I) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(II) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations for an amount exceeding INR 5,00,00,000/- (Indian Rupees Five Crores Only) and could result in a Material Adverse Effect,

(III) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same,

(IV) any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment;

(V) the details of any fraud amounting to more than 1% (one percent) of the Gross Loan Portfolio,

(VI) if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company,

(VII) the Company alters its Constitutional Documents,

(VIII) changes to the statutory auditor of the Company within 30 (thirty) days,

(IX) any prepayment or notice of prepayment of any Financial Indebtedness of the Issuer,

(X) any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company, and

(XI) the Company obtains or reasonably should have obtained actual knowledge thereof, of any material event adversely impacting its business.

8.2.4. **Affirmative Covenants**

(a) ***Utilization of the issue proceeds***

The Company shall utilize the proceeds of this issue in accordance with applicable Laws and regulations and as provided in the Debenture Trust Deed.

(b) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company.

(c) ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties.

(d) ***Costs and expenses***

Company shall pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs.

(e) ***Payment of Rents, etc.***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company in relation to the Debenture Trust Deed as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under the Debenture Trust Deed.

(f) ***Preserve corporate status; authorisations***

Company shall

(A) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;

(B) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel; and

(C) promptly obtain all consents, licenses and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures.

(g) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties in relation to this issue, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand.

(h) ***Furnish information to trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/ copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation.

(i) ***Grievance***

Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

(j) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

(i) notice of any Event of Default or potential Event of Default, each as listed in Schedule XI (*Events of Default*) of the Debenture Trust Deed;

(ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange;

(iii) details of any material litigation, arbitration or administrative proceedings, etc.; and including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock;

(iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and

(v) the declaration or distribution of dividend.

(k) ***Comply with Investor Education and Protection Fund requirements***

Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it.

(l) ***Further assurances***

Company shall

(i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;

(iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;

(iv) provide Debenture Holders access to management meetings for the Debenture Holders to periodically monitor the portfolio of the Company; and

(v) comply with:

(A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed), as may be in force from time to time during the tenor of the Debentures; (i) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (ii) NCS Listing Regulation and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures,

(B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures,

(C) the provisions of the Act in relation to the issue of the Debentures,

(D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and

(E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

(m) ***Filings***

If the Debentures are listed, the Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(n) ***Where Debenture Holder is a Foreign Investor***

Company shall in the event a Debenture Holder is a foreign portfolio investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "**Relevant Payment Date**"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail.

(o) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee, Debenture Holders and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

(p) ***Material Adverse Effect***

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof.

(q) ***Insurance***

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with.

(r) ***Corporate Governance***

(A) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions; and

(B) the Company shall at all times comply with the NBFC Master Directions.

(s) ***General***

(A) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;

(B) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;

(C) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;

(D) the Company shall comply with the guidelines on Fair Practices Code in the NBFC Master Directions as prescribed by the RBI from time to time;

(E) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law;

(F) the Company shall comply with all monitoring and/or servicing requests from the Debenture Trustee; and

(G) the Company shall utilize the proceeds of this Issue in accordance with applicable Laws and regulations and as set out in the Debenture Trust Deed and other Transaction Documents.

(t) ***Access***

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

(A) check the management of the funds made available through subscription to the Debentures;

(B) inspect and take copies and extracts from the books, accounts and records of the Company;

(C) visit and inspect the premises of the Company; and

(D) meet and discuss matters with senior management employees of the Company.

The Company shall provide the Debenture Holders with access to data and information in relation to the Hypothecated Assets and meetings with the management team for periodical portfolio monitoring.

(u) ***Conditions Subsequent***

Company shall comply with the conditions stipulated in the Debenture Trust Deed.

(v) ***Financial Covenants***

Company shall comply with the financial covenants stipulated in the Debenture Trust Deed

(w) ***Issue Terms and Conditions***

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(x) ***Internal Controls***

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

(y) ***Information to Debenture Trustee***

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee as may be required by it to enable the Debenture Trustee to fulfil its obligations as may be required by SEBI from time to time.

(z) ***Independent Directors***

The Company shall ensure that during the tenor of the Debentures there are at least 2 (two) independent directors on the board of directors in the Company.

(aa) ***Key Management Personnel***

During the tenor of the Debentures, the Company shall ensure that Mr. Sachindra Nath shall remain a Key Management Personnel of the Company.

8.2.5. **Negative Covenants**

(a) ***Change of business; Role of Promoter***

(i) Change the general nature of its business or undertake any new major business outside financial services or any diversification of its business outside financial services, without the approval of the Debenture Trustee.

(ii) Change or make any alteration to its Constitutional Documents where such amendment would have a Material Adverse Effect, without the prior consent of the Debenture Trustee.

(iii) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of the Debenture Trust Deed.

(iv) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business.

(b) ***Shareholding and change of capital structure***

(i) The Company will not purchase or redeem any of its issued shares or reduce its share capital without the prior written consent of the Debenture Trustee.

(ii) Issuer shall procure that each of the persons mentioned below (collectively **"Key Shareholders"**) shall not transfer or encumber the shares of the Issuer held by them respectively without the prior consent of the Debenture Trustee. Without prejudice

to the aforementioned, any change in the number of shares held by the Key Shareholders in the Company shall require prior written consent of the Debenture Trustee.

Name	Investment Type	Existing No of stake	Minimum Number of Shares
Promoter	Ordinary Equity	20,27,709	20,27,709
Mr. Shachindra Nath	Ordinary Equity	46,300	46,300

(c) ***Dividend***

Declare or pay any dividend, buyback of equity shares or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

(i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);

(ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;

(iii) the Company is in compliance with the financial covenants set forth in Schedule VIII (*Financial Covenants*) of the Debenture Trust Deed; and

(iv) the company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.

(d) ***Merger, demerger, etc.***

Enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. Provided however, that this restriction shall not apply in the event where the compliance with such restriction would result in the Issuer defaulting in its payment obligations in relation to the Debentures.

(e) ***Associates, Subsidiaries, and Joint Ventures***

Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

(f) ***Acquisition***

Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 25% (twenty five percent) of the Equity.

(g) ***Joint Venture***

Without the prior written consent of the Majority Debenture Holders:

(i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or

(ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(h) ***Loans and Guarantees***

The Company shall not:

(i) extend a loan to any single individual or entity amounting to greater than 10% (ten percent) of its Tangible Net Worth; or

(ii) undertake to guarantee the liabilities of any third party greater than 10% (ten percent) of its Tangible Net Worth.

(i) ***Arm's length basis; No profit sharing arrangements***

The Company shall not, without the prior written consent of the Majority Debenture Holders:

(i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;

(ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or

(iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(j) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(k) ***Auditor***

Change its auditor without the prior written consent of the Majority Debenture Holders. The Company shall authorize its auditors to communicate directly with the Debenture Trustee and the Debenture Holders.

(l) ***Liabilities***

Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

(m) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any direct assignment securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(n) ***Management Control***

Any change in Management Control of the Company.

(o) ***Material compromise or Settlement***

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(p) ***Anti-money laundering***

Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

(q) ***Financial Year***

Unless mandated by law, the Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(r) ***Others***

Without prejudice to Clause (a) (*Change of business; Role of Promoter*) of this Clause (*Negative Covenants*), permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

(s) **Related Party Transactions**

The Issuer shall not enter into or perform any transaction(s) with a related party other than transactions other than in the Issuer's normal course of business and on an arm's length basis. Without prejudice to the foregoing, the Issuer shall not without the prior written consent of the Debenture Trustee enter into any transaction(s):

(i) whereby the overall outstanding amount owed to the Issuer in the nature of loans or advances under all such transactions exceeds 10.00% (ten decimal point zero zero percent) of its net worth;

(ii) whereby the overall expense incurred through such transactions during any Financial Year exceeds 10.00% (ten decimal point Zero zero percent) of its net profit; and

(iii) provide any guarantee for any indebtedness of a related party.

The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant.

For the purposes of this Clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the rules framed thereunder).

(t) **Miscellaneous**

Any restructuring of any borrowing arrangements which impairs the Company's ability to perform its obligations undertaken in terms of the Transaction Documents;

It is hereby clarified that save and except paragraph (c) above, the Company shall serve a written notice to the Debenture Trustee and Debenture Holders before undertaking any of the

said activities set out above and if the Debenture Trustee does not accept or reject the same within 7 (seven) Business Days, it will be deemed that the consent has been provided by the Company. Notwithstanding the aforesaid, the provision of deemed consent shall not be applicable if there is an Event of Default subsisting.

It is further clarified that for paragraph (c) above, there shall be no deemed consent applicable. The Company shall be permitted to undertake the activities mentioned in paragraph (c) only after receipt of consent from the Super Majority Debenture Holders, obtained as per the applicable SEBI regulations, Master Circular, SEBI Debenture Trustee Master Operational Circular and any amendments thereto from time to time.

Notwithstanding the aforesaid, for all the covenants from (a) to (u), the provision of deemed consent shall not be applicable if there is an Event of Default subsisting.

SECTION 9: SPECIFIC DISCLOSURES FOR NBFCs

9.1 Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in the last three years, including details regarding the following:

9.1.1. **Lending policy: Should contain overview of origination, risk management, monitoring and collections:**

The Company is focused on addressing capital needs of small businesses operating in select sectors by providing customized loan solutions. UGRO's mission is 'Solve the Unsolved' – the US$ 600Bn Small Business Credit Need. UGRO believes that the problem of small businesses can be solved by building deep expertise around core sectors of SMEs in India coupled with a data centric, technology-enabled approach.

In this pursuit, a holistic credit score for MSMEs is built by combining repayment history and cashflow transaction data; provides improved performance by fitment on own data, extensive feature creation and use of machine learning models. It combines entity, individual and banking data into one model. Furthermore, UGRO's sectoral statistical scorecards have made it possible to maintain a high quality book by ensuring accuracy and consistency across the lending framework. Our statistical scorecards leverage a wide array of parameters, based on the sector and sub-sector of the customer in question, providing us with an initial indicative figure as to their respective probability of default.

The product suite includes unsecured and secured business loans, asset financing and sales financing. The interest rates are either fixed or floating. The Company has a differentiated business model to deliver efficiencies and contain risk based on the requirements of the target segment.

UGRO's distribution channels are built with the end goal of integrating technology with traditional and new ways of doing business to achieve financial inclusion. The Company's branches including Gro Micro branches are located in customer catchment areas which are closer to and convenient for customers. Our Ecosystem channel leverages our industry-specific 'Anchor' partnerships, each of which adds a pool of potential lenders. Further, on the assets side, the Company has partnered few FinTechs / Smaller NBFCs under a co-lending model wherein the loans are originated by Partner NBFC and we take a part of the loan exposure on our books and on the liability side, Company is getting into co-lending arrangement with banks under the co-lending framework issued by RBI for priority sector lending. Our proprietary Digital Lending Platform i.e. GRO X allows for direct credit applications, increasing borrowing ease and further reducing TATs.

The Company has a Board approved Risk Management Framework in place. The effectiveness of this framework is supervised periodically by the Risk Management Committee. The Audit Committee of the Company is responsible to ensure that the Company has appropriate systems, procedures, processes and controls in place identify, evaluate and address the various risks that the company may be subject to. In addition, the committee also responsible to evaluate the financial controls and other risks perceived by the Company. The Company has a robust collections mechanism and engages various collection agents which functions under the code of conduct laid by the Company.

9.1.2. **Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc**

Not applicable

9.1.3. **Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers maturity profile etc.:**

Type of loan	Mar-21 (in INR Crore)	Mar-22 (in INR Crore)	Mar-23 (in INR Crore)
Secured	528.49	1,106.57	2,153.48
Secured by machinery	71.46	252.47	701.14
Secured- Others	61.03	106.14	265.91
Unsecured	445.41	1,216.35	2,393.23
SCF	210.48	287.38	566.94
Total	**1,316.88**	2,968.91	**6,080.71**

LTV (Secured)- Rs cr.	Mar-21 (in INR Crore)	Mar-22 (in INR Crore)	Mar-23 (in INR Crore)
0-40%	124.39	220.70	494.48
40-50%	67.99	158.365	365.47
50-60%	96.89	206.1072	370.89
60-70%	121.04	261.9561	427.25
70-80%	75.27	198.7644	430.11
80-90%	26.71	47.50018	60.31
90%+	16.21	13.17371	4.96
Total	**528.49**	1,106.57	2,153.48

Sector-wise	Mar-21 (in INR Crore)	Mar-22 (in INR Crore)	Mar-23 (in INR Crore)
Auto Components	53.92	98.95	375.58
Chemicals	100.62	169.37	284.28
Education	141.45	138.88	134.19
Electrical Equipment	152.32	229.12	482.69
Food Processing	163.97	358.54	614.15
Healthcare	101.32	163.3	381.80
Hospitality	94.42	106.6	175.04
Light Engineering	330.87	672.21	1,325.26
Micro Enterprises	52.94	601.69	1,429.90
Others	125.05	430.24	877.82
Total	1,316.88	2,968.91	**6,080.71**

Ticket size	Mar-21	Mar-22	Mar-23
Up to INR 2 lakh	6.43	34.78	51.72
INR 2-5 Lakh	41.94	164.69	337.87
INR 5-10 Lakh	56.87	240.23	591.19
INR 10-25 Lakh	229.37	662.74	1,482.37
INR 25-50 Lakh	239.25	624.64	1,469.33
INR–50 Lakh - 1 crore	127.55	296.36	586.54
INR 1-5 crore	549.59	848.28	1,531.33
INR 5-25 crore	65.88	97.18	30.35
Total	**1,316.88**	**2968.91**	**6,080.71**

State	Mar-21 (In INR Crore)	Mar-22 (In INR Crore)	Mar-23 (In INR Crore)
Karnataka	193.78	339.69	546.04
Maharashtra	176.75	457.17	936.04
Delhi	158.52	278.63	490.18
Gujarat	147.99	275.30	586.02
Tamil Nadu	135.79	379.31	842.86
Telangana	133.37	340.29	790.05
Rajasthan	89.64	230.36	528.76
West Bengal	89.36	233.20	330.00
Uttar Pradesh	74.03	108.81	242.74
Haryana	73.98	153.90	318.35
Other states (16 states)	43.68	172.25	469.66
Total	**1,316.88**	**2,968.91**	**6,080.71**

Balance tenor-wise	Mar-21 (In INR Crore)	Mar-22 (In INR Crore)	Mar-23 (In INR Crore)
Upto 3 months	70.64	99.21	177.56
3 months- 1 year	176.15	245.31	580.15
1-3 years	397.53	1,148.78	2,306.42
3-5 years	168.67	462.12	954.27
5-10 years	328.98	832.35	1,380.53
More than 10 years	174.92	181.13	681.78
Total	**1,316.88**	2,968.91	**6,080.71**

9.1.4. **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time:**

For FY 2022-23

	Name of the Borrower	PAN (if applicable, otherwise NA)	Type of Borrower	Total Sanctioned Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Total Accrued Interest Amount	Status of Account	Amount Outstanding
		X010	X020	X030	X040	X050	X060	X070	X080	X090
1	RCI INDUSTRIES AND TECHNOLOGIES LTD	AAACR5727Q	Corporate	1,228.95	1,228.95	0.00	1,551.55	0.61	Standard	1,552.16
2	MEENAKSHI EDUCATIONAL TRUST	AAATM4688C	Others	731.82	731.82	0.00	749.30	9.34	Standard	758.64

	Name of the Borrower	PAN (if applicable, otherwise NA)	Type of Borrower	Total Sanctioned Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Total Accrued Interest Amount	Status of Account	Amount Outstanding
		X010	X020	X030	X040	X050	X060	X070	X080	X090
3	LIVPURE SMART HOMES PRIVATE LIMITED	AAACR1132R	Corporate	1,267.69	1,267.69	0.00	713.06	8.27	Standard	721.33
4	SUMUKA EDUCATIONAL TRUST	AAPTS0376J	Others	681.61	681.61	0.00	661.72	8.70	Standard	670.42
5	SOLITAIRE FOODS & BEVERAGES	ACCFS7830A	Others	730.92	730.92	0.00	648.91	7.41	Standard	656.32
6	AUTOMATIC ELECTRIC LTD.	AAACA3542J	Corporate	667.00	667.00	0.00	626.65	7.36	Standard	634.01
7	SMARTPADDLE TECHNOLOGY PVT LTD	AAVCS6045D	Corporate	2,304.92	2,304.92	0.00	571.01	6.98	Standard	577.99
8	LATE JAGDISH CHANDRA PATHAK VIVIDHLAKSHI CHARITABLE TRUST	AAATL3670P	Others	594.14	594.14	0.00	555.06	6.25	Standard	561.31
9	S RAMAKRISHNA GNANAMMAL TRUST	AAGTS5611K	Others	580.94	580.94	0.00	552.57	6.65	Standard	559.22
10	Premium Lifestyle & Fashion India Private Limited	AAICP1675P	Corporate	504.92	504.92	0.00	504.46	4.46	Standard	508.92
11	BELENUS CHAMPION HOSPITALS	AAKCB3644A	Corporate	504.00	504.00	0.00	504.00	5.16	Standard	509.16

	Name of the Borrower	PAN (if applicable, otherwise NA)	Type of Borrower	Total Sanctioned Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Total Accrued Interest Amount	Status of Account	Amount Outstanding
		X010	X020	X030	X040	X050	X060	X070	X080	X090
	PRIVATE LIMITED									
12	ARORA TEXFAB SOURCING	AHUPA0062D	Others	500.00	500.00	0.00	500.00	4.83	Standard	504.83
13	NARMADA INDUSTRIES	AAGFN6750N	Others	500.00	500.00	0.00	500.00	5.01	Standard	505.01
14	SISL Infotech Private Limited	AAECP4330R	Corporate	500.00	500.00	0.00	500.00	3.92	Standard	503.92
15	UK Multicorp	AAEFU5989L	Others	500.00	500.00	0.00	500.00	2.36	Standard	502.36
16	PK HEALTHCARE PRIVATE LIMITED	AAICP9118R	Corporate	499.99	499.99	0.00	496.25	6.24	Standard	502.49
17	JUMBO FINVEST (INDIA) LIMITED	AACCA9784G	Corporate	371.88	371.88	0.00	496.13	0.00	Standard	496.13
18	FIROZABAD BANGLES HOUSE	ABUPA3453E	Others	480.82	480.82	0.00	479.81	4.91	Standard	484.72
19	SUPER METER MANUFACTURING CO	AAEFS2494N	Others	500.25	500.25	0.00	476.96	4.91	Standard	481.87
20	SAGAR ASIA PRIVATE LIMITED	AAACZ2890G	Corporate	492.90	492.90	0.00	462.17	5.51	Standard	467.68

For FY 2021-22

Sr. No.	Name of the	PAN (if applicable,	Type of	Total Sanctioned	Disbursed Loan	Un-disbursed	Total Principal	Total Accr	Status of	Amount

	Borrower	otherwise NA)	Borrower	Loan Amount	Amount	Loan Amount	Outstanding Amount	ued Interest Amount	Account	Outstanding
		X010	X020	X030	X040	X050	X060	X070	X080	X090
1	RCI INDUSTRIES AND TECHNOLOGIES LTD	AAACR5727Q	Corporate	1,228.95	1,228.95	0.00	1,330.34	6.98	Standard	1,337.32
2	MEENAKSHI EDUCATIONAL TRUST	AAATM4688C	Others	731.82	731.82	0.00	775.39	8.41	Standard	783.80
3	LIVPURE SMART HOMES PRIVATE LIMITED	AAACR1132R	Corporate	993.69	993.69	0.00	709.54	7.60	Standard	717.14
4	SUMUKA EDUCATIONAL TRUST	AAPTS0376J	Others	681.61	681.61	0.00	696.89	8.02	Standard	704.91
5	SOLITAIRE FOODS & BEVERAGES	ACCFS7830A	Others	730.92	730.92	0.00	694.20	6.95	Standard	701.15
6	L S EDUCATIONAL SOCIETY	AAATL4856H	Others	597.17	597.17	0.00	645.05	7.02	Standard	652.07
7	AUTOMATIC ELECTRIC LTD.	AAACA3542J	Corporate	667.00	667.00	0.00	644.80	6.62	Standard	651.42
8	LATE JAGDISH CHANDRA PATHAK VIVIDH	AAATL3670P	Others	594.14	594.14	0.00	601.37	6.06	Standard	607.43

	LAKSHI CHARIT ABLE TRUST									
9	S RAMAK RISHNA GNANA MMAL TRUST	AAGTS 5611K	Other s	580.9 4	580.9 4	0.00	582.55	6.14	Stan dard	588.69
10	PANCH AVATI VIDYA LAYA EDUCA TIONAL SOCIET Y	AACAP 2694Q	Other s	645.7 6	645.7 6	0.00	580.53	6.70	Stan dard	587.23
11	DARUC HINI RESTA URANT S & BANQU ETS	AHGPG 2062H	Other s	569.2 6	569.2 6	0.00	566.17	5.91	Stan dard	572.08
12	MANAL I LUBRIC ANTS PVT LI MITED	AAAC M6897J	Corp orate	555.1 5	555.1 5	0.00	517.45	5.75	Stan dard	523.20
13	CYGNU S TECHN OLOGIE S PVT LTD	AACCC 1130A	Corp orate	600.0 0	600.0 0	0.00	500.00	5.51	Stan dard	505.51
14	JUMBO FINVES T (INDIA) LIMITE D	AACCA 9784G	Corp orate	371.8 8	371.8 8	0.00	496.13	5.51	Sub-Stan dard	501.64
15	SAGAR ASIA PRIVAT E LIMITE D	AAACZ 2890G	Corp orate	492.9 0	492.9 0	0.00	478.83	5.09	Stan dard	483.92
16	ROYAL EDUCA TION TRUST	AABTR 1476L	Other s	463.7 6	463.7 6	0.00	471.68	4.57	Stan dard	476.25
17	KRS MULTIP	AAHCK 1118M	Corp orate	475.2 7	475.2 7	0.00	462.79	4.93	Stan dard	467.72

	RO PRIVATE LIMITED									
18	BHASKAR FOURWHEELS PRIVATE LIMITED	AAGCB2904H	Corporate	465.00	465.00	0.00	461.85	4.15	Standard	466.00
19	JFL LIFE SCIENCES PVT LTD	AACCJ5298E	Corporate	484.58	484.58	0.00	456.55	4.96	Standard	461.51
20	YASH TILES AND SAINITARY HOUSE	ACEPA5051B	Others	475.71	475.71	0.00	452.73	0.30	Standard	453.03

For FY 2020-21

Sr. No.	Name of the Borrower	PAN (if applicable, otherwise NA)	Total Sanctioned Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Total Accrued Interest Amount	Status of Account	Amount Outstanding
		X010	X030	X040	X050	X060	X070	X080	X090
1	RCI INDUSTRIES AND TECHNOLOGIES LTD	AAACR5727Q	1,228.95	1,228.95	0.00	1,330.34	0.00	Standard	1,330.34
2	MEENAKSHI EDUCATIONAL TRUST	AAATM4688C	643.55	643.55	0.00	679.68	1.60	Standard	681.28
3	STARLET LED LIGHTING PVT LTD	AAYCS4410K	634.77	634.77	0.00	645.50	0.00	Standard	645.50
4	SOLITAIRE FOODS & BEVERAGES	ACCFS7830A	629.92	629.92	0.00	629.92	0.82	Standard	630.74
5	SUMUKA EDUCATIO	AAPTS0376J	605.97	605.97	0.00	610.20	5.18	Standard	615.38

	NAL TRUST								
6	ASWATHNARAYANA EDUCATIONAL AND CHARITABLE TRUST	AAETA7967Q	600.47	600.47	0.00	607.66	4.00	Standard	611.66
7	LATE JAGDISH CHANDRA PATHAK VIVIDHLAKSHI CHARITABLE TRUST	AAATL3670P	606.00	606.00	0.00	607.38	4.07	Standard	611.45
8	KALYANA LAKSHMI GARDENS	AAQFK2381L	607.20	607.20	0.00	591.92	3.83	Standard	595.75
9	L S EDUCATIONAL SOCIETY	AAATL4856H	596.88	596.88	0.00	591.44	4.40	Standard	595.84
10	S RAMAKRISHNA GNANAMMAL TRUST	AAGTS5611K	598.32	598.32	0.00	580.50	4.18	Standard	584.68
11	SOWJANYA DENTAL HOSPITALS	ACAFS2235B	523.16	523.16	0.00	547.26	3.80	Standard	551.06
12	SURYACHANDRA EDUCATION SOCIETY	AAFAS7243F	543.64	543.64	0.00	542.25	4.15	Standard	546.40
13	AUTOMATIC ELECTRIC LTD	AAACA3542J	510.00	510.00	0.00	523.54	4.48	Standard	528.02
14	SHIVSHAKTI ENTERPRISE	ABIPO8923D	522.04	522.04	0.00	520.54	3.62	Standard	524.16
15	MAINTEC TECHNOLOGIES PRIVATE LIMITED	AABCM3607P	505.00	505.00	0.00	507.92	3.26	Standard	511.18
16	VIDYAJYOTHI EDUCATIONAL TRUST	AAATV6995P	500.00	500.00	0.00	502.78	3.23	Standard	506.01
17	LIVPURE SMART	AAACR1132R	500.00	500.00	0.00	500.00	3.79	Standard	503.79

	HOMES PRIVATE LIMITED								
18	JUMBO FINVEST (INDIA) LIMITED	AACCA9784G	371.88	371.88	0.00	496.13	4.30	Standard	500.43
19	TAVAREKERE VISHAL EDUCATION TRUST	AAATV6531F	500.00	500.00	0.00	489.56	3.00	Standard	492.56
20	PANCHAVATHI VIDYALAYA EDUCATIONAL SOCIETY	AACAP2694Q	500.00	500.00	0.00	485.85	3.68	Standard	489.53

9.1.5. **Details of loans, overdue and classified as non-performing in accordance with RBI stipulations:**

Particulars	Mar-21	Mar-22	Mar-23	Jun-23	Sep-23
Gross NPA- Rs cr.	36.48	56.41	95.69	111.36	130.19
Net NPA- Rs cr.	22.97	41.52	49.89	59.12	67.93

Particulars	Mar-21	Mar-22	Mar-23	Jun-23	Sep-23
Gross NPA % (on book)	2.72%	2.28	2.46%	2.67%	2.85%
Net NPA % (on book)	1.75%	1.70	1.31%	1.45%	1.52%

9.2 In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made by such Issuer:

As the Issuer's equity shares are listed on BSE Limited and NSE Limited, and as the Issuer is required to make quarterly and periodic disclosures as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details given below are as on June 30, 2023.

9.2.1. **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Sector-wise	Mar-22 (in INR Crore)	Mar-23 (In INR Crore)	June-23 (In INR Crore)
Auto Components	98.95	375.58	428.76
Chemicals	169.37	284.28	315.77
Education	138.88	134.19	124.43
Electrical Equipment	229.12	482.69	499.71
Food Processing	358.54	614.15	649.83
Healthcare	163.3	381.80	428.41
Hospitality	106.6	175.04	199.27
Light Engineering	672.21	1,325.26	1,532.80
Micro Enterprises	601.69	1,429.90	1,534.17
Others	430.24	877.82	1,063.64

Total	**2,968.91**	**6,080.71**	**6,776.78**

9.2.2. NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issue.

Rs cr.	Mar-21	Mar-22	Mar-23	June -23	Sep-23
Gross exposure	36.47	56.41	95.69	111.36	130.19
Net exposure	22.97	41.52	49.89	59.12	67.93
Provision made	13.50	14.89	45.80	52.24	62.26

9.2.3. **Quantum and percentage of secured vis-à-vis unsecured borrowings made as on September 30, 2023:**

As on September 30, 2023

Particulars	INR in Crs.	In %
Secured Borrowings	**3473.82**	**93.59%**
Unsecured Borrowings	**237.97**	**6.41%**
Total Borrowings	**3711.79**	**100.00%**

9.2.4. **Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:**

Not applicable, as there was no such change in promoters holding during last year which was beyond the threshold, as prescribed by RBI.

9.3 Classification of loans/ advances given according to: As on 31st March 2023

9.3.1. **Type of loans:**

Details of types of loans

S. No.	Type of loans	INR, Crore
1	Secured	2,153.48
2	Secured by machinery	701.14
3	Secured- Others	265.91
4	Unsecured	2,393.23
5	Supply Chain Finance (SCF) (secured by book debts)	566.94
	Total assets under management (AUM)*^	**6,080.71**

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts);*
^Issuer is also required to disclose off balance sheet items;

9.3.2. **Denomination of loans outstanding by loan-to-value:**

Details of LTV

S. No.	LTV (at the time of origination)	Percentage of AUM (Secured)
1.	Up to 40%	22.96%

2.	40-50%	16.97%
3.	50-60%	17.22%
4.	60-70%	19.84%
5.	70-80%	19.97%
6.	80-90%	2.80%
7.	>90	0.23%
	Total	100.00%

9.3.3. **Sectoral exposure:**

Details of sectoral exposure

S. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	**Retail**	
(A)	Mortgages (home loans and loans against property)	-
(B)	Gold loans	-
(C)	Vehicle finance	-
(D)	MFI	-
(E)	MSME	99.92%
(F)	Capital market funding (loans against shares, margin funding)	-
(G)	Others	-
2.	**Wholesale**	
(A)	Infrastructure	-
(B)	Real estate (including builder loans)	-
(C)	Promoter funding	-
(D)	Any other sector (as applicable)	-
(E)	Others	0.08%
	Total	100%

9.3.4. **Denomination of loans outstanding by ticket size*:**

Details of outstanding loans

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	**0.85%**
2.	INR 2-5 Lakh	**5.56%**
3.	INR 5-10 Lakh	**9.72%**
4.	INR 10-25 Lakh	**24.38%**
5.	INR 25-50 Lakh	**24.16%**
6.	INR 50 Lakh - 1 crore	**9.65%**
7.	INR 1-5 crore	**25.18%**
8.	INR 5-25 crore	**0.50%**
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	100.00%

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

Please refer below for category wise details of the outstanding loans:

(a) Category: Secured

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	0.02%
2.	INR 2-5 Lakh	2.05%
3.	INR 5-10 Lakh	7.14%
4.	INR 10-25 Lakh	13.36%
5.	INR 25-50 Lakh	13.69%
6.	INR 50 Lakh - 1 crore	15.81%
7.	INR 1-5 crore	46.52%
8.	INR 5-25 crore	1.41%
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	100.00%

(b) Category: *Secured by machinery*

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	0.02%
2.	INR 2-5 Lakh	0.86%
3.	INR 5-10 Lakh	1.03%
4.	INR 10-25 Lakh	20.09%
5.	INR 25-50 Lakh	30.66%
6.	INR 50 Lakh - 1 crore	26.36%
7.	INR 1-5 crore	20.98%
8.	INR 5-25 crore	-
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	100.00%

(c) Category*: Secured by others*

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	1.04%
2.	INR 2-5 Lakh	48.59%
3.	INR 5-10 Lakh	34.57%
4.	INR 10-25 Lakh	13.93%
5.	INR 25-50 Lakh	0
6.	INR 50 Lakh - 1 crore	0
7.	INR 1-5 crore	1.87%
8.	INR 5-25 crore	-
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	100.00%

(d) **Category*: Unsecured***

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	1.94%
2.	INR 2-5 Lakh	5.87%
3.	INR 5-10 Lakh	13.43%
4.	INR 10-25 Lakh	39.57%
5.	INR 25-50 Lakh	37.31%
6.	INR 50 Lakh - 1 crore	0.36%
7.	INR 1-5 crore	1.51%
8.	INR 5-25 crore	-
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	100.00%

(e) **Category*: SCF***

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	0.36%
2.	INR 2-5 Lakh	3.17%
3.	INR 5-10 Lakh	2.96%
4.	INR 10-25 Lakh	12.28%
5.	INR 25-50 Lakh	11.74%
6.	INR 50 Lakh - 1 crore	9.26%
7.	INR 1-5 crore	60.22%
8.	INR 5-25 crore	-
9.	INR 25-100 crore	-
10.	> INR 100 crore	-
	Total	**100.00%**

9.3.5. **Geographical classification of borrowers:**

Top 5 states borrower wise

S. No.	Top 5 States	Percentage of AUM
1.	Maharashtra	15.39%
2.	Tamil Nadu	13.86%
3.	Telangana	12.99%
4.	Gujarat	9.64%
5.	Karnataka	8.98%
	Total	60.86%

9.3.6. **Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:**

Movement of gross NPA

Movement of gross NPA*	INR, Crore March 31, 2023
Opening gross NPA	**56.41**
- Additions during the year	**57.20**
- Reductions during the year	**17.93**
Closing balance of gross NPA	**95.69**

**Please indicate the gross NPA recognition policy (Day's Past Due): 90 days*

Movement of provisions for NPA

Movement of provisions for NPA	INR, Crore
Opening balance	**14.89**
- Provisions made during the year	**33.58**
- Write-off/ write-back of excess provisions	**2.66**
Closing balance	**45.80**

9.3.7. **Segment-wise gross NPA:**

Segment wise gross NPA

S. No.	Segment-wise gross NPA	Gross NPA (%)
1.	**Retail**	-
(A)	Mortgages (home loans and loans against property)	-
(B)	Gold loans	-
(C)	Vehicle loans	-
(D)	MFI	-
(E)	MSME	1.55%
(F)	Capital market funding (loans against shares, margin funding)	-
(G)	Others	-
2.	**Wholesale**	-
(A)	Infrastructure	-
(B)	Real estate (including builder loans)	-
(C)	Promoter funding	-
(D)	Any other sector (as applicable)	-
(E)	Others	100.00%
	Total	1.67%

9.3.8. **Residual maturity profile of assets and liabilities (in line with the RBI format):**

Residual maturity profile of assets and liabilities

(Rs. In crores)

Category	Up to 30/31 days	>1 month -2 months	>2 months -3 months	>3 months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	> 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances (Performing) (a)	304.99	223.10	209.94	238.94	376.06	1,185.35	385.41	590.97	3,514.75
Non-Performing Loans (GNPA) (b)							50.58	45.11	95.69
Less : Provisions for Standard Assets (c)							-	42.20	42.20

Less: Provisions - Non Performing Assets (NPAs) (d)							28.93	16.87	45.80
NET ADVANCES(a+b -c-d)	304.99	223.10	209.94	238.94	376.06	1,185.35	407.05	577.01	3,522.44
Investments	-	-	-	-	-	33.11	27.00	-	60.12
Borrowings	95.31	138.47	225.52	279.43	725.53	1,288.15	398.34	0.95	3,151.70
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA - Foreign Currency Assets; FCL – Foreign Currency Liabilities*

9.4 Disclosure of latest ALM statements to stock exchange: As on 30th September 2023

Table 2: Statement of short-term Dynamic Liquidity							
Particulars		**0 day to 7 Days**	**8 days to 14 days**	**15 days to 30/31 days**	**1 month to 3 months**	**3 to 6 months**	**Total**
		X010	**X020**	**X030**	**X040**	**X050**	**X060**
A. OUTFLOWS							
1. Increase in loans & Advances	**Y010**	2,447.85	8,373.89	31,835.21	90,340.14	1,49,888.47	2,82,885.56
(i) Term Loans	**Y020**	1,975.35	7,901.39	29,630.21	84,040.14	1,39,388.47	2,62,935.56
(ii) Working Capital (WC)	**Y030**	472.50	472.50	2,205.00	6,300.00	10,500.00	19,950.00
(iii) Micro Retail Loans of MFIs	**Y040**	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Others, if any	**Y050**	0.00	0.00	0.00	0.00	0.00	0.00
2. Net increase in investments	**Y060**	0.00	0.00	572.50	1,161.50	1,902.04	3,636.04
(i) Equity Shares	**Y070**	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Convertible Preference Shares	**Y080**	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Non-Redeemable	**Y090**	0.00	0.00	0.00	0.00	0.00	0.00

/ Perpetual Preference Shares							
(iv) Shares of Subsidiaries	**Y100**	0.00	0.00	0.00	0.00	0.00	0.00
(v) In shares of Joint Ventures	**Y110**	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Bonds	**Y120**	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Debentures	**Y130**	0.00	0.00	0.00	0.00	0.00	0.00
(viii) Govt./approved securities	**Y140**	0.00	0.00	0.00	0.00	0.00	0.00
(ix) In Open ended Mutual Funds	**Y150**	0.00	0.00	0.00	0.00	0.00	0.00
(x) Others (Please Specify)	**Y160**	0.00	0.00	572.50	1,161.50	1,902.04	3,636.04
3. Net decrease in public deposits, ICDs	**Y170**	0.00	0.00	0.00	0.00	0.00	0.00
4. Net decrease in borrowings from various sources/net increase in market lending	**Y180**	5,418.73	121.43	10,449.42	29,293.89	64,954.54	1,10,238.01
5. Security Finance Transactions (As per Residual Maturity of Transactions)	**Y190**	0.00	0.00	0.00	0.00	0.00	0.00
a) Repo (As per residual maturity)	**Y200**	0.00	0.00	0.00	0.00	0.00	0.00
b) Reverse Repo (As per	**Y210**	0.00	0.00	0.00	0.00	0.00	0.00

residual maturity)							
c) CBLO (As per residual maturity)	**Y220**	0.00	0.00	0.00	0.00	0.00	0.00
d) Others (Please Specify)	**Y230**	0.00	0.00	0.00	0.00	0.00	0.00
6. Other outflows	**Y240**	629.47	944.21	3,964.37	11,358.00	18,215.52	35,111.57
7. Total Outflow on account of OBS items (OO)(Details to be given in below table)	**Y250**	6,120.34	0.00	1,531.59	2,745.77	0.00	10,397.70
TOTAL OUTFLOWS (A) (1+2+3+4+5+6+7)	**Y260**	14,616.39	9,439.53	48,353.09	1,34,899.30	2,34,960.57	4,42,268.88
B. INFLOWS							
1. Net cash position	**Y270**	25,426.66	0.00	0.00	0.00	0.00	25,426.66
2. Net Increase in Capital (i+ii+iii)	**Y280**	0.00	0.00	0.00	0.00	0.00	0.00
(i) Equity Paid-Up Capital	**Y290**	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Compulsorily Convertible Preference Shares	**Y300**	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Other Preference Shares	**Y310**	0.00	0.00	0.00	0.00	0.00	0.00
3. Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii)	**Y320**	0.00	0.00	0.00	0.00	0.00	0.00
(i) Share	**Y330**	0.00	0.00	0.00	0.00	0.00	0.00

Premium Account							
(ii) General Reserves	**Y340**	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	**Y350**	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	**Y360**	0.00	0.00	0.00	0.00	0.00	0.00
(v) Capital Redemption Reserve	**Y370**	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Debenture Redemption Reserve	**Y380**	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Other Capital Reserves	**Y390**	0.00	0.00	0.00	0.00	0.00	0.00
(viii) Other Revenue Reserves	**Y400**	0.00	0.00	0.00	0.00	0.00	0.00
(ix) Investment Fluctuation Reserves/ Investment Reserves	**Y410**	0.00	0.00	0.00	0.00	0.00	0.00
(x) Revaluation Reserves	**Y420**	0.00	0.00	0.00	0.00	0.00	0.00
x.1 Revl. Reserves - Property	**Y430**	0.00	0.00	0.00	0.00	0.00	0.00
x.2 Revl. Reserves - Financial Assets	**Y440**	0.00	0.00	0.00	0.00	0.00	0.00
(xi) Share	**Y450**	0.00	0.00	0.00	0.00	0.00	0.00

Application Money Pending Allotment							
(xii) Others (Please mention)	**Y460**	0.00	0.00	0.00	0.00	0.00	0.00
(xiii) Balance of profit and loss account	**Y470**	0.00	0.00	0.00	0.00	0.00	0.00
4. Net increase in deposits	**Y480**	0.00	0.00	0.00	0.00	0.00	0.00
5. Interest inflow on investments	**Y490**	0.77	0.00	0.00	102.99	123.50	227.26
6. Interest inflow on performing Advances	**Y500**	2,336.38	1,168.19	2,336.38	12,200.68	19,742.79	37,784.42
7. Net increase in borrowings from various sources	**Y510**	0.00	0.00	20,000.00	61,000.00	89,000.00	1,70,000.00
(i) Bank Borrowings through working Capital (WC)	**Y520**	0.00	0.00	0.00	2,000.00	5,000.00	7,000.00
(ii) Bank borrowings through cash credit (CC)	**Y530**	0.00	0.00	0.00	0.00	3,000.00	3,000.00
(iii) Bank Borrowings through Term Loans	**Y540**	0.00	0.00	15,000.00	23,000.00	52,000.00	90,000.00
(iv) Bank Borrowings through LCs	**Y550**	0.00	0.00	0.00	0.00	0.00	0.00
(v) Bank Borrowings through ECBs	**Y560**	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Other bank borrowings	**Y570**	0.00	0.00	0.00	0.00	0.00	0.00

(vii) Commerial Papers (CPs)	**Y580**	0.00	0.00	5,000.00	2,000.00	7,000.00	14,000.00
(viii) Debentures	**Y590**	0.00	0.00	0.00	34,000.00	22,000.00	56,000.00
(ix) Bonds	**Y600**	0.00	0.00	0.00	0.00	0.00	0.00
(x) Inter corporate Deposits (ICDs)	**Y610**	0.00	0.00	0.00	0.00	0.00	0.00
(xi) Borrowings from Government (Central / State)	**Y620**	0.00	0.00	0.00	0.00	0.00	0.00
(xii) Borrowings from Public Sector Undertakings (PSUs)	**Y630**	0.00	0.00	0.00	0.00	0.00	0.00
(xiii) Security Finance Transactions (As per Residual Maturity of Transactions)	**Y640**	0.00	0.00	0.00	0.00	0.00	0.00
a) Repo (As per residual maturity)	**Y650**	0.00	0.00	0.00	0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	**Y660**	0.00	0.00	0.00	0.00	0.00	0.00
c) CBLO (As per residual maturity)	**Y670**	0.00	0.00	0.00	0.00	0.00	0.00
d) Others (Please Specify)	**Y680**	0.00	0.00	0.00	0.00	0.00	0.00
(xiv) Others	**Y690**	0.00	0.00	0.00	0.00	0.00	0.00

(Please Specify)							
8. Other inflows (Please Specify)	**Y700**	4,728.02	8,239.17	16,911.48	64,698.93	1,09,064.34	2,03,641.94
9. Total Inflow on account of OBS items (OI)(Details to be given in table below)	**Y710**	0.00	17,469.00	0.00	0.00	0.00	17,469.00
TOTAL INFLOWS (B) (1 to 9)	**Y720**	32,491.83	26,876.36	39,247.86	1,38,002.60	2,17,930.63	4,54,549.28
C. Mismatch (B - A)	**Y730**	17,875.44	17,436.83	-9,105.23	3,103.30	-17,029.94	12,280.40
D. Cumulative mismatch	**Y740**	17,875.44	35,312.27	26,207.04	29,310.34	12,280.40	12,280.40
E. C as percentage to Total Outflows	**Y750**	122.30%	184.72%	-18.83%	2.30%	-7.25%	2.78%

SECTION 10: OTHER INFORMATION AND APPLICATION PROCESS

PART A – OTHER INFORMATION

The Debentures being offered as part of the Issue are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

10.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL 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, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

10.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

10.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Vardhman Trusteeship Private Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture 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 authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the

repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

10.4 **Sharing of Information**

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

10.5 **Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

10.6 **Modification of Debentures**

Any Transaction Document may be modified or amended with the written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) by way of an instrument in writing executed by the Issuer and the Debenture Trustee.

10.7 **Notices**

Any notice, in respect of the Debentures, may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

10.8 **Issue Procedure**

The Issuer proposes to issue the Debentures on the terms as set out in this Placement Memorandum subject to the provisions of the SEBI Debt Regulations, Companies Act and rules thereunder, the Debenture Trust Deed and other Applicable Laws. This section applies to all applicants.

(a) Mode of Bidding

The Debentures are proposed to be issued in the open bidding mode in accordance with the EBP Guidelines. There are two modes of bidding prescribed by the EBP Guidelines, namely: (a) open bidding; and (b) closed bidding.

(b) Who can bid/ apply/invest

All Eligible Investors specifically mapped by the Issuer on the EBP, are eligible to bid / invest / apply for this Issue, by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the Issue as per the norms approved by SEBI, RBI or any other statutory body from time to time, including but not limited to EBP

Guidelines (as applicable and published by the Stock Exchange on its website) for investing in this Issue. The contents of this Placement Memorandum and any other information supplied in connection with this Placement Memorandum or the Debentures are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.

The Issue will be under the electronic book mechanism as required in terms of the EBP Guidelines.

However, out of the aforesaid class of investors eligible to invest, this Placement Memorandum is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Placement Memorandum from the Issuer).

(c) Minimum Subscription

100 (one hundred) Debentures bearing face value of INR 1,00,000/- (Indian Rupees One Lakh) each, and in multiples of 1 (one) Debenture(s) thereafter.

(d) Deemed Date of Allotment

All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment.

(e) Interest on Application Money

As per the row titled "Interest on Application Money" in Section 8.1 (*Summary Terms*).

(f) How to bid

All Eligible Investors will have to register themselves as a one-time exercise (if not already registered) with BSE's Bond Platform offered by BSE for participating in electronic book building mechanism. Eligible Investors should refer to the EBP Guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory know-your-customer verification process. Eligible Investors should refer to the EBP Guidelines.

(i) The details of the Issue shall be entered on the EBP by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the EBP Guidelines.

(ii) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP, at least 1 (one) working day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the current EBP Guidelines, are as follows:

(i) Modification of Bid

Eligible Investors may note that modification of bid is allowed during the bidding period. However, in the last 10 (ten) minutes of the bidding period, revision of bid is only allowed for improvement of yield and upward revision of the bid size.

(ii) Cancellation of Bid

Eligible Investors may note that cancellation of bid is allowed during the bidding period. However, in the last 10 (ten) minutes of the bidding period / window, no cancellation of bids is permitted.

(iii) Multiple Bids

Eligible Investors may note that multiple bids are permitted.

Multiple bids by Arrangers are allowed where each bid is on behalf of different investor(s).

Only Arrangers mapped to an Issue will be allowed to enter bids on behalf of their investors, subject to prior registration of such investor with BSE BOND-EBP platform.

Arrangers mapped to an Issue are also allowed to bid on propriety, client and consolidated basis.

(iv) Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

A. Non-receipt of bids up to the issue size;

B. The bidder has defaulted on payment towards the allotment, within the stipulated time frame, due to which the Issuer is unable to fulfil the issue size;

C. The cut-off yield entered by the bidder is higher than the estimated cut-off yield disclosed to the EBP.

Provided that the Issuer shall accept or withdraw the Issue on the EBP within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date.

However, Eligible Investors should also refer to the EBP Guidelines, as prevailing on the date of the bid.

(g) Right to accept or reject bids

The Issuer reserves its full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional/ final allocations at its absolute discretion.

(h) Provisional / Final allocation

Allocation shall be made on a uniform yield basis. Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE-BOND EBP

Platform. Once the allocation is done then the successful bidders can see their respective allocations on the allocation report generated by the BSE- BOND EBP Platform.

(i) Payment mechanism

Subscription should be as per the final allocation made to the successful bidder as notified by the Issuer. Successful bidders should pay-in the subscription amount in to the ICCL Bank Account on or before 10.30 am on the Pay In Date, the details of which have been provided in this Placement Memorandum. Successful bidders should ensure that they pay from the bank accounts that they have registered with the BSE-BOND EBP Platform at the time of registration.

Note: If the successful bidders fail to pay the subscription monies within the time prescribed, their bid will be liable to be rejected and the Issuer shall not be liable to issue and allot any debentures to such bidders.

Subscription monies will be paid out from the ICCL Bank Account into the Designated Account, the details of which have been provided in this Placement Memorandum. This transfer will be done in accordance with the procedure prescribed by the EBP Guidelines.

Cheque(s), Money orders, postal orders will not be accepted. The bank with which the ICCL Bank Account is existing assumes no responsibility for any applications lost in mail. Applications should be for the number of Debentures applied by the investor. Applications not completed in the said manner are liable to be rejected. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her PAN details, or where the same has not been allotted, the GIR No. and the income tax circle/ward/district. As per the provision of Section 139A (5A) of the I.T. Act, PAN/GIR No. needs to be mentioned on the tax deducted at source certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "*Applied for*" nor in case the applicant is not assessed to income tax, the applicant shall mention '*Not Applicable'* (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

All Applicants are requested to tick the relevant column "*Category of Investor*" in the Application Form.

For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the section titled "Application Process" in Part B below of this ***Section 10****.*

(j) Terms of Payment

The full-face value of the Debentures applied for, is to be paid in such process as has been listed in this Placement Memorandum.

(k) Force Majeure

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

(l) Post-allocation disclosures as per EBP Guidelines

Upon allocation of the Debentures, the Issuer shall disclose the size of the Issue, Coupon Rate, the number of successful bidder, category of the successful bidders etc., in accordance with the EBP Guidelines. The BSE-BOND EBP Platform shall upload the data provided by the Issuer on its website to make it available to the public.

(m) Depository arrangements

The Issuer has appointed Link Intime India Private Limited as the Registrar and Transfer Agent for the present Issue. The Issuer has entered into necessary depository arrangements with NSDL and CDSL for dematerialization of the Debentures offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has signed tripartite agreement with the NSDL and CDSL and the Registrar and Transfer Agent for dematerialization of the Debentures offered under the present Issue.

(n) Procedure for applying for the demat facility

Applicant(s) must have a beneficiary account with any Depository Participant of NSDL/CDSL prior to making the application.

For subscribing to the Debentures, names should be identical to those appearing in the account details of the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete/ incorrect beneficiary account details are given which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Issuer.

The Debentures shall be directly credited to the beneficiary account and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrar and Transfer Agent but the confirmation of the credit of the Debentures to the applicant's depository account will be provided to the applicant by the Depository Participant of the applicant.

Coupon or other benefits with respect to the Debentures would be paid to those holders whose names appear on the list of beneficial owners given by the depository to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of Coupon or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the Coupon or other benefits to the beneficiaries identified, within a period of 15 (fifteen) calendar days from the date of receiving such intimation.

Applicants may please note that the Debentures shall be allotted and traded on the stock exchange(s) only in dematerialized form.

(o) Allotment resolutions and Credit of debentures

The beneficiary account of the investor(s) with NSDL/CDSL / Depository Participant will be given initial credit within 2 (two) Business Days from the date of

closure of the Issue and confirmation of the credit of Debentures shall be provided by the relevant Depository within 2 (two) Business Days from the date of closure of the Issue.

Subject to the completion of all statutory formalities within time frame prescribed in the Applicable Laws, an allotment resolution shall be passed by the Securities Allotment Committee of the Issuer on the Pay In Date to record the allotment of the Debentures to the relevant investor(s) on the said date and the beneficiary demat account of the investor(s) would be credited with the number of Debentures so allotted. The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, SEBI (Depositories and Participants) Regulations, 1996, rules notified by NSDL/CDSL/ Depository Participant from time to time and other Applicable Laws and rules notified in respect thereof. The Debentures shall be allotted in dematerialized form only.

10.9 **Application Procedure**

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

10.10 **Eligible Investors**

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- FPIs
- Any other investor eligible to invest in the Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

10.11 **List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

10.12 **Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(a) SEBI registration certificate

(b) Resolution authorizing investment and containing operating instructions

(c) Specimen signature of authorized signatories

10.13 **Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents

(b) Resolution authorising investment

(c) Certified true copy of the Power of Attorney to custodian

(d) Specimen signatures of the authorised signatories

(e) SEBI registration certificate (for Mutual Funds)

(f) Copy of PAN card

(g) Application Form (including EFT/RTGS details)

10.14 **Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

10.15 **Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to

recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

10.16 **Mode of Payment**

All payments must be made through cheque(s)/ demand draft(s)/ EFT/RTGS as set out in the Application Form.

10.17 **Effect of Holidays**

Please refer to Section 8.1 (*Summary Terms*).

10.18 **Tax Deduction at Source**

(a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.

(b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.

(c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.

(d) Within the earlier of (A) 60 (sixty) days (or such further time period as may be prescribed by the Debenture Trustee) of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days (or such further time period as may be prescribed by the Debenture Trustee) of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

10.19 **Allotment**

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 Listing Timelines Requirements.

10.20 **Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is 24th January 2024 by which date the Investors would be intimated of allotment.

10.21 **Record Date**

The Record Date will be 7 (seven) calendar days prior to any Due Date.

10.22 **Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

10.23 **Interest on Application Money**

Please refer Section 8.1 (*Summary Terms*).

10.24 **PAN Number**

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

10.25 **Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

PART B - APPLICATION PROCESS

Issue

Issue of the Debentures with a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, for a principal amount of up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only) on a private placement basis not open for public subscription.

Compliance with laws

The Issue of Debentures is being made in compliance with the Companies Act & rules made thereunder, the SEBI NCS Regulations, the LODR Regulations, the SEBI (Debenture Trustees) Regulations, 1993 and amendments thereto, circulars enacted thereunder, and other Applicable Laws in this regard.

Who Can Apply

This Placement Memorandum and the contents hereof are restricted to only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Issuer, and only such recipients are eligible to apply for the Debentures.

Who Cannot Apply

The entities apart from the Eligible Investors shall not be eligible to participate in the Issue and any applications from such persons and entities shall be rejected.

Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue. Prior to making any investment in these Debentures, each investor should satisfy and assure herself/himself/itself that it is authorized and eligible to invest in these Debentures. The Issuer shall be under no obligation to verify the eligibility/authority of the investor to invest in these Debentures.

DISCLAIMER: AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME SUBJECT TO THE PROVISIONS OF THE CIRCULAR ISSUED BY LISTED NCDs MASTER CIRCULARR WITH RESPECT TO ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF DEBENTURES ON A PRIVATE PLACEMENT BASIS READ WITH THE APPLICABLE OPERATING GUIDELINES ISSUED BY THE STOCK EXCHANGE. THE LIST OF DOCUMENTS PROVIDED BELOW IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS / AUTHORIZATIONS / INFORMATION, WHICH ARE LIKELY TO BE REQUIRED BY THE ISSUER. THE ISSUER MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE ISSUER REQUIRED TO CHECK OR CONFIRM THE SAME.

How to Apply

Application(s) for the Debentures must be made by submitting the Application Form which must be completed in block letters in English substantially in the format as set out in **Annexure IV**

(*Application Form*). Application Form must be accompanied by electronic fund transfer instruction as per below details.

The payment can be made by Real Time Gross Settlement (RTGS) / NEFT by crediting the funds to the account of the clearing corporation of the Stock Exchange selected by the Issuer for pay-in of subscription monies as prescribed under the electronic book building procedure i.e. the ICCL Bank Account. The details of the ICCL Bank Account are as given below:

<table>
<tr><td>Settlement/Details of Subscription Account</td><td>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:

<table>
<tr><td>Name of Bank</td><td>HDFC BANK</td></tr>
<tr><td>IFSC Code</td><td>HDFC0000060</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr>
</table>

<table>
<tr><td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr>
<tr><td>IFSC Code</td><td>ICIC0000106</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr>
</table>

<table>
<tr><td>Name of Bank</td><td>YES BANK</td></tr>
<tr><td>IFSC Code</td><td>YESB0CMSNOC</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr>
</table>

Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder. Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.</td></tr>
</table>

The subscription monies transferred to the ICCL Bank Account, by the applicants successful under the electronic book building procedure will subsequent to the fulfilment of procedural requirements under the Applicable Law, be transferred to the Designated Account of the Issuer with the Designated Account Bank. The details of the Designated Account are as follows:

Beneficiary Name	UGRO Capital Limited
Address of Beneficiary	4th Floor, Tower – 3, Equinox Business Park, Off BKC – LBS Road, Kurla – (West) Mumbai – 70.
Name of Beneficiary Bank and Address	IDFC First Bank, Naman Branch
IFSC of Beneficiary Bank	IDFB0040101
Account number of Beneficiary Bank	10072952688

The applications must be accompanied by certified true copies of (i) a letter of authorization, and (ii)

specimen signatures of authorised signatories.

Instructions for filling up the application form

1) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.

2) Signatures should be made in English.

3) The Debentures are being issued at par to the face value. Full amount has to be paid on application per Debenture applied for. Applications for incorrect amounts are liable to be rejected. Face Value: INR 1,00,000/- (Indian Rupees One Lakh only) each.

4) Money orders or postal orders will not be accepted. The payments can be made by NEFT/ RTGS, the details of which are given above. Payment shall be made from the bank account of the person subscribing. In case of joint-holders, monies payable shall be paid from the bank account of the person whose name appears first in the application.

5) No cash will be accepted.

6) The applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District.

7) Applications under power of attorney/relevant authority:

   In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the memorandum and articles of association and/or bye-laws of the investor must be attached to the application form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Issuer at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

8) An application once submitted cannot be withdrawn.

9) The applications would be scrutinised and accepted as per the terms and conditions specified in this Placement Memorandum.

10) Any application, which is not complete in any respect, is liable to be rejected.

11) The investor / applicant shall apply for the Debentures in electronic, i.e., dematerialised form only. Applicants should mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the application form. In case of any discrepancy in the information of Depository/Beneficiary Account, the Issuer shall be entitled to not credit the beneficiary's demat account pending resolution of the discrepancy.

The applicant is requested to contact the office of the Issuer as mentioned above for any clarifications.

Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

The Issue is governed by the provisions of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Placement Memorandum, shall be subject to this Placement Memorandum, the Debenture Trust Deed and also be subject to the provisions of the Constitutional Documents of the Issuer.

Option to Subscribe

The Issuer has made arrangements for issue and holding of the Debentures in dematerialized form.

Right to Debenture Holders:

The Debentures shall not, confer upon the Debenture Holders thereof any rights or privileges available to the shareholders of the Issuer.

Right to accept or reject applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof subject to the provisions of the Listed NCDs Master Circular with respect to electronic book mechanism for issuance of debentures on a private placement basis read with the applicable operating guidelines issued by the stock exchange. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

1) incomplete application forms;

2) applications exceeding the Issue size;

3) bank account details have not been provided;

4) details for issue of Debentures in electronic / dematerialised form not given;

5) PAN or GIR No. and the income tax circle / ward / district is not given; and

6) in case of applications made through power of attorneys, if the relevant documents are not submitted.

The full amount of Debenture has to be submitted along with the application form.

Allotment

The Debentures allotted to investor in dematerialized form would be directly credited to the beneficiary account as given in the application form after verification. The Debentures will be credited to the account of the allottee(s) as soon as practicable but in any event within 2 (two) Business Days from the Issue Closure Date.

Register of Debentures Holder(s)

A register of all Debenture holder(s) containing necessary particulars of the Debenture holders will be maintained with the Depository. The Issuer shall at all times duly maintain all details of Debenture Holders in the form and manner as required under Applicable Laws.

Tax Deduction at Sources

All payments to be made by the Issuer to a Debenture Holder in accordance with the provisions of the Debenture Trust Deed and other transaction documents, including any outstanding nominal value, all other payments upon redemption of the Debentures, shall be made free and clear of and without any deduction or withholding for or on account of Tax unless the Issuer is required to make a Tax

Deduction by the Applicable Law in which case the Issuer shall make that Tax Deduction in accordance with and within the time prescribed by the Applicable Law and deliver to the relevant Debenture Holder and the Debenture Trustee, a payment evidence reasonably satisfactory to the relevant Debenture Holder and the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment has been paid to the relevant Tax authority and credit of Taxes withheld is appearing online to the credit of relevant Debenture Holder's or the Debenture Trustee's account (as the case may be) on the relevant official website of the Tax department.

Transfer / Transmission/Trading of Debentures

The Debentures shall be transferable freely to all classes of Eligible Investors. It is clarified that the Debentures are not intended to be held by any category of persons who are not Eligible Investors. Subject to the foregoing, the Debentures may be transferred and/or transmitted in accordance with the applicable provisions of the Applicable Laws. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by Depositories and the relevant Depository Participants 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, Coupon 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.

Provided further that nothing in this section shall prejudice any power of the Issuer to register as Debenture holder any person to whom the right to any Debenture of the Issuer has been transmitted by operation of law.

Subject to the terms of the Debenture Trust Deed, the normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to its Depository Participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debentures.

The Debentures shall be issued only in dematerialised form in compliance with the provisions of the Depositories Act, 1996 (as amended from time to time), any other applicable regulations (including of any relevant stock exchange) and these conditions. No physical certificates of the Debentures would be issued.

Authority for the placement

This private placement of Debentures is being made pursuant to the resolution passed by the Board of Directors of the Issuer dated May 15, 2023 and November 11, 2019, read along with the resolution passed by the Investment and Borrowing Committee of the Board of Directors of the Company on 17th January 2024, authorising the Issuer to borrow monies by way of issue of non-convertible debentures.

The Issuer can carry on its existing activities and future activities planned by it in view of the existing approvals, and no further approvals from any Governmental Authority are required by the Issuer to carry on its said activities.

Record Date

Record Date shall be 7 (seven) calendar days prior to any date on which any amount is due and payable by the Issuer to the Debenture Holders and/or Debenture Trustee in accordance with the Transaction Documents. The list of beneficial owner(s) provided by the Depository as at the end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Coupon and/or principal instalment is to be paid notwithstanding any subsequent transfer by the existing Debenture

Holders after the Record Date.

Effect of Holidays

As per business day convention as specified in Clause 6.22(a) of this Placement Memorandum.

Redemption on Maturity of Debenture

The Issuer shall pay, in respect of each outstanding Debenture, an amount that is equal to the outstanding principal amount of that Debenture as on Final Redemption Date, any accrued but unpaid Coupon applicable to the principal amount of each Debenture is payable on a yearly basis and any other amounts that are payable in accordance with the Debenture Trust Deed.

The details of the settlement mechanism upon redemption of Debentures have been specified under "Issue Details".

Resolution for pre and post issue related difficulties

The investor may contact the Issuer in case of any pre -issue / post-issue related problems such as non-receipt of credit of debentures / refund orders etc.

Debentures to Rank Exclusive

The Debentures of this Issue shall rank first and exclusive in favour of the Debenture Trustee (acting on behalf of the Debenture holders).

Payments at Par

Payment of the principal, all Coupon and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in the register of Debenture holder(s) / in the list of beneficial owner(s) provided to the Issuer by the Depository. Such payment shall be made through electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT). Upon failure of the Issuer to make the relevant payments through the aforesaid mode, the Issuer shall pay the redemption amount, Coupon and all other amounts to the registered debenture holders by way of demand draft(s)/credit in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount along with the Coupon by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/ CDSL and accordingly the account of the Debenture Holder(s) with NSDL/ CDSL will be adjusted.

Tax Benefits

There are no specific Tax benefits attached to the Debentures. Investors are advised to consider the Tax implications of their respective investment in the Debentures.

All the rights and remedies of the Debenture Holder(s) shall vest in and shall be exercised by the Debenture Trustees without having it referred to the Debentures holder(s).

Payment Instruments (if applicable)

Loss of any payment instrument, if applicable, should be intimated to the Issuer along with the request for issue of a duplicate payment instrument(s), if applicable. If any payment instrument(s), if applicable, is lost, stolen, or destroyed, then upon production of proof thereof, to the satisfaction of the Issuer and upon furnishing such indemnity, as the Issuer may deem adequate and upon payment

of any expenses incurred by the Issuer in connection thereof, new payment instrument(s), if applicable shall be issued. Payments shall be made through electronic mode only. Upon failure of the Issuer to make the relevant payments through the aforesaid mode, the Issuer shall pay the redemption amount, Coupon and all other amounts to the registered Debenture Holders by way of demand draft(s)/credit in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount along with the Coupon by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/ CDSL and accordingly the account of the Debenture Holder(s) with NSDL/ CDSL will be adjusted.

Refunds

In case of delay in listing of the Debentures beyond 3 (three) working days from the date of closure of the Issue or such other timelines as prescribed under the Applicable Laws, whichever is earlier, the Issuer shall pay a penal interest of 1% (one per cent) per annum over and above the Coupon which shall be computed on and from the date falling on the expiry of 3 (three) working days from the issue closing date until the Debentures are listed on the Stock Exchange.

Notices

Any communication to be made under or in connection with the Debentures and the Transaction Documents shall be in accordance with the provisions of the Debenture Trust Deed.

All transfer related documents, tax exemption certificates, intimation for loss of allotment resolutions/Debenture(s), etc., requests for issue of duplicate documents and/or any other notice / correspondence by the Debenture Holder(s) to the Issuer with regard to the Issue should be sent in the manner and to the persons specified by the Issuer in the Transaction Documents.

Sharing of Information

The Issuer may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required under Applicable Law and neither the Issuer or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Debentures subject to the Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, issued under this Placement Memorandum, shall be subject to prevailing guidelines/regulations of RBI and other authorities and also be subject to the provisions of the Debenture Trust Deed and all documents to be entered into by the Issuer in relation to the Issue, including this Placement Memorandum, the Debenture Trust Deed and other Transaction Documents.

Governing Law

The Debentures are governed by and will be construed in accordance with Indian law. The Issuer and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of RBI, SEBI and stock exchanges and other applicable regulations from time to time. The applicable jurisdiction has been specified in Section 8.1 (*Summary Terms*).

Conflict

This Placement Memorandum supersedes all previous deeds, documents arrangements, agreements, memoranda of understanding including any term sheet that may have been entered into by the Issuer

with the Debenture Holders and/or the Debenture Trustee in connection with the Debentures and in the event of any conflict or inconsistency with such previous documents, deeds and agreements the provisions of this Placement Memorandum shall prevail. However, in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in this Placement Memorandum and the Debenture Trust Deed executed by the Issuer, the provisions as contained in the Debenture Trust Deed shall prevail and override the provisions of such Placement Memorandum.

Investor Relation and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously. The Issuer endeavours to resolve the investors' grievances within promptly upon receipt. All grievances related to the Issue quoting the application number (including prefix), number of Debentures applied for, amount paid on application, may be addressed to the Registrar and Transfer Agent / compliance officer. All investors are hereby informed that the Issuer has appointed a Registrar and Transfer Agent / compliance officer who may be contacted in case of any problem related to this Issue.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 11: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this Placement Memorandum.

I am authorized by the Board of Directors of the Issuer *vide* resolution dated May 15, 2023 read with the resolution dated 17th January 2024 of the of the investment and borrowing committee of the of the board of directors of the Issuer, to sign this Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Placement Memorandum.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Placement Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Placement Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this Placement Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman and Managing Director
Date: 23rd January 2024
Place: Mumbai

ANNEXURE I: TERM SHEET

As provided in Section 8.1 (*Summary Terms*) above.

ANNEXURE II: RATING LETTER, RATING RATIONALE AND PRESS RELEASE FROM THE RATING AGENCY

ENCLOSED

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

January 08, 2024

Dear Sir/Madam,

Re: Rating Letter of UGRO Capital Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on UGRO Capital Limited's (UGRO) debt instruments:

Instrument Type	Date of Issuance	ISIN	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Public issue non-convertible debentures (NCDs)*	-	-	-	-	INR2,000	IND A/Stable	Affirmed
NCDs#	-	-	-	-	INR4000	IND A/Stable	Affirmed
NCDs*	-	-	-	-	INR2,500	IND A/Stable	Assigned
Bank loans	-	-	-	-	INR11,500	IND A/Stable	Affirmed
Bank loans	-	-	-	-	INR2,500	IND A/Stable	Assigned

* Unutilised
#details in annexure

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

Pankaj

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 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

Rakesh Valecha
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Bank Loan	State Bank of India	IND A/Stable	4500.00
Bank Loan	Karur Vysya Bank	IND A/Stable	250.00
Bank Loan	SIDBI	IND A/Stable	1000.00
Bank Loan	Bank of Maharashtra	IND A/Stable	500.00
Bank Loan	Indian Renewable Energy Development Agency Limited	IND A/Stable	2365.50
Bank Loan	HDFC Bank Limited	IND A/Stable	250.00
Bank Loan	Canara Bank	IND A/Stable	1000.00
Bank Loan	IDBI Bank	IND A/Stable	250.00
Bank Loan	Union Bank of India	IND A/Stable	500.00
Bank Loan	Indian Bank	IND A/Stable	600.00
Bank Loan	NA	IND A/Stable	2784.50

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE583D07364	06/06/2023	10.25	06/12/2024	IND A/Stable	250
NCDs	INE583D07372	18/09/2023	8.56	18/09/2025	IND A/Stable	500
NCDs	INE583D07380	25/09/2023	10.5	26/09/2026	IND A/Stable	280
NCDs	INE583D07398	08/11/2023	1	10/05/2025	IND A/Stable	300
NCDs	INE583D07406	12/12/2023	10.38	12/12/2027	IND A/Stable	2496
NCDs (unutilised)					IND A/Stable	4674



India Ratings Affirms UGRO Capital's NCDs at 'IND A'/Stable and CPs at 'IND A1'; Rates New NCDs and Bank Loans

Jan 08, 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:

Instrument Type	Date of Issuance	ISIN	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Public issue non-convertible debentures (NCDs)*	-	-	-	-	INR2,000	IND A/Stable	Affirmed
NCDs#	-	-	-	-	INR4000	IND A/Stable	Affirmed
NCDs*	-	-	-	-	INR2,500	IND A/Stable	Assigned
Bank loans	-	-	-	-	INR11,500	IND A/Stable	Affirmed
Bank loans	-	-	-	-	INR2,500	IND A/Stable	Assigned
Commercial papers (CP)	-	-	-	7 to 365 days	INR2,000	IND A1	Affirmed

* Unutilised
#details in annexure

Analytical Approach: Ind-Ra continues to take a standalone view of UGRO to arrive at the ratings.

The ratings reflect UGRO's wide product offerings for micro, small and medium enterprises (MSMEs), along with 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, which are likely to improve over FY24-FY25 as the operational leverage plays out and the seasoning of the book increases with a growing vintage of operations. While the seasoning is low, nearly 50% of the assets under management (AUM) was generated over the 12 months ended March 2023, when the effect of the pandemic was waning.

Key Rating Drivers

Focused on Funding MSMEs; Geographically and Sectorally Diversified: UGRO is a specialised 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 INR2.5 million for unsecured products. Since coming into existence in 2019, the entity has built AUM of INR75.9 billion despite a large part of this period being impacted by the pandemic. Furthermore, the entity operates out of 104 branches (23 prime and rest for micro enterprises), which are largely present across nine Indian states, while its customers are spread across 24 states, with no single state accounting for over 15% of the AUM. Furthermore, the AUM is diversified across ten key sectors, with the largest end-segment constituting 23% 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.

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-touch model wherein customers are sourced through its branch network, direct sales agents, anchors for dealer financing, original equipment manufacturers, co-origination partners and a soon-to-be-introduced completely 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. The collections largely continue to be through banking and financial instruments.

Targeting Strong Off-Balance Growth; Efficacy of Co-Lending Yet to be Established: 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 45% in 2QFY24 from 4% in FY22, even as the AUM grew over 2.6x to INR75.9 billion over the same period. While being less strenuous on the capital buffers, this growth has been providing a steady source of income for UGRO. Ind-Ra opines banks, in particular 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, and would determine UGRO's ability to further scale up the share of the off-book AUM to 50%, even as the overall AUM continues to record a sharp growth trajectory.

Adequate Capital Buffers: UGRO has built adequate capital buffers post a capital infusion of INR3.4 billion during 1QFY24, resulting in a higher capital base of INR13.7 billion at 1HFYE24 (FYE23: INR9.8 billion; FY22: INR9.7 billion; FY21: INR9.5 billion), with a capital adequacy ratio of 24.2% (20.2%; 33.61%; 65.15%). Furthermore, the leverage ratio (debt/equity) improved to 2.77x at 1HFYE24 from 3.2x at FYE23 (FY22: 1.9%; FY21: 0.82%); however, with a sharp build-up in scale, the leverage will gradually increase over the medium term. Given the borrower dynamics in the segment, along with the high credit costs that the segment has been associated with, Ind-Ra believes the leverage, on a sustained basis, will be contained within 4.0x while keeping the proportion of lending to the unsecured segment capped at around 30% of the overall AUM. Furthermore, as per the management, the Reserve Bank of India's November 2023 circular on increased risk-weighted would not have any impact on Ugro's capital position.

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 36.4%, 4.5%, 8.4% and 12.6%, respectively, of the total borrowings at end-September 2023, with working capital loans constituting another 2.0%. NCDs and market-linked debentures constituted 15.9% and 4.6%, respectively, of the total borrowings, CPs formed 4.0%, and external commercial borrowings accounted for 10.2%. 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 10 partners also acts as an additional source of fund-raising. With huge funding requirements to support its growth, Ind-Ra believes UGRO will see a consolidation in its funding mix as it deepens relationships with its existing lenders and expands its market

presence over the near-to-medium term.

Liquidity Indicator - Adequate: At 2QFYE24, UGRO had a total liquidity of around INR5.9 billion, combining unencumbered cash, liquid investments and unutilised bank lines, which cover its debt obligations for three months, without considering any inflows from collections. Furthermore, in the up to one-year bucket, UGRO maintained a surplus on a cumulative basis at 2QFYE24. On a steady-state basis, UGRO aims to keep at least two months of debt payments and operating expenses along with one month of disbursements as on-balance sheet liquidity. As of September 2023, UGRO had AUM of about INR75.9 billion, of which assets worth INR41.8 billion were on-balance sheet assets. 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.

Modest-but-growing Franchise; Limited Track Record; Asset Quality Seasoning Needs to be Established: UGRO began operations in 2019 and has built an AUM of INR66.7 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 50% of AUM was generated in the 12 months ended September 2023. However, Ind-Ra derives comfort from the fact that a major portion of the recent generation was completed at a time when the effect of COVID-19 was waning.

The gross stage 3 for UGRO stood at 1.9% in 2QFY24 (FY23: 1.6%; FY22: 2.3%; FY21: 2.3%), with credit costs of 2.25% (on on-book AUM). However, on a one-year lagged basis, the gross NPA remained elevated at 3.3%. Also, the gross stage 3 provisions coverage was low at 49% of the on-book AUM in FY23, with total provisions at 1.4% of the AUM. In terms of the restructured portfolio also, the book remains small, with an outstanding restructured book of INR0.7 billion (0.9% of the AUM) at 2QFYE24, 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, and this will be a key monitorable for the agency.

Moderate Profitability; 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 came in high at 55.9% at 2QFYE24 (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-FY23, thus putting pressure on the profitability. The entity, however, has made investments in its technology platform and the ground-level infrastructure, which will give it the ability to scale up its disbursements by another 40% over the next couple of years with the same infrastructure. This, if achieved, will give the company a big fillip in terms of its return on assets (2QFY24: 2.7%; FY23:1.1%; FY22: 0.6%, FY21: 1.9%). That being said, Ind-Ra opines UGRO will only be fully able to capitalise on its analytics-based credit model if it can keep its credit costs in check across multiple cycles and product lines.

Rating Sensitivities

Positive: A profitable and a significant expansion of the franchisee while maintaining the asset quality, geographical diversification and 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 4.0x 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.

Company Profile

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 98 branches (23 prime and 75 micro) across a wide geographic spread. The AUM of the entity (own and managed) stood at INR75.9 billion at 1HFYE24 with the off-book volumes constituting 45% 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.

FINANCIAL SUMMARY

Particulars	1HFY24	FY23	FY22
Total assets (INR billion)	53.3	43.1	28.5
Total equity (INR billion)	13.7	9.8	9.7
Net profit (INR billion)	0.54	0.4	0.15
Return on average assets (%)	2.2	1.4	0.6
Equity/assets (%)	25.7	22.9	33.9
Capital adequacy ratio (%)	24.8	20.2	34.37
Gross Stage 3 (%)	1.9	1.6	2.3
Source: Ind-Ra, UGRO			

Non-Cooperation with previous rating agency

Not applicable

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.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (million)	Rating	15 Sept 2023	24 July 2023	28 April 2023	24 February 2023
Bank loans	Long-term	INR14,000	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable
NCDs	Long-term	INR8500	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	NA
CP	Short-term	INR 2,000	IND A1	IND A1	IND A1	IND A1	NA

Annexure

ISIN	Date of Issue	Coupon (%)	Maturity Date	Rated Amount (million)	Rating/Outlook
INE583D07364	06 June 2023	10.25	6 December 2024	INR250	IND A/Stable
INE583D07372	18 Sep 2023	8.56	18 Sep 2025	INR500	IND A/Stable

INE583D07380	25 Sep 2023	10.50	26 Sep 2026	INR280	IND A/Stable
INE583D07398	08 Nov 2023	1.0	10 May 2025	INR300	IND A/Stable
INE583D07406	12 Dec 2023	10.38	12 Dec 2027	INR2496	IND A/Stable
			Limit unutilised	INR4,674	
			Total	INR8,500	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator
Bank loans	Low
NCDs	Low
CP	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Contact

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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.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

APPLICABLE CRITERIA

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

The Rating Process

DISCLAIMER

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

ENCLOSED

VARDHMAN
TRUSTEESHIP PRIVATE LIMITED
Nurturing & Protecting Your Trust

CL/MUM/23-24/DEB/272

Date: January 15, 2024

To,
UGRO Capital Limited
4th Floor, Tower - 3, Equinox Business Park,
Off BKC - LBS Road, Kurla - (West)
Mumbai, Maharashtra - 400070

Kind Attn: Mr. Kishore Lodha

Dear Sir,

Consent to act as Listed Senior Unsecured Rated Transferable Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") amounting to INR. 50 crores (Rupees Fifty Crores) (the "Issue") to be issued by UGRO Capital Limited.

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 the Information Memorandum/disclosure document/listing application or any other document to be filed with the BSE/NSE Limited ("Stock Exchange") or any other authority as required. The following details with respect to us may be disclosed:

Name	Vardhman Trusteeship Private Limited
Address	The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Tel	22 4264 8335/ 22 4014 0832
Email	corporate@vardhmantrustee.com
Website	https://vardhmantrustee.com
Contact Person	Rushabh Desai
SEBI Registration No	IND000000611
CIN	U65993WB2010PTC152401
Logo	VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting Your Trust

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as Annexure A and declaration regarding our registration with SEBI as Annexure B. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

Yours faithfully,

For Vardhman Trusteeship Private Limited

Vardhman Trusteeship Pvt. Ltd.

Authorised Signatory

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000274

(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

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Unit No. 15, Turner Morrison Building
6 Lyons Range
KOLKATA
700001
WEST BENGAL
INDIA

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 **IND000000611**

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

This certificate of Registration shall be valid from 15/12/2020 to null, unless Suspended or cancelled by the Board

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

स्थान Place : **Mumbai**

तारीख Date : **May 20, 2021**

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

jai kaushal

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1	Registration Number	IND000000611
2	Date of registration/ Renewal of registration	15/12/2020
3	Date of expiry of registration	Null, unless suspended or cancelled by SEBI
4	If applied for renewal, date of application	N/A
5	Any communication from SEBI prohibiting the entity from acting as an intermediary	No
6	Any enquiry/ investigation being conducted by SEBI	No
7	Details of any penalty imposed by SEBI	No

Vardhman Trusteeship Pvt. Ltd.

ANNEXURE IV: APPLICATION FORM

UGRO Capital Limited

Registered Office and Corporate Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

Phone: +9122 41821600,

E-mail: cs@ugrocapital.com; Website: www.ugrocapital.com

APPLICATION FORM FOR PRIVATE PLACEMENT OF SENIOR, UNSECURED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000/- (Rupee One Lakh) EACH (THE "DEBENTURES") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE")

Date of Application: _____, 2024

Dear Sir/Madam,

We have received, read, reviewed and understood all the terms and conditions contained in the Placement Memorandum dated_____ 2024 ("**Placement Memorandum**").

Now, therefore, we hereby agree to subscribe to such number of Debentures as mentioned hereunder in this application form, subject to the terms of issue of Debentures as specified in the Placement Memorandum, and the Debenture Trust Deed executed by and between UGRO Capital Limited and Vardhman Trusteeship Private Limited dated 23rd January 2024 (**Debenture Trust Deed**). We undertake to make payment for the subscription of the Debentures in the manner provided in the Debenture Trust Deed and the Placement Memorandum. We undertake that we will sign all such other documents and do all such other acts, if any, that may be reasonably required to be done on our part to enable us to be registered as the holder(s) of the Debentures which may be allotted to us.

We authorise you to place our name(s) on the Register of Debenture Holders of the Issuer that may be maintained in the depository system and to register our address(es) as given below.

The certified true copies of (i) Board resolution / letter of authorization, and (ii) specimen signatures of authorised signatories of the applicants, are enclosed herewith.

Capitalised terms, unless defined herein shall have the meaning given to the term in the Debenture Trust Deed and/or the Placement Memorandum, as the context may require.

The details of the application are as follows:

	In Figures	***In words***	Date:
No. of Debentures			FOR OFFICE USE ONLY
Amount (Rs)			Date of receipt of Application Sl. No:

Name of Applicant	
Father's Name	
Occupation/Business	
Nationality	
Complete address	
Phone number	
Email	
PAN	
IT Circle/Ward/District	
Bank account details	
Tick whichever is applicable (if applicable)	(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares:- ☐ (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith:- ☐

I/We the undersigned, want to hold the Debentures of the Issuer in the dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY NAME	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	

Yours faithfully,

For _____

(Name and Signature of Authorised Signatory)

Enclosures:

(i) Board resolution / letter of authorization

(ii) specimen signatures of authorised signatories of the applicants

INSTRUCTIONS

1. Application must be completed in full BLOCK LETTERS IN ENGLISH except in case of signature. Applications, which are not complete in every respect, are liable to be rejected.

2. Signatures should be made in English.

3. The Debentures are being issued at par to the face value. Full amount has to be paid on application per Debenture applied for. Applications for incorrect amounts are liable to be rejected. Face Value: INR 1,00,000/- (Rupees One Lakh only) each.

4. Money orders or postal orders will not be accepted. The payments can be made by NEFT/ RTGS, the details of which are given below. Payment shall be made from the bank account of the person subscribing. In case of joint-holders, monies payable shall be paid from the bank account of the person whose name appears first in the application.

5. No cash will be accepted.

6. The applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District.

7. Applications under power of attorney/relevant authority.

8. In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the memorandum and articles of association and/or bye-laws of the investor must be attached to the application form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Issuer at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

9. An application once submitted cannot be withdrawn.

10. The applications would be scrutinised and accepted as per the terms and conditions specified in this Placement Memorandum.

11. Any application, which is not complete in any respect, is liable to be rejected.

12. The investor / applicant shall apply for the Debentures in electronic, i.e., dematerialised form only. Applicants should mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the application form. In case of any discrepancy in the information of Depository/Beneficiary Account, the Issuer shall be entitled to not credit the beneficiary's demat account pending resolution of the discrepancy.

13. The applicant is requested to contact the office of the Issuer as mentioned above for any clarifications.

14. Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Placement Memorandum, shall be subject to the Placement Memorandum, the Debenture Trust Deed and also be subject to the provisions of the constitutional documents of the Issuer.

15. Payments must be made by RTGS to the ICCL Bank Account:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

ANNEXURE V: FINANCIAL STATEMENTS ALONG WITH AUDIT REPORTS, SCHEDULES, FOOTNOTES, SUMMARY ETC.

UGRO CAPITAL LIMITED

Balance Sheet as at September 30, 2023, as at March 31, 2023, as at March 31, 2022 and as at March 31, 2021

Particulars	As at Sep 30, 2023	As at Mar 31, 2023	As at March 31, 2022	As at March 31, 2021
I. ASSETS				
Financial assets				
Cash and cash equivalents	25,426.66	4,014.77	6,574.94	12,365.55
Bank balances other than cash and cash equivalents above	29,416.38	17,166.14	12,260.25	19,238.99
Trade receivables		-	-	-
Derivative financial instruments	162.33	-	22.29	-
Loans	4,45,761.77	3,80,636.21	2,45,048.34	1,28,269.61
Investments	5,876.53	6,010.69	6,943.99	5,522.75
Other financial assets	1,670.89	2,531.23	789.62	680.88
	5,08,314.56	**4,10,359.04**	**2,71,639.43**	**1,66,077.78**
Non-financial assets				
Current tax assets (net)	210.86	203.78	164.23	-
Deferred tax assets (net)	1,994.05	2,547.36	4,381.63	4,293.55
Property, plant and equipment	452.85	379.30	430.43	468.60
Non Current Asset held for sale	4,722.65	2,194.55	-	-
Right of use assets	3,776.35	3,364.08	2,538.28	1,094.31
Capital work in progress	-	2.82	20.25	-
Intangible assets under development	71.97	1,431.41	568.54	388.41
Other intangible assets	6743.77	4,741.53	2,602.04	2,062.02
Other non-financial assets	6,781.72	5,334.81	3,077.73	1,093.91
	24,754.22	**20,199.64**	**13,783.13**	**9,400.80**
TOTAL ASSETS	**5,33,068.78**	**4,30,558.68**	**2,85,422.56**	**1,75,478.58**
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	-	9.27		
(A) Trade payables				
(I) total outstanding dues of micro enterprises and small enterprises	-	145.97	0.08	0.01
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	152.45	1,168.80	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	141.54	96.78	15.04	107.36
Debt securities	1,03,644.88	1,14,434.45	70,376.77	31,557.55
Borrowings (other than debt securities)	2,76,175.78	2,00,459.00	1,09,807.09	45,011.94
Other financial liabilities	7,348.89	7,734.85	4,722.81	2,118.22
	3,87,463.54	**3,24,049.12**	**1,85,588.72**	**79,013.32**
Non-financial liabilities				

Current tax liabilities (net)	2,588,86	1,567.77	126.07	144.13
Provisions	5,274.60	5,776.71	2,687.22	939.67
Other non-financial liabilities	638.63	760.77	364.23	137.64
	8,502.09	**8,105.25**	**3,177.52**	**1,221.44**
TOTAL LIABILITIES	**3,95,965.63**	**3,32,154.37**	**1,88,766.24**	**80,234.76**
Equity				
Equity share capital	9,126.03	6,932.11	7,055.94	7,052.86
Other equity	1,27,977.12	91,472.20	89,600.38	88,190.96
TOTAL EQUITY	**1,37,103.15**	**98,404.31**	**96,656.32**	**95,243.82**
TOTAL LIABILITIES AND EQUITY	**5,33,068.78**	**4,30,558.68**	**2,85,422.56**	**1,75,478.58**

Statement of Profit and Loss for the period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021

Particulars	For the period ended Sep 30, 2023 (In INR Lakh)	For the year ended March 31, 2023 (In INR Lakh)	For the year ended March 31, 2022 (In INR Lakh)	For the year ended March 31, 2021 (In INR Lakh)
Revenue from operations				
Interest income	33,335.54	48,291.34	27,215.28	14,683.43
Dividend Income	-	-	-	-
Net gain on derecognition of financial instruments under amortised cost category	10,864.95	15,407.22	2,852.50	129.42
Net gain on fair value changes	18.12	-	33.67	34.68
Fees and commission income	1,565.42	1,946.81	626.01	133.54
Other Operating Income	-	-	-	-
Total revenue from operations	**45,784.03**	**65,645.37**	**30,727.46**	**14,981.07**
Other Income	1,413.97	2,730.91	614.13	352.77
Total income	**47,198.00**	**68,376.28**	**31,341.59**	**15,333.84**
Expenses				
Finance costs	19,808.31	29,327.40	13,738.92	4,456.24
Net loss on fair value changes	1.28	640.11		
Impairment on financial instruments	4,549.34	5,679.99	2,941.54	1,961.71
Employee benefits expenses	8,295.84	14,071.48	7,289.06	4,532.67
Depreciation, amortization and impairment	1,632.63	1,763.74	1,233.26	1,173.91
Other expenses	5,266.42	8,510.72	4,121.03	1,996.40
Total expenses	**39,553.82**	**59,993.44**	**29,323.81**	**14,120.93**
Profit before exceptional items and tax	7,644.18	8,382.84	2,017.78	1,212.91
Exceptional items	-	-	-	-
Profit before tax	7,644.18	**8,382.84**	**2,017.78**	**1,212.91**
Tax Expense:				
(1) Current tax				
-Tax as per minimum alternate tax	1,627.26	2,298.62	660.90	482.99
(2) Deferred tax benefit (Net)	603.75	1,828.08	-98.18	-2,142.83
(3) Excess/ Short provision of tax of earlier years	0.31	278.50		
Total tax expenses	**2,231.32**	**4,405.20**	**562.72**	**-1,659.84**
Profit for the year (A)	**5,412.86**	**3,977.64**	**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	(27.59)	(24.03)	25.67	19.19
-Income tax relating to items that will not be reclassified to profit and loss	8.03	7.00	-7.47	-5.59
Subtotal (B)	**(19.56)**	**(17.03)**	**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	(145.62)	45.33	9.00	-
-Income tax relating to items that will be reclassified to profit and loss	42.41	(13.20)	-2.62	-
Subtotal (C)	**(103.21)**	**32.13**	**6.38**	**-**
Other comprehensive income for the year (net of tax) (D) = (B) + (C)	**(122.77)**	**15.10**	**24.58**	**13.60**
Total comprehensive income for the year (E)= (A) + (D)	**5,290.09**	**3,992.74**	**1,479.64**	**2,886.35**
Earnings per equity share (face value of Rs 10 each)				
Basic (Rs)	6.23	5.69	2.06	4.07
Diluted (Rs)	6.16	5.66	2.05	4.07

Cash Flow Statement for the period ended September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021.

Particulars	For year ended Sep 30, 2023 (In INR Lakh)	For year ended March 31, 2023 (In INR Lakh)	For year ended March 31, 2022 (In INR Lakh)	For year ended March 31, 2021 (In INR Lakh)
Cash flow from operating activities:				
Net profit before tax	7,644.18	8,382.84	2,017.78	1,212.91
Adjustments for:				
Interest income on loans	(32,021.59)	(46,850.12)		
Cash inflow from interest on loans	30,043.62	44,700.75		
Interest income on debt securities	(123.41)	(248.42)		
Interest on income tax	(7.39)	(6.29)		
Employee stock option expense	177.08	256.41	-107.15	205.11
Dividend Income	-	-	-	-
Depreciation, amortisation and impairment	1,632.63	1,763.74	1,233.26	1,173.91
Impairment on financial instruments	4,549.34	5,679.99	2,941.54	1,961.71
Net gain on sale of financial instruments / fair	(10,883.06)	(15,407.22)	-33.67	-34.68

valuation of financial instruments				
Net loss on fair value changes	1.28	640.11		
Finance cost on borrowings	17,378.09	25,257.97		
Cash outflow towards finance cost borrowings	(17,268.36)	(21,763.21)		
Provision for gratuity	49.82	64.15	38.20	37.62
Provision for compensated absences	172.84	316.58	116.66	23.84
Property, plant and equipment written off	-	7.17		
Interest on other financial assets	(35.06)			
Interest on lease liabilities	228.74			
Gain on pre-closure of lease	(20.41)			
Operating profit before working capital changes	1,518.34	2,794.45	6,206.61	4,580.41
Change in working capital:				
(Increase)/decrease in loans	(59,356.84)	(1,25,753.63)	-1,19,713.41	-46,950.53
(Increase) / Decrease in Receivable	-	-	-	-
(Increase)/decrease in other non-financial assets	(1,446.91)	(2,252.98)	-1,983.82	-452.85
(Increase)/Decrease in Other Financial Assets	857.08	(1,830.23)	-137.91	8,305.18
(Increase)/decrease in derivative financial assets	(162.33)	22.29		
Increase/(decrease) in derivative financial liabilities	(9.27)	9.27		
Increase/(Decrease) in Trade payables	(1,121.39)	702.33	356.44	-495.70
Increase/(Decrease) in other non-financial liabilities	(122.14)	396.54	226.59	-11.29
Increase in other financial liabilities	(925.50)	2,353.10	1,086.80	409.36

Increase in provisions	(752.38)	2,684.74	1,618.35	98.50
Cash (used in) operating activities	(61,521.30)	(1,20,874.12)	-1,12,340.35	-34,516.92
Income taxes paid	(606.17)	(1,168.70)	-841.33	-195.14
Net cash (used in) operating activities (A)	(62,127.47)	**(1,22,042.82)**	**-1,13,181.68**	**-34,712.06**
Cash flow from investing activities:				
Purchase of property, plant and equipment	(183.73)	(133.36)	-133.85	-34.74
Dividend income	-	-	-	-
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(12,253.50)	(4,906.08)	6,978.74	-5,147.68
Sale/realisation of investments	11,549.84	259.08	4,327.30	7,285.50
Purchase of investments	(11,499.43)	-	-5,733.91	-5,522.75
Interest received from investments	224.02	282.54		
Payments for intangible assets	(1,644.98)	(3,956.38)	-1,300.33	-1,172.06
Net cash generated from / (used in) investing activities (B)	(13,807.78)	**(8,454.20)**	**4,137.95**	**-4,591.74**
Cash flow from financing activities:				
Proceeds from issuance of equity share capital during the year	33,231.66			
Payment for purchase of treasury shares	-	(2,495.26)		
Proceeds received against partly paid share warrants	-	-	-	-
Proceeds from issuance of equity share capital during the year	-	-	36.92	-
Principal payment of lease liabilities	(556.38)	(781.38)	-407.17	-320.89
Total borrowing and debt securities repaid	(81,781.51)	(1,26,315.31)		

Total borrowing and debt securities availed	1,46,453.37	2,57,534.70		
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
Share issue expenses	-	(5.90)	-	-
Net cash generated from financing activities (C)	**97,347.14**	**1,27,936.85**	**1,03,253.11**	**50,794.69**
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	21,411.89	**(2,560.17)**	**-5,790.61**	**11,490.91**
Cash and cash equivalents at the beginning of the year	4,014.77	6,574.94	12,365.55	874.64
Cash and cash equivalents at the end of the year	25,426.66	4,014.77	6,574.94	12,365.55
Components of cash and cash equivalents				
Cash on hand			-	-
Balance with banks:				
in current accounts	25,426.66	4,014.77	6,174.61	6,764.51
in Fixed deposits (maturing within a period of three months)		-	400.33	5,601.04
TOTAL	25,426.66	**4,014.77**	**6,574.95**	**12,365.54**

Notes on Auditors' Qualification

Particulars	For the period ended	For the year ended	For the year ended	For the year ended
	September 30, 2023	31 March 2023	31 March 2022	31 March 2021
Auditors Qualifications, if any	No	No	No	No

The audited financial results (including statement of assets and liabilities and statement of cash flow) of the Issuer for the Financial Year ended March 31, 2023 and audited financial statements (including balance sheets, profit and loss statements, and cash flow statements) of the Issuer for the Financial

Year ended March 31, 2022 and March 31, 2021 along with the auditor's report along with the requisite schedules, footnotes, summary etc. are attached separately and the limited review financial statements for the period ended 30th September 2023 are attached separately.

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Name of the Issuer	UGRO Capital Limited
Face Value (per security)	INR 1,00,000/- (Indian Rupees One Lakh only)
Issue price (per security)	INR 1,00,000/- (Indian Rupees One Lakh only)
Issue Date / Date of Allotment	Issue Opening Date: 23rd January 2024 Issue Closing Date: 23rd January 2024 Deemed Date of Allotment: 24th January 2024
Date of Redemption	18th April 2026, being 26 (twenty-six) months and 25 (twenty-five) days from the Deemed Date of Allotment.
Tenure	26 (twenty-six) months and 25 (twenty-five) days from the Deemed Date of Allotment.
Coupon Rate	10.25% (tern point two five percent) payable monthly
Frequency of the Coupon Payment with specified dates	Please refer below.
Day count convention	Actual/actual

INTEREST PAYMENT AND REDEMPTION SCHEDULE

Dates	O/S Principal	Principal	Interest	Total
24-Feb-24	50,00,00,000	-	43,40,847	43,40,847
24-Mar-24	50,00,00,000	-	40,60,792	40,60,792
24-Apr-24	50,00,00,000	-	43,40,847	43,40,847
24-May-24	50,00,00,000	-	42,00,820	42,00,820
24-Jun-24	50,00,00,000	6,25,00,000	43,40,847	6,68,40,847
24-Jul-24	43,75,00,000	-	36,75,717	36,75,717
24-Aug-24	43,75,00,000	-	37,98,241	37,98,241
24-Sep-24	43,75,00,000	6,25,00,000	37,98,241	6,62,98,241
24-Oct-24	37,50,00,000	-	31,50,615	31,50,615
24-Nov-24	37,50,00,000	-	32,55,635	32,55,635
24-Dec-24	37,50,00,000	6,25,00,000	31,50,615	6,56,50,615
24-Jan-25	31,25,00,000	-	27,18,784	27,18,784
24-Feb-25	31,25,00,000	-	27,20,462	27,20,462
24-Mar-25	31,25,00,000	6,25,00,000	24,57,192	6,49,57,192
24-Apr-25	25,00,00,000	-	21,76,370	21,76,370
24-May-25	25,00,00,000	-	21,06,164	21,06,164
24-Jun-25	25,00,00,000	6,25,00,000	21,76,370	6,46,76,370
24-Jul-25	18,75,00,000	-	15,79,623	15,79,623
24-Aug-25	18,75,00,000	-	16,32,277	16,32,277
24-Sep-25	18,75,00,000	6,25,00,000	16,32,277	6,41,32,277
24-Oct-25	12,50,00,000	-	10,53,082	10,53,082
24-Nov-25	12,50,00,000	-	10,88,185	10,88,185

Dates	O/S Principal	Principal	Interest	Total
24-Dec-25	12,50,00,000	6,25,00,000	10,53,082	6,35,53,082
24-Jan-26	6,25,00,000	-	5,44,092	5,44,092
24-Feb-26	6,25,00,000		5,44,092	5,44,092
18-Apr-26	6,25,00,000	6,25,00,000	9,30,223	6,34,30,223

INTEREST AND REDEMPTION SCHEDLE FOR PER UNIT

Cash Flows Event	Due Date	Amount Payable per unit
Interest	24-02-2024	868.17
Interest	24-03-2024	812.16
Interest	24-04-2024	868.17
Interest	24-05-2024	840.16
Interest	24-06-2024	868.17
Interest	24-07-2024	840.16
Interest	24-08-2024	868.17
Interest	24-09-2024	868.17
Interest	24-10-2024	840.16
Interest	24-11-2024	868.17
Interest	24-12-2024	840.16
Interest	24-01-2025	870.55
Interest	24-02-2025	870.55
Interest	24-03-2025	786.3
Interest	24-04-2025	870.55
Interest	24-05-2025	842.46
Interest	24-06-2025	870.55
Interest	24-07-2025	842.47
Interest	24-08-2025	870.55
Interest	24-09-2025	870.55
Interest	24-10-2025	842.47
Interest	24-11-2025	870.55
Interest	24-12-2025	842.47
Interest	24-01-2026	870.55
Interest	24-02-2026	870.55
Interest	18-04-2026	1,488.36
Principal	24-06-2024	12,500.00
Principal	24-09-2024	12,500.00
Principal	24-12-2024	12,500.00
Principal	24-03-2025	12,500.00
Principal	24-06-2025	12,500.00
Principal	24-09-2025	12,500.00
Principal	24-12-2025	12,500.00
Principal	18-04-2026	12,500.00

ANNEXURE VII: BOARD RESOLUTIONS AND COMMITTEE RESOLUTION

BOARD RESOLUTIONS

ENCLOSED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF UGRO CAPITAL LIMITED AT ITS MEETING HELD ON MONDAY, 15TH MAY 2023 AT THE REGISTERED OFFICE OF THE COMPANY

AUTHORIZATION FOR BORROWING MONEY UNDER SECTION 180 (1) (C) OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) ("the Act"), the provisions of the Memorandum of Association and Articles of Association of the Company, Circulars/ Notifications/Directions issued by Reserve Bank of India, from time to time, subject to approval of the Shareholders at the 30th Annual General Meeting, approval of the Board be and is hereby accorded to borrow any sum or sums of money (exclusive of interest), from time to time, on such term and conditions as may be determined, in any form, from one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension, provident funds, multilateral financial institutions, any entity/entities or authority and authorities, whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures through private placement or public offer, commercial papers, long/short term loans, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law, from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Companies assets, licenses and properties, whether immovable or movable and/or any of the undertaking of the Company notwithstanding that monies to be borrowed including monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose so that the total amount upto which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of INR 8000 Cores (INR Eight Thousand Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/deeds/writings/papers/agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to any Committee of Board and/ or director (s) and/or officer(s) of the Company to give effect to this resolution."

RESOLVED FURTHER THAT the Investment and Borrowing Committee or any other Committee of the Board be and is hereby authorised to exercise the aforesaid powers as and when found appropriate at its meeting or by way of Circular Resolution, however the said resolution passed through circulation will be placed before the next meeting for its ratification."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

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Date: 2023.11.03 18:41:12 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF UGRO CAPITAL LIMITED AT ITS MEETING HELD ON MONDAY, 15TH MAY 2023 AT THE REGISTERED OFFICE OF THE COMPANY

AUTHORIZATION TO SELL, LEASE, CHARGE AND/OR MORTGAGE ETC. PROPERTY OF THE COMPANY UNDER SECTION 180 (1)(A) OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any or any other law for the time being in force, (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, and subject to approval of the shareholders at the 30th Annual General Meeting, consent of the Board be and is hereby accorded to the Company to the Company to: sell, dispose, mortgage and/ or charge, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/or immovable properties/ assets of the Company and/or the interest held by the Company in all or any of the movable or immovable properties/ assets, both present and future and/or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/partly convertible debentures, with or without detachable or non-detachable warrant, and/or secured premium notes and/ or floating rate notes/ bonds, and/or non-convertible debentures (including without limitation, market linked debentures and covered bonds) and/or other debt instruments, issued/ to be issued by the Company, from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/ to be entered into between the Company and lender(s)/ investor(s)/agent(s) and/or trustee(s) in respect of the said loans, borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding INR 10,000 Cores (INR Ten Thousand Crores only) at any point of time; and

RESOLVED FURTHER THAT sale, lease, mortgage/ charge created/to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/deeds/writings/papers/agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to any Committee of Board and/ or director (s) and/or officer(s) of the Company to give effect to this resolution."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:41:30 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF UGRO CAPITAL LIMITED AT ITS MEETING HELD ON MONDAY, 15TH MAY 2023 AT THE REGISTERED OFFICE OF THE COMPANY

TO BORROW FUNDS BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re- enactment(s) thereof for the time being in force) and read with relevant Circulars/Notifications issued by the Ministry of Corporate Affairs, from time to time, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and subject to such other applicable laws, rules and regulations and circulars/ notifications/ guidelines/directions including those issued by Reserve Bank of India from time to time, the Memorandum and Articles of Association of Company and subject to such other approvals as may be required from regulatory authorities, from time to time, subject to approval of the shareholders at the 30th Annual General Meeting, consent of the Board be and is hereby given (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board, to exercise its powers, including the powers conferred by this Resolution) to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s), issue and allot, in one or more series/tranches, non-convertible debentures (a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (including market linked debentures and covered bonds) ("NCDs") on private placement basis/through public issue, for cash and on such terms and conditions and at such times at par or at such premium/discount, as may be considered fit and appropriate by the Board to such person or persons, including one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension, provident funds, multilateral financial institutions and individuals as the case may be or such other person/persons as the Board may decide, for the purpose of augmenting resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, meeting long term requirement of funds, general corporate purposes and other purposes as may be decided/agreed, from time to time, such that total issuance amounts of the NCDs shall not exceed the overall amount of INR 4000 Crores (INR Four Thousand Crores only) at any point of time, in addition to the limit prescribed under the provision of Section 180 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee of Directors and Officers of the Company be and are hereby severally authorized to do all such acts, deeds and things and deal with such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements/papers/ writings, as may be required in this regard."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

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Date: 2023.11.03 18:41:44 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

COMMITTEE RESOLUTION:

ENCLOSED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE INVESTMENT AND BORROWING COMMITTEE ("COMMITTEE") OF THE BOARD OF UGRO CAPITAL LIMITED HELD ON WEDNESDAY, 17TH JANUARY 2024 THROUGH VIDEO CONFERENCING

APPROVAL OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES BY WAY OF PRIVATE PLACEMENT:

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Companies Act**"), the rules, regulations, guidelines, notifications, and circulars prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI circular dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", each as amended, modified or restated from time to time or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchange(s) (the "**Stock Exchange(s)**") where the securities of the Company may be listed, and subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, and subject to any approvals, consents, permissions and sanctions as may be required from any regulatory authority and the approval of the shareholders of the Company as may be required in accordance with the Companies Act, the approval of the Committee be and is hereby accorded to offer, issue and allotment of up to 5,000 (Five Thousand) Listed, Rated, Senior, Unsecured, Taxable, Redeemable, Non-Convertible Debentures denominated in Indian Rupees ("**INR**"), each having face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating upto INR 50,00,00,000/- (Indian Rupees Fifty Crores Only) in dematerialized form on a private placement basis or such other number, face value, amount as may be determined by the Company ("**Debentures**") at the interest rate of 10.25% pa (Ten point Two Five per cent per annum) or such other interest rate as may be agreed, payable at such interest periods as may be agreed, along with the redemption premium (if applicable) as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a tenor of 26 (Twenty-Six) months and 25 (Twenty-Five) days or such tenure/maturity as may be determined, on a private placement basis to Northern Arc Capital Limited and/or any other investor as may be identified by the Committee to invest in the Debentures (being the identified investors for the purposes of Section 42 of the Companies Act) ("**Investors**"), for raising debt for (i) the ongoing business purposes of the Company, including expansion of the Company's loan portfolio and (ii) to originate loans to micro, small and medium enterprises as defined under the Micro, Small, Medium Enterprises Development Act, 2006 or for any other purpose as the Committee may deem fit.

RESOLVED FURTHER THAT the Company be and is hereby authorised to appoint Vardhman Trusteeship Limited or any other debenture trustee as the Committee may deem fit be and is hereby appointed as the Debenture Trustee for the issue of Debentures.

RESOLVED FURTHER THAT the approval of the Committee be and is hereby given to the Company to appoint India Ratings and Research Private Limited or any other credit rating agency registered with SEBI, for obtaining the rating(s) in respect of the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT any of the Authorised Persons (defined below) of the Company, be and are hereby severally authorised to appoint Link Intime India Private Limited or any other registrar and share transfer agent as the registrar and share transfer agent for the issue of the Debentures.

RESOLVED FURTHER THAT Mr. Shachindra Nath, Vice Chairman & Managing Director, Mr. Kishore Lodha, Chief Financial Officer, Mr. Anuj Pandey, Chief Risk Officer and Mr. Satish Kumar, Company Secretary and Compliance Officer (hereinafter referred to as "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures, being:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities and any other person (including any lenders of the Company), and/or any other approvals, consent or waivers that may be required in connection with the offer, issue and allotment of the Debentures;

(b) executing the term sheet in relation to the Debentures and deciding, negotiating and finalising the issue opening and closing date, and such other terms as may be required;

(c) negotiating, approving and deciding the terms of the issue of Debentures and all other related matters;

(d) seeking the listing of any of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) preparing and finalising the Debt Disclosure Documents (as defined below), in accordance with all applicable laws, rules, regulations and guidelines (including any amendments, variations or modifications of the Debt Disclosure Documents, as may be considered desirable or expedient), and approving the Debt Disclosure Documents (including any amendments, variations or modifications thereof);

(f) negotiating, finalising, executing or ratifying, on behalf of the Company, the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a valuation agent, a depository and such other intermediaries as may be required including their successors and their agents;

(g) obtaining such credit rating(s) and within such timelines(s) as required;

(h) finalising the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures;

(i) entering into arrangements with the depositories in connection with issue of Debentures in dematerialised form;

(j) finalising the deemed date of allotment of the Debentures;

(k) to negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the offer, issue and allotment of the Debentures and deal with regulatory authorities in connection with the offer, issue and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;

(l) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates and to give such directions as it deems fit or as may be necessary or desirable with regard to the offer, issue and allotment of the Debentures;

(m) to execute all documents to, file forms with, and submit applications to, the jurisdictional registrar of companies, the Ministry of Corporate Affairs, the Central Registry of Securitisation Asset Reconstruction and Security Interest, any Stock Exchange or any depository;

(n) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(o) create the recovery expense fund in accordance with the SEBI norms read with guidance note issued by the Stock Exchange(s) in this regard;

(p) take all necessary steps and actions as may be required for electronic book mechanism process pursuant to the SEBI Guidelines/circulars, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines/circulars, including making all relevant disclosures to the electronic book provider;

(q) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the debt disclosure document/placement memorandum and the private placement offer cum application letter for the offer, issue and allotment of the Debentures (collectively referred to as the "**Debt Disclosure Documents**");

(ii) the debenture certificate(s) for the Debentures (if required);

(iii) the debenture trust deed, the debenture trustee agreement, and any other documents required for issue and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto (together with the Debt Disclosure Documents, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the offer, issue and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee and/or the holders of the Debentures;

(r) to do all acts necessary for the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and

(s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the offer, issue and allotment of the Debentures, and to give such directions as it deems fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the offer, issue and allotment of the Debentures in accordance with the Transaction Documents and the creation, perfection and registration of security (if applicable) in accordance with the Transaction Documents and also to sign and submit the necessary forms with any Stock Exchange, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the jurisdictional registrar of companies, the Ministry of Corporate Affairs, or any depository, the SEBI, or any other governmental authority.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the offer, issue and allotment of the Debentures and the Transaction Documents, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the offer, issue and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to the finalisation of the terms of, and completing all applicable requirements for, the offer, issue and allotment of the Debentures and the listing of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons and Mr. Amit Mande, Chief Revenue Officer, Mr. Arun Arora, Head - FCU, Legal & Technical, Mr. Rishabh Garg, Chief Technology Officer, Mr. Satyabrata Mohapatra, Head-Operations and Customer Services, Mr. Kaushik Banerjee, Chief Credit Officer, Mr. Anupam Gupta, National Sales Manager and Mr. Ajit Kumar, Head Machinery and Equipment Finance, Mr. Rafiq Motani, Vice President- Treasury and Mr. Mahesh Gindi, Deputy Vice President- Treasury be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures.

RESOLVED FURTHER THAT the aforesaid resolutions come into effect immediately and copies of the foregoing resolutions certified to be true copies by any director or Company Secretary of the Company be furnished to such persons as may be deemed necessary.

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI RAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2024.01.17 19:01:47 +05'30'

Satish Kumar
Company Secretary and Compliance Officer

ANNEXURE VIII: SHAREHOLDERS' RESOLUTION

ENCLOSED

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF UGRO CAPITAL LIMITED AT THE 30TH ANNUAL GENERAL MEETING HELD ON TUESDAY, 8TH AUGUST 2023 AT 03:41 P.M. AT BSE INTERNATIONAL CONVENTION HALL, 1ST FLOOR, PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, FORT, MUMBAI- 400001

AUTHORIZATION FOR BORROWING MONEY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s), modification(s), variation(s) or re- enactment(s) thereof for the time being in force) ("the Act"), the provisions of the Memorandum of Association and Articles of Association of the Company, Circulars/ Notifications/ Directions issued by Reserve Bank of India, from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution) to borrow any sum or sums of money (exclusive of interest), from time to time, on such terms and conditions as may be determined, in any form from one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension funds, provident funds, multilateral financial institutions, any entity/ entities or authority and authorities whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures through private placement or public offer, commercial papers, long/ short term loans, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Companies assets, licenses and properties, whether immovable or movable and/or any of the undertaking of the Company notwithstanding that monies to be borrowed including monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose so that the total amount upto which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of INR 8,000 Crores (INR Eight Thousand Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to any Committee of Board and/ or director (s) and/or officer(s) of the Company to give effect to this resolution."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:34:08 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto INR 8000 Crores (INR Eight Thousand Crores only) over and above paid up capital and Free Reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the Members of the Company in a general meeting.

Further, in order to facilitate securing the borrowing(s) made by the Company, it would be necessary to create charge or mortgage on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013, provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of Members in the General Meeting by way of special resolution.

None of the Director or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No.5 and 6 of the Notice for the approval of Members.

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:34:47 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF UGRO CAPITAL LIMITED AT THE 30TH ANNUAL GENERAL MEETING HELD ON TUESDAY, 8TH AUGUST 2023 AT 03:41 P.M. AT BSE INTERNATIONAL CONVENTION HALL, 1ST FLOOR, PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, FORT, MUMBAI- 400001

AUTHORIZATION TO SELL, LEASE, CHARGE AND/OR MORTGAGE PROPERTY/ ASSETS OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution) to sell, dispose, mortgage and/or charge, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/or immovable properties /assets of the Company and/or the interest held by the Company in all or any of the movable or immovable properties/ assets, both present and future and/or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities comprising fully/ partly convertible debentures, with or without detachable or non detachable warrants, and/or secured premium notes and/ or floating rate notes/ bonds, and/or non-convertible debentures (including without limitation, market linked debentures and covered bonds) and/or other debt instruments, issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 from time to time together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/to be entered into between the Company and lender(s)/investor(s)/ agent(s) and/or trustee(s) in respect of the said loans, borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding INR 10,000 Crores (INR Ten Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT sale, lease, mortgage/ charge created/ to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

RESOLVED FURTHER THAT the Board of the Company be and are hereby severally authorized to sign, execute and submit such applications, undertakings, agreements, writings, deeds and other documents and file necessary forms with Ministry of Corporate Affairs and such Authority(ies) as may be deemed

necessary and to delegate all or any of its powers herein conferred to any Committee of Directors and/or Director(s) and/or officer(s) of the Company to give effect to this resolution or expedient to give effect this resolution."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:35:07 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto INR 8000 Crores (INR Eight Thousand Crores only) over and above paid up capital and Free Reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the Members of the Company in a general meeting.

Further, in order to facilitate securing the borrowing(s) made by the Company, it would be necessary to create charge or mortgage on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013, provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of Members in the General Meeting by way of special resolution.

None of the Director or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No.5 and 6 of the Notice for the approval of Members.

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:35:30 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF UGRO CAPITAL LIMITED AT THE 30TH ANNUAL GENERAL MEETING HELD ON TUESDAY, 8TH AUGUST 2023 AT 03:41 P.M. AT BSE INTERNATIONAL CONVENTION HALL, 1ST FLOOR, PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, FORT, MUMBAI- 400001

TO BORROW FUNDS BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or reenactment(s) thereof for the time being in force) and read with relevant Circulars/ Notifications issued by the Ministry of Corporate Affairs, from time to time, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and subject to such other applicable laws, rules and regulations and circulars/ notifications / guidelines / directions including those issued by Reserve Bank of India from time to time, the Memorandum and Articles of Association of Company and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s), issue and allot, in one or more series / tranches, non-convertible debentures (a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (including market linked debentures and covered bonds) ("NCDs") on private placement basis, for cash and on such terms and conditions and at such times at par or at such premium/ discount, as may be considered fit and appropriate by the Board to such person or persons, including one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension, provident funds, multilateral financial institutions and individuals as the case may be or such other person/ persons as the Board may decide, for the purpose of augmenting resources for on-lending by the Company, repayment/ refinance of existing debt, working capital requirement, meeting long term requirement of funds, general corporate purposes and other purposes as may be decided/ agreed from time to time such that total issuance amounts of the NCDs shall not exceed the overall amount of INR 4000 Crores (INR Four Thousand Crores only) as may be approved by the Members at any point of time, in addition to the limit prescribed under the provisions of Section 180 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and are hereby severally authorized to do all such acts, deeds and things and deal with such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard."

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

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Date: 2023.11.03 18:35:44 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Members of the Company, at the Annual General Meeting ("AGM") held on 12th August 2022 passed a Special Resolution authorizing the Board of Directors of the Company to offer or invite subscription for Non-convertible Debentures, in one or more series/ tranches for an amount of up to INR 3000 Crores (INR Three Thousand Crores only) on a private placement basis. The said resolution was valid and effective for one year.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation to subscribe to securities, the Company shall obtain previous approval of its shareholders/members ("Members") by means of a special resolution. Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of issue of non-convertible debentures exceeding the limits prescribed therein, it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such NCDs issued during a period of 1 (one) year from the date of passing of the aforementioned special resolution.

For the purpose of augmenting resources for onward lending by the Company, repayment/refinance of existing debt, working capital requirement, meeting long term requirement of funds, general corporate purposes and other purposes as may be decided/agreed from time to time, the Company may invite subscription for non-convertible debentures (a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (including market linked debentures and covered bonds) ("NCDs") to be issued by the Company, in one or more series/tranches on private placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the board of directors of the Company ("Board", which term shall be deemed to include any Committee constituted by the Board, to exercise its powers, including the powers conferred by this Resolution) on the basis of various factors including the interest rate/effective yield determined, based on market conditions prevailing at the time of the issue(s).

Pursuant to Rule 14(1) of the Prospectus and Allotment Rules, the following disclosures are being made by the Company to the Members:

Particulars of the offer including date of passing board resolution	Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during the year. In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/ issue of NCDs (whether secured/ unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures and covered bonds)) shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of

	the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/ issue of NCDs.
Kinds of securities offered and the price at which the security is being offered	Non-convertible debt securities/ NCDs. The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution), in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.
Amount which the company intends to raise by way of securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed the limit specified in the resolution under Section 42 of the Companies Act, 2013.
Material terms of raising of securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.

Accordingly, consent of the Members is being sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to INR 4000 Crores (INR Four Thousand Crores only) in addition to the limit prescribed under the provision of Section 180 of the Companies Act, 2013, in one or more tranches.

This enabling resolution authorises the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time and as set out herein, for a period of one year from the date of passing this resolution.

None of the Director or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for the approval of Members.

For UGRO Capital Limited

SATISH KUMAR CHELLADURAI

Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2023.11.03 18:36:12 +05'30'

C. Satish Kumar
Company Secretary and Compliance Officer

ANNEXURE IX: DUE DILIGENCE CERTIFICATES

1. **Due diligence certificate as per the format specified in Annexure IIA of the SEBI Debenture Trustee Master Circular**:

ENCLOSED

2. **Due diligence certificate as per the format specified in Schedule IVA of the Debt Listing Regulations**:

ENCLOSED

VARDHMAN
TRUSTEESHIP PRIVATE LIMITED
Nurturing & Protecting Your Trust

Ref: 1401/OPR/VTPL/2023-24

Date: 17th January 2024

To, Securities Exchange Board of India Investment Management Department Division of Funds – I, Plot No. C 4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001

Dear Sir / Madam

SUB.: ISSUE OF LISTED SENIOR UNSECURED RATED TRANSFERABLE REDEEMABLE NON-CONVERTIBLE DEBENTURES ("NCDS" OR "DEBENTURES") AMOUNTING TO INR. 50,00,00,000/- (INDIAN RUPEES FIFTY CRORES ONLY) (THE "ISSUE") TO BE ISSUED BY UGRO CAPITAL LIMITED ("COMPANY").

We, the debenture trustee(s) to the above-mentioned forthcoming issue state 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 - **Not Applicable**

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies) - **Not Applicable**

c) The Issuer has made all the relevant disclosures about ~~the security~~ and 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. – **Not Applicable**

e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application

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. -**Not Applicable**

g) All disclosures made in the draft offer document or 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. -**Not Applicable**

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: MUMBAI

Date: 17th January 2024

For Vardhman Trusteeship Private Limited

Authorized Signatory

Vardhman Trusteeship Pvt. Ltd.

ANNEXURE X: DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising the book debts/loan receivables of the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

Not Applicable. The Debentures are unsecured in nature.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc.**

Not Applicable. The Debentures are unsecured in nature.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** Not Applicable.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** Not Applicable.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** Not Applicable.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** Not Applicable.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** Not Applicable.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 4.2 and 4.3 above:** Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **Executed copies of previously entered agreements for providing guarantee to any other person, if any:** Not Applicable.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: Not Applicable.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: Not Applicable.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per Paragraphs 2.1(b) and 2.1(c) of SEBI Debenture Trustees Master Circular:** Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **Impact on the security in case of restructuring activity of the guarantor:** Not Applicable.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** Not Applicable.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** Not Applicable.

(viii) **Executed copies of previously entered agreements for providing guarantee to any other person, if any**: Not Applicable.

(h) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not Applicable.

(i) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: Not applicable. Please also refer section named "*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 Placement Memorandum*" in Section 8.1 (*Summary Terms*).

(j) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not Applicable.

(k) **Declaration**: The registration of charge with the Sub-registrar and Registrar of Companies or Central Registry of Securitisation Asset Reconstruction and Security Interest of India or Depository shall not be applicable as the Debentures are unsecured in nature.

(l) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(m) **Details of security to be created**: Not Applicable.

(n) **Process of due diligence carried out by the debenture trustee**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in Chapter II (*Due Diligence by Debenture Trustees*) of the SEBI Debenture Trustee Master Circular. The due diligence broadly includes the following:

(i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.

(ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Debenture Trustees Master Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

(o) **Due diligence certificates as per the format specified in Annexure IIA and in Schedule IV of the Debt Listing Regulations**: Enclosed as Annexure IX. The due diligence certificate will be submitted to BSE along with the Placement Memorandum.

ANNEXURE XI: IN-PRINCIPLE APPROVAL FROM BSE

ENCLOSED

DCS/COMP/AA/IP-PPDI/422/23-24

January 18, 2024

UGRO Capital Limited
Equinox Business Park, Tower 3, 4th
Floor, LBS Road, Kurla (West), Mumbai - 400070

Dear Sir/Madam

Re: Private Placement of up to 5,000 Listed, Rated, Senior, Unsecured, Taxable, Redeemable, Non-Convertible Debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000/- each aggregating up to Rs.50 Crores for cash, at par, in dematerialised (The "Issue")

We acknowledge receipt of your application on the online portal on January 17, 2024, seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18 and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or for period of 1 year from the date of opening of the first offer of debt securities under General information Documents which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal
Deputy General Manager

Akshay Arolkar
Deputy Manager

BSE - PUBLIC

ANNEXURE XII: SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2023

ENCLOSED

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Ugro Capital Limited	
2.	Scrip Code/Name of Scrip/Class of Security: 511742	
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)	
	a.	If under 31(1)(b) then indicate the report for Quarter ending
	b.	If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-	

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No

*** If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.**

Ugro Capital Limited

Table I - Summary Statement holding of specified securities

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) =	(VIII) As a	(IX)				(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	2	2074009	0	0	2074009	2.2422	2074009	0	2074009	2.2422	0	2.2422	0	0	0	0	2074009
(B)	Public	19674	89186221	0	0	89186221	96.4191	89186221	0	89186221	96.4191	0	96.4191	15238095	17.09	NA	NA	89141501
(C)	Non Promoter - Non Public	1	1238252	0	0	1238252	NA	1238252	0	1238252	1.34	0	NA	0	0	NA	NA	1238252
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	1	1238252	0	0	1238252	1.3387	1238252	0	1238252	1.3387	0	1.3387	0	0	NA	NA	1238252
	Total	19677	92498482	0	0	92498482	100	92498482	0	92498482	100	0	100	15238095	16.4738	0	0	92453762

GENERATED ON :04/10/2023 NSDL : 30/09/2023 CDSL :30/09/2023

Ugro Capital Limited

Table II - 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				Shares Underlying Outstanding convertible securities (including	ing , as a % assuming full conversion of convertible securities	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) =	(VIII) As a	(IX)				(X)	(XI)=	(XII)		(XIII)		(XIV)
1	Indian																			
(a)	Individuals / Hindu Undivided Family			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Central Government / State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)			2	2074009	0	0	2074009	2.2422	2074009	0	2074009	2.2422	0	2.2422	0	0	0	0	2074009
	Persons Acting In Concert			1	46300	0	0	46300	0.0501	46300	0	46300	0.0501	0	0.0501	0	0	0	0	46300
	Shachindra Nath	Promoter Group	ABOPN3798F	1	46300	0	0	46300	0.0501	46300	0	46300	0.0501	0	0.0501	0	0	0	0	46300
	Bodies Corporate			1	2027709	0	0	2027709	2.1922	2027709	0	2027709	2.1922	0	2.1922	0	0	0	0	2027709
	Poshika Advisory Services LLP	Promoter Group	AAVFP0398R	1	2027709	0	0	2027709	2.1922	2027709	0	2027709	2.1922	0	2.1922	0	0	0	0	2027709
	Sub Total (A)(1)			2	2074009	0	0	2074009	2.2422	2074009	0	2074009	2.2422	0	2.2422	0	0	0	0	2074009
2	Foreign																			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)			2	2074009	0	0	2074009	2.2422	2074009	0	2074009	2.2422	0	2.2422	0	0	0	0	2074009

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Ugro Capital Limited

Table III - Statement showing shareholding pattern of the Public shareholder

	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)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) =	(VIII) As a	(IX)				(X)	(XI)= (VII)+(X) As a %	(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			
(c)	**Alternate Investment Funds**		4	1021932	0	0	1021932	1.1048	1021932	0	1021932	1.1048	0	1.1048	0	0	NA	NA	1021932	0	0	0
(d)	**Banks**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(e)	**Insurance Companies**		4	4360483	0	0	4360483	4.7141	4360483	0	4360483	4.7141	0	4.7141	0	0	NA	NA	4360483	0	0	0
	SBI Life Insurance Co. Ltd	AAFCS2530P	1	1737400	0	0	1737400	1.8783	1737400	0	1737400	1.8783	0	1.8783	0	0	NA	NA	1737400			
	Go Digit General Insurance Limited	AACCO4128Q	1	1532692	0	0	1532692	1.657	1532692	0	1532692	1.657	0	1.657	0	0	NA	NA	1532692			
(f)	**Provident Funds/ Pension Funds**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(G)	**Asset Reconstruction Companies**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(h)	**Sovereign Wealth Funds**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(i)	**NBFCs registered with RBI**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(j)	**Other Financial Institutions**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(k)	**Any Other (Specify)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
	Sub Total (B)(1)		8	5382415	0	0	5382415	5.8189	5382415	0	5382415	5.8189	0	5.8189	0	0	NA	NA	5382415	0	0	0
2	**Institutions (Foreign)**																					
(a)	**Foreign Direct Investment**		1	15238095	0	0	15238095	16.4739	15238095	0	15238095	16.4739	0	16.4739	15238095	100	NA	NA	15238095	0	0	0
	Danish Sustainable Development Goals Investment Fund K S	AAPFD8521L	1	15238095	0	0	15238095	16.4739	15238095	0	15238095	16.4739	0	16.4739	15238095	100	NA	NA	15238095	15238095		
(b)	**Foreign Venture Capital Investors**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(c)	**Sovereign Wealth Funds**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(d)	**Foreign Portfolio Investors Category I**		22	1754305	0	0	1754305	1.8966	1754305	0	1754305	1.8966	0	1.8966	0	0	NA	NA	1754305	0	0	0
(e)	**Foreign Portfolio Investors Category II**		3	763879	0	0	763879	0.8258	763879	0	763879	0.8258	0	0.8258	0	0	NA	NA	763879	0	0	0
(f)	**Overseas Depositories(holding DRs) (balancing figure)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(g)	**Any Other (Specify)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
	Sub Total (B)(2)		26	17756279	0	0	17756279	19.1963	17756279	0	17756279	19.1963	0	19.1963	15238095	85.8181	NA	NA	17756279	15238095	0	0
3	**Central Government/ State Government(s)**																					
(a)	**Central Government / President of India**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	**State Government / Governor**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(C)	**Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
	Sub Total (B)(3)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
4	**Non-Institutions**			0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(a)	**Associate companies / Subsidiaries**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	**Directors and their relatives (excluding Independent Directors and nominee Directors)**		1	148076	0	0	148076	0.1601	148076	0	148076	0.1601	0	0.1601	0	0	NA	NA	148076	0	0	0
(C)	**Key Managerial Personnel**		1	5	0	0	5	0	5	0	5	0	0	0	0	0	NA	NA	5	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	0	0	0	0	0	0	0	0	NA	NA	0			
(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	0	0	0	0	0	0	0	0	NA	NA	0			
(f)	**Investor Education and Protection Fund (IEPF)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(g)	**i. Resident Individual holding nominal share capital up to Rs. 2 lakhs.**		18472	8397870	0	0	8397870	9.0789	8397870	0	8397870	9.0789	0	9.0789	0	0	NA	NA	8353950	0	0	0
(h)	**ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.**		110	11098324	0	0	11098324	11.9984	11098324	0	11098324	11.9984	0	11.9984	0	0	NA	NA	11098324	0	0	0
	Suresh Kumar Agarwal	AAGFR0822H		1500000	0	0	1500000	1.6216	1500000	0	1500000	1.6216	0	1.6216	0	0	NA	NA	1500000			
(i)	**Non Resident Indians (NRIs)**		483	2069764	0	0	2069764	2.2376	2069764	0	2069764	2.2376	0	2.2376	0	0	NA	NA	2069764	0	0	0
(j)	**Foreign Nationals**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(k)	**Foreign Companies**		3	36189315	0	0	36189315	39.1242	36189315	0	36189315	39.1242	0	39.1242	0	0	NA	NA	36189315	36189315	0	0
	Clearsky Investment Holdings Pte Limited	AAHCC3694C	1	15116279	0	0	15116279	16.3422	15116279	0	15116279	16.3422	0	16.3422	0	0	NA	NA	15116279	15116279	0	0
	Newquest Asia Investments III Limited	AAFCN5269G	1	15116279	0	0	15116279	16.3422	15116279	0	15116279	16.3422	0	16.3422	0	0	NA	NA	15116279	15116279	0	0
	Samena Fidem Holdings	ABACS5075P	1	5956757	0	0	5956757	6.4398	5956757	0	5956757	6.4398	0	6.4398	0	0	NA	NA	5956757	5956757	0	0
(l)	**Bodies Corporate**		180	6596219	0	0	6596219	7.1312	6596219	0	6596219	7.1312	0	7.1312	0	0	NA	NA	6595419	0	0	0
	Suryavanshi Commotrade Private Limited	AADCS6807R	1	1445936	0	0	1445936	1.5632	1445936	0	1445936	1.5632	0	1.5632	0	0	NA	NA	1445936			
(m)	**Any Other (Specify)**		390	1547954	0	0	1547954	1.6735	1547954	0	1547954	1.6735	0	1.6735	0	0	NA	NA	1547954	0	0	0
	Trusts		2	170200	0	0	170200	0.184	170200	0	170200	0.184	0	0.184	0	0	NA	NA	170200	0	0	0
	Body Corp-Ltd Liability Partnership		16	651600	0	0	651600	0.7044	651600	0	651600	0.7044	0	0.7044	0	0	NA	NA	651600	0	0	0
	Hindu Undivided Family		371	726086	0	0	726086	0.785	726086	0	726086	0.785	0	0.785	0	0	NA	NA	726086	0	0	0
	Clearing Member		1	68	0	0	68	0.0001	68	0	68	0.0001	0	0.0001	0	0	NA	NA	68	0	0	0
	Sub Total (B)(4)		19640	66047527	0	0	66047527	71.4039	66047527	0	66047527	71.4039	0	71.4039	0	0	NA	NA	66002807	36189315	0	0
	Tot+B63:U63al Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)		19674	89186221	0	0	89186221	96.4191	89186221	0	89186221	96.4191	0	96.4191	15238095	17.08571	NA	NA	89141501	51427410	0	0

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

No. of shareholders	No. of Shares	%
1	46300	0.0501

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

No. of shareholders	No. of Shares
0	0

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII)is not applicable in the above format.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

(4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the

(5) Sub-categorization of shares under column no.(XV) will be based on shareholding(no. of shares)under the following sub-categories:

(i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(i.e. Director)on the board of the listed entity.

(ii) Shareholder who have entered into shareholder agreement with the listed entity.

(iii) Shareholders acting as persons in concert with promoters.

GENERATED ON :04/10/2023 NSDL : 30/09/2023 CDSL :30/09/2023

Ugro Capital Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	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) =	(VIII) As a	(IX)				(X)	(XI)= (VII)+(X) As	(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 Sweat Equity) Regulations, 2021		1	1238252	0	0	1238252	1.3387	1238252	0	1238252	1.3387	0	1.3387	0	0	NA	NA	1238252
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		1	1238252	0	0	1238252	1.3387	1238252	0	1238252	1.3387	0	1.3387	0	0	NA	NA	1238252

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII)is not applicable in the above format.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

GENERATED ON :04/10/2023 NSDL : 30/09/2023 CDSL :30/09/2023

ANNEXURE XIII: FINALISED FORM OF THE PPOA

Private Placement Offer cum Application Letter

Date: 23rd January 2024
Serial No.: 001

UGRO CAPITAL LIMITED
(A Public Limited Company Incorporated under the Companies Act, 1956 and validly existing under Companies Act, 2013 and registered with Reserve Bank of India as a Systemically Important Non-Banking Financial Company)
Date of Incorporation: February 10, 1993;
Registered Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai – 400070
Corporate Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai – 400070;
Tel.: 022-41821600;
Contact Person: Mr. Satish Kumar;
Email: cs@ugrocapital.com

FORM PAS-4

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Form PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014

UGRO CAPITAL LIMITED

ISSUE OF 5,000 (FIVE THOUSAND) LISTED, RATED, SENIOR, UNSECURED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES ("INR"), HAVING A FACE VALUE OF INR 1,00,000/- (INDIAN RUPEES ONE LAKH) EACH AND AN AGGREGATING UP TO INR 50,00,00,000/- (INDIAN RUPEES FIFTY CRORES ONLY)

PART A

1. General Information:

(a) Name, address, website, if any, and other contact details of the Company indicating both registered office and corporate office:

Issuer / Company:	UGRO Capital Limited ("**Issuer**" or "**Company**" or "**UGRO**" or "**UGRO Capital**")
Registered Office:	Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West)– Mumbai - 400070, India
Corporate Office:	Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West)– Mumbai - 400070, India

Telephone No.:	022-41821600
Fax:	N.A.
Website:	www.ugrocapital.com
Contact Person:	Mr. Satish Kumar;
Email:	cs@ugrocapital.com

(b) **Date of Incorporation of the Company:**

February 10, 1993

(c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

UGRO Capital Limited, is a non deposit taking systemically important non banking finance company ("**NBFC**") incorporated in 1993. The name of the Company was changed from "Chokhani Securities Limited" to "UGRO Capital Limited" with effect from 26*th* September, 2018 consequent to acquisition of the control of the Company by Mr. Shachindra Nath, financial services veteran. Equity shares of the Company are listed on BSE Limited and on NSE Limited.

UGRO is tech focused, Small Business Lending Platform. The Company's mission is to 'Solve the Unsolved' – Small Business Credit Availability Problem. The Company believes that the problem of small businesses can be solved by building deep expertise around core sectors of MSME's in India coupled with a technology platform. The company follows a sector specific approach to lending and has identified 9 high potential focus sectors viz Auto components, Chemicals, Education, Electrical equipment and components, Food processing & FMCG, Hospitality, Healthcare, Light engineering and Micro-enterprises. The Company strives to build a strong MSME financing platform based on sectoral understanding supplemented by a fully integrated technology and analytics platform.

As on the date of this Placement Memorandum, the Company has 109 no. of branches in India. Details of the branches of the Issuer is set out in detail in the **Annexure XIV** of this Placement Memorandum.

As on the date of this PPOA, the Company has no subsidiaries.

(d) **Brief particulars of the management of the Company:**

The general superintendence, direction and management of the affairs and Business of the Company are vested in with Mr. Shachindra Nath, Vice Chairman & Managing Director who is also responsible for the day to day management of the Company, as directed by the Board of Directors of the Company from time to time.

Name	Designation
Mr. Shachindra Nath	Vice Chairman & Managing Director
Mr. Amit Mande	Chief Revenue Officer
Mr. Anuj Pandey	Chief Risk Officer
Mr. Kishore Lodha	Chief Financial Officer
Mr. Sunil Lotke	Chief Legal & Compliance Officer
Mr. Om Sharma	Chief Operating Officer
Mr. J Sathiayan	Chief Business Officer
Mrs. Rajni Khurana	Chief People Officer

(e) **Names, addresses, director identification number (DIN) and occupations of the directors**:

Name of the Director and Designation	DIN	Address	Occupation
Shachindra Nath Vice Chairman & Managing Director	00510618	GV-65, The Palm Springs, Golf Course Road Sector-54, Sikanderpur Ghosi, Gurgaon	Service
Tabassum Abdulla Inamdar Independent Director	00002593	703, Imperial Heights, Tower B, Best Nagar, Motilal Nagar, Mumbai-400104	Professional
Amit Gupta Non- Executive Director	02282600	325, River Valley Road, #01-06 Yong An Park, Singapore- 238357	Service
Chetan Kulbhushan Gupta Non- Executive Director	07704601	Flat – GT.3-2404, Emirates Hill, Po Box 126229, Dubai UAE	Service
Karuppasamy Singam Independent Director	03632212	1301, Monarch, Ashar Residency, Jawahar Nagar, Pokhran Road No. 2, Vasant Vihar, Thane (W)	Professional
Manoj Kumar Sehrawat Non- Executive Director	02224299	76 Bayshore Road #17-17 Costa Del Sol Singapore 469990 SG	Service
Rajeev Kumar Agarwal Independent Director	07984221	30, Punam, Nepean sea Road, Malabar Hill, Mumbai	Professional
Satyananda Mishra Non-Executive Chairman (Independent)	01807198	D-138, Second Floor, Defense Colony New Delhi 110024	Professional
Karnam Sekar Independent Director	07400094	House No. 72, Hi Rise KVR Paradise, Bachupally, Mallampet, Medchalmalkajgiri, Telangana – 500090	Professional
Hemant Bhargava Independent Director	01922717	Flat C1709, Satyen Nivaasa , Mangalam Radiance , Main Tonk Road, Jaipur 302018	Retired

Name of the Director and Designation	DIN	Address	Occupation
Deepa Agar Hingorani Non-Executive (Nominee) Director	00206310	0309 Loft @ Stevens, 68, Stevens Road, Singapore 257856	Service

(f) Management's perception of Risk Factors:

GENERAL RISK

Investment in non-convertible securities involve a degree of risk 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 this PPOA and the placement memorandum dated 23rd January 2024 issued by the Issuer ("**Placement Memorandum**"). These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

RISK FACTORS

Data contained throughout this PPOA has been supplied by the Company and the same has not been verified from any independent sources (including the original source documents). In the absence of independent verification, neither the legal advisors nor any of the intermediaries are or can be held responsible for the correctness, completeness or the adequacy of the data contained herein.

The Company believes that there are certain factors that may affect its ability to fulfil its obligations in respect of the Debentures. All these factors are contingencies which may or may not occur and the Company is not able to express a view on the likelihood of any such contingency occurring. In addition, there are certain factors which are material for assessing the market risks associated with the Debentures. Such Investors are strongly recommended to consult with their financial, legal, tax and other professional advisors before making any investment decision.

The following are the risks envisaged by the management and Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. The risks have been quantified wherever possible. If any one of the following stated risks occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

(i) **REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential investors ("**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 Debentures is subject to the credit risk of the Issuer whereby the Investors may or may not recover all or part of the funds in case of default by 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.

(ii) **RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES; THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID; LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES.**

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(iii) **RISKS RELATED TO THE BUSINESS OF THE ISSUER**

(A) ***This PPOA and the Placement Memorandum includes certain audited financial information in relation to the Issuer.***

This Placement Memorandum includes audited standalone financial results in relation to the Issuer, for the year ended March 31, 2023, in respect of which M/s MSKA & Associates, Chartered Accountant, the statutory auditors of the Company for the Financial Year 2022-23 have issued their Independent Auditor's Report for the year ended March 31, 2023, dated May 15, 2023.

(B) ***The Issuer provides both secured and unsecured loans to the clients and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

There is uncertainty on the client's ability to fulfil its loan obligations it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact the Issuer's results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on September 30, 2023, the gross NPA was INR 130.19 Crores (Indian Rupees One Hundred Thirty Crore and Nineteen Lakh) on a gross portfolio (Exposure at Default (EAD)) of INR 4,561.91 Crores (Indian Rupees Four Thousand Five Hundred Sixty One Crores and Ninety One Lakh).

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that it's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(C) ***Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.***

Issuer's core business is to provide loans to Micro, Small and Medium Enterprise ("MSME") segments primarily in the urban and semi-urban areas. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

The Issuer has separated sales from credit risk department. This helps in better credit evaluation of the customer. A credit enhancement happens by the way of hypothecation of stocks/machineries and or mortgage of immovable property. The ability to repay the loan is taken care of by the internal credit evaluation and intention to repay is taken care of by the collaterals obtained.

(D) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract

and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(E) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(F) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(G) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(H) ***The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as a NBFC. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-ND. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND that is subject to numerous conditions.

(I) ***Competition from banks and financial institutions, as well as state-sponsored programs, may adversely affect the Issuer's profitability and position in the Indian NBFC lending industry***

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes can have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

(iv) **CREDIT RISK & RATING DOWNGRADE RISK**

India Ratings and Research Private Limited ("**Rating Agency**") has assigned the credit rating to the Debentures ("**Rating**"). In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(v) **CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.**

All securities where a fixed rate of interest is offered, such as this Issue, 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 pricing of the Debentures.

(vi) **MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

(vii) **ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(viii) **TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(ix) **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.

(x) **LEGALITY OF PURCHASE**

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

(xi) **POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

(xii) **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.

(xiii) **REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD**

As on the date of this PPOA, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

(xiv) **IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:**

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS AS PER TERMS AGREED: As on the date of this PPOA, the Issuer has not committed any default in compliance with the material covenants as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this PPOA, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this PPOA, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this PPOA, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. the Issuer cannot assure the Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

(g) Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

(i) Statutory Dues: Nil

(ii) Debentures and interest thereon: Nil

(iii) Deposits and interest thereon: Nil

(iv) Loan from any bank or financial institution and interest thereon: Nil

(h) Name, designation, address and phone number, email ID of the nodal/compliance officer of the Company, if any, for the private placement offer process:

Name:	Mr. Satish Kumar
Designation:	Company Secretary and Compliance Officer
Address:	Equinox Business Park, 4th floor, Tower 3, LBS Road, Kurla (West), Mumbai - 400070, India
Phone No.:	91 22 41821600
Email:	satish.kumar@ugrocapital.com

(i) **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:**

Nil

2. Particulars of the Offer:

(i)	Financial position of the Company for the last 3 financial years	Please refer to **Annexure II** and **Annexure III** of this PPOA.
(ii)	Date of passing of Board Resolution	Date of Board Resolution: May 15, 2023 and November 11, 2019. A copy of the board resolution is annexed herewith and marked as **Annexure IV** of this PPOA. Date of the Investment and Borrowing Committee Resolution: 17th January 2024 A copy of the committee resolution is annexed herewith and marked as **Annexure IV** of this PPOA.
(iii)	Date of passing of resolution in general meeting, authorizing the offer of securities	Copies of the shareholders resolution dated August 08, 2023 passed under Section 42 of the Companies Act, 2013 and the shareholders resolutions, dated May 15, 2023, passed under Section 180(1)(c) of the Companies Act, 2013 is annexed herewith and marked as **Annexure V** of this PPOA.
(iv)	Kind of securities offered (i.e. whether share	5,000 (five thousand) listed, rated, senior, unsecured, taxable, redeemable, non-convertible debentures denominated in Indian Rupees ("**INR**"), having a face value of INR 1,00,000/- (Indian Rupees One Lakh) each and an

	or debenture) and class of security; the total number of shares or other securities to be issued	aggregate amount up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only) ("**Debentures**"), on a private placement basis ("**Issue**").
(v)	Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures have a face value of INR 1,00,000/- (Indian Rupees One Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which shall be redeemed at face value of INR 1,00,000/- (Indian Rupees One Lakh) per Debenture.
(vi)	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	The Debentures have a face value of INR 1,00,000/- (Indian Rupees One Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which shall be redeemed at face value of INR 1,00,000/- (Indian Rupees One Lakh) per Debenture.
(vii)	Relevant date with reference to which the price has been arrived at (Relevant Date means a date at least 30 (thirty) days prior to the date on which the general meeting of the Company is scheduled to be held)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000/- (Indian Rupees One Lakh) per Debenture.
(viii)	The class or classes of persons to whom the allotment is	Please refer the Section named "*Eligible Investors*" set out in Section 10.10 of the Placement Memorandum.

	proposed to be made	
(ix)	Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (not required in case of issue of non-convertible debentures)	Not applicable as promoters, directors or key managerial personnel do not intend to subscribe to the issue.
(x)	The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on 24th January 2024 ("**Deemed Date of Allotment**"), and the Issuer will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("**Debenture Holders**") within the timelines prescribed under Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular, in accordance with the debenture trust deed ("**DTD**") to be entered into between the Issuer and the debenture trustee ("**Debenture Trustee**").
(xi)	The names of the proposed allottees and the percentage of post private placement capital that may be held by them (not required in case of issue of non-convertible debentures);	Not applicable as the Debentures are non-convertible debt instruments.
(xii)	The change in control, if any, in the Company that would occur consequent to the private placement	Not applicable as the Debentures are non-convertible debt instruments.

<table>
<tr><td>(xiii) The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price</td><td>The required details for the current Financial year 2023-24 till 30/09/2023 are as follows:

<table>
<tr><th>Particulars</th><th>Number of persons to whom allotment was made</th><th>Number of Securities allotted</th><th>Price per Security (in INR)</th><th>Date of allotment</th><th>Preferential basis/private placement/ rights issue</th></tr>
<tr><td>Preferential Issue (Equity Ratio)</td><td>1</td><td>1,52,38,095</td><td>157.50</td><td>17-05-2023</td><td>Preferential basis</td></tr>
<tr><td>Non-Convertible Debentures</td><td>1</td><td>2,500</td><td>1,00,000</td><td>06-06-2023</td><td>Private placement</td></tr>
<tr><td>Non-Convertible Debentures</td><td>1</td><td>5,000</td><td>1,00,000</td><td>18-09-2023</td><td>Private placement</td></tr>
<tr><td>Non-Convertible Debentures</td><td>1</td><td>2,800</td><td>1,00,000</td><td>25-09-2023</td><td>Private placement</td></tr>
</table></td></tr>
<tr><td>(xiv) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as the Debentures are non-convertible debt instruments to be issued for the consideration in cash.</td></tr>
<tr><td>(xv) Amount, which the Company intends to raise by way of proposed offer of securities</td><td>Up to 5,000 (five thousand) listed, rated, senior, unsecured, taxable, redeemable, non-convertible debentures having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each aggregating up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only).</td></tr>
<tr><td>(xvi) Terms of raising of securities:</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>26 (twenty-six) months and 25 (twenty-five) days from the Deemed Date of Allotment, subject to the terms</td></tr>
</table></td></tr>
</table>

			of the DTD and the other related transaction documents ("**Transaction Documents**"). The Debentures shall be redeemed on a *pari passu* basis by the Issuer by making the payment of the principal amounts outstanding under the Debentures ("**Outstanding Principal Amounts**") on the Final Redemption Date set out under **Annexure VI** of this PPOA below. The proposed cash flows are set out in **Annexure VI** of this PPOA.
		Rate of dividend or rate of interest	As set out in Section 8.1 (Summary Term Sheet) of the Placement Memorandum
		Step Up/Step Down Coupon Rate	Not Applicable
		Mode of payment	Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in the Application Form annexed to the Placement Memorandum.
		Mode of repayment	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. Credit for all payments will be given only on realisation.
(xvii)	Proposed time schedule for which this private placement offer cum application letter is valid	Issue Open Date: 23rd January 2024 Issue Close Date: 23rd January 2024 Pay in Date: 24th January 2024 Deemed Date of Allotment: 24th January 2024	
xviii)	Purpose and objects of the offer	The proceeds of the Issuance will be utilized for the following purposes: • 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.	

	The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any capital market instrument such as equity and equity linked instruments or any other capital market related activities (whether directly or indirectly); (ii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iii) any speculative purposes; (iv) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21. 04.172/2023-24 dated April 3, 2023 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*"); and (v) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI applicable to non-banking financial companies).
(xix) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
(xx) Principal terms of assets charged as security, if applicable	Not Applicable. The Debentures are unsecured in nature.
(xxi) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the ongoing concern status of the Company and its future operations	NIL
(xxii) The pre-issue and post issue shareholding pattern of the Company in	As the Issuer is a company whose equity shares are listed, it is required to periodically disclose its shareholding pattern in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

the following format	The shareholding pattern of the Issuer for the quarter ended June 30, 2023 is available at: https://www.bseindia.com/stock-share-price/ugro-capital-ltd/ugrocap/511742/shareholding-pattern/. There will be no change in shareholding pattern of the Company pursuant to the issue, as non-convertible debentures are being issued.
(xxiii) RBI Disclaimer	The Issuer is having a valid certificate of registration dated October 26, 2018 issued by the RBI under Section 45-IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

3. Mode of Payment for Subscription:

( ) Cheque
( ) Demand Draft
( ) Other Banking Channels

4. Disclosures with regard to interest of directors, litigation, etc:

(i) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	Nil
(ii) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last 3 (three) years immediately preceding the year of the issue/circulation of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Nil
(iii) Remuneration of directors (during the current year and last 3 (three) financial years)	

S. No.	Name of the Director	For the period ending on November 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021

1.	Mr. Shachindra Nath	471.12*	466.22*	295.60*	269.35*

**Remuneration includes performance bonus.*

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 November 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021:

S. No.	Name of the Director	For the period ending on November 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Satyananda Mishra	21.00	30.00	25.00	16.63
2.	Karuppasamy Singam	20.00	26.00	21.00	19.25
3.	Sekar Karnam (1)	15.00	29.00	N.A.	N.A.
4.	Hemant Bhargava (1)	15.00	17.00	N.A.	N.A.
5.	Rajeev Krishnamuralilal Agarwal	28.00	23.00	17.00	21.88
6.	Tabassum Abdulla Inamdar (4)	4.00	N.A.	N.A.	N.A.

	7.	Abhijeet Sen (3)	6.00	39.00	40.00	21.88
	8.	Smita Aggrawal (1) (5)	5.00	25.00	N.A.	N.A.
	9.	Ranjana Agarwal (2)	N.A.	N.A.	22	19.25
	10.	Navin Puri (2)	N.A.	N.A.	24.00	5.25
	11.	Navin Kumar Maini (2)	N.A.	N.A.	22.00	19.25

(1) Mr. Karnam Sekar and Mr. Hemant Bhargava were appointed as Independent Directors w.e.f. February 08, 2022 Ms. Smita Aggrawal was appointed as Independent Director w.e.f. March 31, 2022.

(2) Mr. Navin Puri, Mr. Navin Kumar Maini and Ms. Ranjana Agarwal ceased to be Independent Director w.e.f. February 08, 2022.

(3) Abhijeet Sen ceased to be Independent Director w.e.f. July 04, 2023.

(4) Tabassum Abdulla Inamdar was appointed as an Independent Director of the company on August 01, 2023.

(5) Smita Aggrawal ceased to be Independent Director w.e.f. July 04, 2023.

(iv) Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including 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 2023, 2022, 2021.

Following are the details of related party transactions in the Fiscal 2023, 2022, 2021 and six months period ended September 30, 2023:

Nature of transactions	**For the six months period from April 01, 2023 to September 30, 2023**	**For the financial year ending on March 31, 2023**	**For the financial year ending on March 31, 2022**	**For the financial year ending on March 31, 2021**
Particulars				

	Transaction during the year				
	Expenses				
	Livfin India Private Limited				
	Arranger Fees Paid	19.96	33.44	20.57	-
	Arranger Fees Received	42.21	94.28	33.81	-
	Indifi Technologies Private Limited				
	Sourcing Fee	65.09	-	-	-
	Reimbursement of expenses				
	Aniket Karandikar#	-	0.02	0.17	-
	Amit Gupta	-	0.03	0.99	-
	Shachindra Nath	-	0.08	9.43	-
	Kishore Kumar Lodha	0.28	1.34	-	-
	Namrata Sajnani$	0.08	-	-	-
	Remuneration Paid*				
	Shachindra Nath	413.91	466.22	295.60	269.35
	Abhijit Ghosh	-	-	11.38	136.52
	Kalpeshkumar Ojha	-	-	-	65.04
	Sandeepkumar Zanwar**	-	-	44.48	23.87
	Amit Gupta**	-	50.60	53.68	-

	Kishore Kumar Lodha[@]	145.92	180.19	-	-
	Aniket Karandikar[#]	-	8.76	30.49	23.83
	Namrata Sajnani[$]	22.59	25.77	-	-
	Satish Chelladurai Kumar[$]	-	-	-	-

**The above figures do not include provision towards gratuity.*
***Sandeepkumar Zanwar and Mr. 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.

(v) Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark

Financial Year	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
2020-21	unqualified audit report of Statutory Auditor	The auditors' report dated June 29, 2021 on financial statements for the financial year ending March 31, 2021 contains the following Emphasis of Matter Para: "We draw attention to Note 53 to	-	-

<table>
<tr><td></td><td>
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<tr><td></td><td></td><td>the financial statements, which describes the extent to which the Covid-19 pandemic will continue to impact the financial statements will depend on uncertain future developments. Our opinion is not modified in respect of this matter."</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>(vi) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last 3 (three) years immediately preceding the year of issue of this private placement offer cum application letter in the case of the Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries</td><td>Nil</td></tr>
<tr><td>(vii) Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the Company</td><td>There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Memorandum except below fraud instances reported to RBI pursuant to the applicable RBI norms:
<table>
<tr><th>S. No.</th><th>Financial Year</th><th>Gross Amount (₹ in lakh)</th><th>Modus Operandi</th><th>Recovery (₹ in lakh)</th><th>Provisions (₹ in</th><th>Action Taken by the Company</th></tr>
</table>
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						lakh)	
	1.	2023 – 24*	98.43	The information provided by the borrower were false/ incorrect and unknown third party/ies are involved in committing the fraud. We 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	2.56	0	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.

				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.	2021-22	400.14	Ingenius E Commerce Pvt Ltd Directors- Akash Domadiya & Harsh Patel approached our company as an applicant & 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	81.60	60.45	There is a detailed underwriting 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

				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.			
	3.	2020 - 21	500	The borrower provided misrepresentation about their financial capability, economic competency and assured us the genuineness of funds, assured their capability to pay and financial soundness and we believed upon the aforesaid representation to be true & genuine and the impressive profile of their company. However, we	106.90	276.39	We have reviewed our systems and procedures. We have increased our post disbursal monitoring of customers through regular updates basis latest GST returns (if applicable) and Bank statement analysis

				found that, exact opposite picture of the information/ documents submitted by them during our investigation.			

** as of December 26, 2023*

5. Financial Position of the Company:

The capital structure of the Company in the following manner in a tabular form:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	*(In ₹, except for share data)* **Particulars** / **Amount in (₹)** **AUTHORISED SHARE CAPITAL** 10,45,00,000 Equity Shares of face value of ₹ 10 each — 104,50,00,000 2,05,00,000 preference shares of face value of ₹ 10 each — 20,50,00,000 **TOTAL** — **125,00,00,000** **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL** 9,24,98,482 Equity Shares of face value of ₹ 10 each — 92,49,84,820 Nil preference shares of face value of ₹ 10 each — Nil **TOTAL** — **92,49,84,820** **Securities Premium Account^** — **1064,27,62,066.90** *Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.* *^Includes securities premium received on account of issuance of equity share capital and preference share capital of our Company net-off applicable Ind AS adjustments as of September 30, 2023.*
Size of the present offer	Up to 5,000 (five thousand) listed, rated, senior, unsecured, taxable, redeemable, non-convertible debentures having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each aggregating up to INR 50,00,00,000/- (Indian Rupees Fifty Crores only).

Paid-up capital: (As at September 30, 2023) a. After the offer: b. After the conversion of convertible instruments (if applicable)	 92,49,84,820 Not Applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share premium account: (As at Sept 30, 2023) a. Before the offer: b. After the offer:	 INR 1,064.28 Crores INR 1,064.28 Crores Not Applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

The details of the existing share capital of the Issuer in tabular form, indicating therein with regard to each allotment, the date of the allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Please refer to **Annexure I** of this PPOA.

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case:

NIL. Please also refer Section 2(xiii) (*The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price*) of the PPOA above.

Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of this private placement offer cum application letter

FY	Profits before tax (in Rs. Cr)	Profits after tax (in Rs. Cr)
April'23 to Sep'23	76.44	54.13
2022-2023	83.83	39.78
2021-2022	20.18	14.55
2020-2021	12.13	28.73

Dividends declared by the Company in respect of the said 3 (three) financial years;

FY	Dividend
2022-2023	Nil
2021-2022	NIL
2020 – 2021	NIL

interest coverage ratio for last 3 (three) years (cash profit after tax plus interest paid/interest paid)

FY	Interest Coverage Ratio
2022-2023	Not Applicable
2021-2022	Not Applicable
2020 – 2021	133.18%

A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of this private placement offer cum application letter	Please refer **Annexure II** of this PPOA.
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue/circulation of this private placement offer cum application letter	Please refer **Annexure III** of this PPOA.
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	Nil

PART B
(To Be filled by the applicant)

1. Name:

2. Father's Name:

3. Complete address including flat/ house number/ street, locality, pin code:

4. Phone number, if any:

5. Email id, if any:

6. PAN:

7. Bank account details:

8. Demat Account Details:

9. Tick whichever is applicable:

   (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.- ☐ ;

   (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- ☐.

_____
Signature of the applicant

_____
Initial of the officer of the Company designated to keep the record

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

DECLARATION

(a) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder.

(b) The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the preference shares or debentures, if applicable, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter.

I am authorized by the Board of Directors of the Company *vide* resolution dated May 15, 2023, read with the resolution dated November 04, 2023 of the Investment and Borrowing Committee to sign this private placement offer and application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer and application letter and matters incidental thereto have been complied with.

Whatever is stated in this private placement offer and application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer and application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this private placement offer and application letter.

For **UGRO Capital Limited**



Shachindra Nath
Vice Chairman and Managing Director
Date: 23rd January 2024
Place: Mumbai

Enclosed
Annexure A: Equity share capital history of the Issuer
Annexure B: Financial Position of the Company for the last 3 (three) financial years
Annexure C: Audited Cash Flow Statements for the last 3 (three) financial years
Annexure D: Copies of the board resolution and committee resolution
Annexure E: Copies of the shareholders' resolutions
Application Form: Please refer the application form set out in the Placement Memorandum.
Optional attachments, if any

ANNEXURE A

EQUITY SHARE CAPITAL HISTORY OF THE ISSUER

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, 2020						**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
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

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 ₹)
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, 023	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
Closing Balance as on 15th January 2024#						9,25,99,839	92,59,98,390	10,98,07,14,891

(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 50050 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(6) Allotment of 51307 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

 # The closing balance as on 15th January 2024 is not adjusted with share issue expense and other adjustments.

ANNEXURE B
FINANCIAL POSITION OF THE COMPANY for the last 3 (three) financial years

[Attached Separately]

ANNEXURE C
AUDITED CASHFLOW STATEMENTS FOR THE LAST 3 (THREE) FINANCIAL YEARS
[Attached Separately]

ANNEXURE D

COPIES OF THE BOARD RESOLUTION AND THE COMMITTEE RESOLUTION

BOARD RESOLUTION

[Attached Separately]

COMMITTEE RESOLUTION

[Attached Separately]

ANNEXURE E

COPIES OF THE SHAREHOLDERS' RESOLUTIONS

[Attached Separately]

ANNEXURE XIV

BRANCHES OF THE ISSUER

[Attached Separately]

Sr. No.	Location	State	Branch Address
1	Hosakote	Andhra Pradesh	Municipal Khata No. 8644/5047, Old Madras Road, Near Pizza Hut, Hosakote, Bangalore Rural, Karnataka - 562114
2	Kurnool	Andhra Pradesh	D No – 87/454-1, Srinagar Colony, Nandyal Road, Beside ICICI Bank, C Camp, Kurnool, Andhra Pradesh – 518003
3	Ongole	Andhra Pradesh	1st Floor, Birudaraj Complex, Nellore Road, Ongole, Andhra Pradesh - 523001
4	Rajahmundry	Andhra Pradesh	SAROJINI DEVI COMPLEX, 3RD FLOOR, 7-24-3/A, RAJAHMUNDRY, E.G.DIST. RAJAHMUNDRY 533101
5	Vijaywada	Andhra Pradesh	D.No.27-33-1, 3rd Floor, Grandhi Kamaraj Bhavan, Gudavallivari Street, Governorpet, Vijayawada-520002.
6	Vizag	Andhra Pradesh	3rd Floor, 4F, Balajee Mangalagiri Chambers, Door number 9-14-3, VIP Road, Sripuram, Visakhapatnam: 530003
7	Chandigarh	Chandigarh	SCO No. 60-61, Sector 34-A, Chandigarh- 160022.
8	Raipur	Chatthisgarh	Alaska Corporate, 3rd Floor Off VIP Road, Jivan Vihar, Raipur: 492001, Chattisgarh
9	Madurai	Chennai	48A, 3rd Floor, New Millennium Complex, Bye Pass Road, Pandian Nagar, Kalavasal, Madurai - 625016
10	Delhi	Delhi	1st & 2nd Floor, Samyak Tower, 39 Pusa Road, Delhi - 110005
11	Ahmedabad	Gujarat	12th Floor, 1201/A, BVR EK, Opp. Gujarat College, Ahmedabad,Gujarat - 380006
12	Ahmedabad 2	Gujarat	10th Floor, 1001-1004, BVR EK, Opp. Inder Residency Hotel, Near Gujarat College, Ahmedabad,Gujarat - 380006
13	Bharuch	Gujarat	Office No. 9&10, 2nd floor, shree Rang Palace, Inox multiplex, Zadeswar Road, Bharuch- 392001
14	Bhavnagar	Gujarat	303,304,3rd Floor, Shiv Prabhu Arc, Opp Swami narayan Mandir, Aksharwadi, Waghavadi Road, Bhavnagar, Gujarat - 364001
15	Himmatnagar	Gujarat	38/39, 3rd floor, Pratham Square, Near Ashok Vatika, Sahkari Jin Road, Himmatnagar, Gujarat- 383001
16	Jamnagar	Gujarat	369-71, 3rd Floor, Neo Square, Near income tax office, P N Marg, Jamnagar, Gujarat - 361001
17	Junagadh	Gujarat	308, 3rd Floor, Trident Plaza, Zanzarda Road, Junagadh, Gujarat- 362001
18	Modasa	Gujarat	Shop 195,196, Shantam 11, near HDFC bank, Ganeshpura, Modasa, Aravali, Gujarat - 383315
19	Morbi	Gujarat	3rd Floor, office no.19, Shree Dariyalal Square, Shakat Shanala, Morbi- 363641
20	Nadiad	Gujarat	Shop No. 216 & 217, 2nd Floor, Shreyas Lalwani Empire, Pij Road, B/h Railway station, Nadiad, Gujarat- 387002
21	Navsari	Gujarat	Unit Number - 301, 3rd Floor, Sai Darbar, behind Technical School, Chapra Road, Navsari, Gujrat - 396445.
22	Odhav	Gujarat	Shop No. 220, Mangalam Arcade, Opp. Dhav Lake BRTS Bus Stop, Odhav BRTS Road, Odhav, Ahmedabad - 382415
23	Rajkot 2	Gujarat	506/507, 5th Floor, Viral Heights, Near Time Square- ll, Ayodhya Chowk, 150 Ft Ring Road, Rajkot - 360006
24	Surat	Gujarat	506, 21st Century, Near Udhna Darvaja, Ring Road, Surat- 395002.
25	Vadodara	Gujarat	604,605,606, 6th Floor, Silver Staddle, Opp. Yash Complex, Gotri Main Road, Gotri, Vadodara - 390021
26	Valsad	Gujarat	Unit FF 21-22, 1st Floor, Swastik Arcade, Near Dharampur Chowkdi, Valsad- 396001
27	Ambala	Harayana	5480-81/1, Nikalsang Road, Above DCB Bank, Ambala, Haryana - 133001
28	Gurgaon - Chairmans Office	Harayana	301/302, Baani The Address, Golf Course, Sector 56, Gurgaon, Haryana - 122011.
29	Kaithal	Harayana	Opp. Jain Hospital, Kurukshetra Road, Kaithal, Haryana - 136027
30	Panipath	Harayana	Fateh Singh, Sanuali Road, Opp. Bhim Gonda Mandir, Panipat, Haryana - 132103
31	Yamunanagar	Harayana	B-6/1116/2, Tagore Garden, Bypass Road, near Kamani Chowk, Yamunanagar, Haryana - 135001
32	Noida	IT Office	3rd Floor, Joy Tower, 20, 1/1A, C Block, Phase II, Sector 62, Noida, UP - 201301
33	Bangalore	Karnataka	3rd Floor, Unit no.301/302, HTC Aspire # 19, Ali Akser Road, Bangalore - 560052
34	Belgaum	Karnataka	Omanna uchagaonkar ctsno 4824/A3/B RSNO 976 ABOVE ADISHWAR ELEC TRO WORLD COLHAPUR CIRCLE NEHRUNAGAR, BELGAVI 590001
35	Bommasandra	Karnataka	Muncipal Khatha No 1, Sy No 61/13, old sy No 61/11, No 1, 2nd Floor, Ananthanagar Main Road, Attibele Hobli Anekal Taluk, Hebbagodi, Bangalore, 560100
36	Channagiri	Karnataka	Shri Marula Siddeshwara complex, NH 13, Shivamogga – Chitradurga Road, Channagiri, Karanataka -577213

37	Channapatana	Karnataka	2228, 2nd Floor, Chowdeshwari Complex,Channapatna, Karnataka - 562160
38	Chikodi	Karnataka	Ugro Capital, Bapu Shivagouda Patil Complex , Near new Canara Bank, Nipani road, Chikkodi Belgaum - 591201
39	Chitradurga	Karnataka	Varasiddi Vinayaka Complex ,No- 194C, 1 st floor, Davalagiri badavane, 1st Phase, Bheemasamudra road, Opp Jagalur Mahalingapa Gas agency, Near Kanaka circle, Chitradurga - 577501
40	Davangere	Karnataka	P S Arcade, #3348/1A, 1st floor, Above Equitas Bank, Siddaveerappa Layout, Shamanur Road, Davanagere -577004
41	Gokak	Karnataka	MATHAD BUILDING,CTS NO : 3191/C/08, Bus Stand Road, Gokak, Karnataka – 591307,
42	Hospet	Karnataka	H/N 1/335, 4th Ward, near Amareshwara Nursing Home, Patel Nagara, Hospet, Bellary, Karnataka -583201.
43	Hubli	Karnataka	No. 2/10, 1st Floor, Mallikarjun Avenue, Koppikar Road , Hubli 580020.
44	Mudhol	Karnataka	Ugro Capital, L K PLAZA, OPP PATEL COMPLEX, NEAR KOLHAR YATRI NIWAS, JAMAKHANDI ROAD, MUDHOL, KARNATAKA - 587313
45	Mysore	Karnataka	203, 1st Floor, C H 28, Diwaans Road, Chamaraja Mohalla, Laxmipuram, Mysore - 570004
46	Peenya	Karnataka	No 45, 1st Floor, Laggere Main Road, Parvathynagar, Peenya, Bangalore- 560058.
47	Vijaypur	Karnataka	B G Complex, SR no 414, Plot no 74, Vishweswaraya Circle, Bagalkot road, Bijapur - 586109
48	Indore	Madhya Pradesh	2nd Floor, Office 212 & 214, Dhan Trident, Vijay Nagar, Indore, Madhya Pradesh- 452010
49	Andheri - Rustomjee	Maharashtra	Unit no.601/604, A wing, Rustomjee Central Park, Andheri Kurla Road, Andheri East, Mumbai- 400093
50	Andheri - Technopolis	Maharashtra	Unit No. R 2, Ground Floor "Technopolis Knowledge Park", Mahakali Caves Road, Chakala, Andheri East, Mumbai – 400093
51	Kalyan	Maharashtra	Office 515, 5th Floor, B Wing, Season Business Center, Opp. KDMC, Shivaji Chowk, Kalyan West, Thane- 421301
52	Mumbai- HO	Maharashtra	4th Floor, Tower 3, Equinox Business Park, Kurla West, Mumbai- 400070
53	Nagpur	Maharashtra	Northwest Portion, 3rd Floor, Lotus Building, Plot No. 5, Gorepeth Layout, WHC Road, Dharampeth, Nagpur, Maharashtra - 440010
54	Nashik	Maharashtra	1st Floor, Office no.106, Malpani Arcade , Beside Sopan Hospital , Shri Hari Kute Marg , Tidke Colony , Mumbai Naka , Nashik - 422002
55	Pune	Maharashtra	4th Floor, Surya Bhavan, Shivaji nagar, FC Road, Pune - 411005
56	Thane	Maharashtra	106 /108, 1st Floor, Ram Niwas, Junction of Gokhale and M G Road, Naupada, Thane (West) - 400602
57	Ludhiana	Punjab	F.U.F - 4, 4th Floor, Kunal Tower, Mall Road, Ludhiana-141001
58	Ajmer	Rajasthan	4th Floor, 90 Degrees Complex, ASCR, Vaishali Nagar, Ajmer, Rajasthan - 305001
59	Barmer	Rajasthan	NH-68, Ground Floor, Maa Santoshi Tower, Shastri Nagar, Barmer, Rajasthan- 344001
60	Bikaner	Rajasthan	B-1, Sidhi Vinayak complex, shastri nagar, Bikaner, Rajasthan - 334001
61	Chomu	Rajasthan	1st Floor, 60 Feet Jaipur Road, Magadh Road, Chomu- 303702
62	Didwana	Rajasthan	1st Floor, Kisan Complex, Near Government Hospital Chowraya, Didwana, Rajasthan – 341303
63	Ganganagar	Rajasthan	Shop No -06, Nagpal Colony, Sukharia Circle, Gali No.04, Opp- Bihani Petrol Pump, Sri Ganganagar, Rajasthan - 335001
64	Jagatpura	Rajasthan	1st Floor, Shop 26, Mansarovar Link Road, Riddhi siddhi, Hans Marg, Jaipur, Rajasthan- 302018
65	Jaipur	Rajasthan	5th Floor, K-14, IBC Tower, Ashok Marg, C Scheme, Jaipur- 302001
66	Jaitaran	Rajasthan	Bagri Bhavan, Opp ICICI Bank, Nimaj Road, Jaitaran, Beawar, Rajasthan 306302
67	Jodhpur	Rajasthan	Plot.347B, 2nd floor, 4th B-Road, Sardarpura, Jodhpur, Rajasthan- 342003
68	Nokha	Rajasthan	1st Floor, HDFC Bank Building, Bikaner Road, P.O Nokha, Bikaner, Rajasthan - 334803
69	Pali	Rajasthan	Plot no. 50-B, Khasara no.1819/623, 1st floor, Near Maharaja Dhaba, Opposite Bheru halwa shop, Nayagaon Road Pali, Rajasthan -306401
70	Ratangarh	Rajasthan	Ground Floor, Balaji Complex, near ICICI bank, Link Road, Ratangarh, Rajasthan -
71	Sikar	Rajasthan	Office No 310 & 311, 3rd Floor Bhaskar Heights , Silver Jubli Road Near SK Hospital,Sikar-332001

72	Sumerpur	Rajasthan	1st floor, Shop No. F-3, Hari Plaza, Near Gandhi circle, Main market, Sumerpur, Rajasthan- 306902
73	Tonk	Rajasthan	Plot 6, Opp GPO, Savai Madhepur Road, Tonk , Rajasthan - 304001
74	Udaipur	Rajasthan	Ground Floor, Icon Tower, Near ICICI Bank, Madhuban, Udaipur- 313004
75	Ambattur	Tamil nadu	1st Floor, No 84/59 Munaiswamu Madam street, Venkatapuram, Ambattur Village, Ambattur OT, Chennai - 600053
76	Chennai	Tamil Nadu	Sunnyside, 1st Floor, West Wing, No.8/17, Shafee Mohammed Road, Nungambakkam, Chennai, Tamil Nadu - 600034
77	Coimbatore	Tamil nadu	Ahuja Towers, 1st Floor, No. 42/ 9 & 10, T. V. Swamy Road (West), R. S Puram, Coimbatore, Tamil Nadu, Pin Code: 641002.
78	Dharapuram	Tamil nadu	No. 355/A, 1st Floor, Archana Complex, Gandhipuram, Dindigul Bye pass Road, Dharapuram – 638656
79	Dindigul	Tamil nadu	D.No:87A, 2nd Floor, Sivajothi Complex, Thadicombu Road, Dindigul, Tamilnadu-624001.
80	Kanchipuram	Tamil nadu	No.28. 1st Floor, Adison Pettai Street, Kancheepuram – 631501.
81	Nagercoil	Tamil nadu	UGRO Capital, 38/2A, 2nd Floor, Above Fincare Small Finance Bank, Erulappapuram, Nagercoil- 629002
82	Ottanchathiram	Tamil nadu	No:60 A, First floor ,Ward no 10 , Dharapuram main Road , Ottanchathiram - 624619.
83	Perundurai	Tamil nadu	No:174, Ramarajyam Complex, Kunnathur Road, Perundurai – 638052
84	Rajapalayam	Tamil nadu	No: 610, 1st Floor, Upstairs to chola Insurance, Tenkasi Main Road, Rajapalayam - 626117
85	Salem	Tamil Nadu	B Rajlakshmi, kandaswarna Mega Mall, Block B, Saradha College Road, Salem - 636016
86	Sivakasi	Tamil nadu	444/4, 1st floor,Virudhunagar Road,Thiruthangal –626130
87	Tambaram	Tamil nadu	50, Gandhi Road, 2nd Floor, West Tambaram,Chennai 600045.
88	Tenkasi	Tamil nadu	No.39, 2nd Floor, Neela Avani Moola Veedhi, Amman Sannathi Street, Tenkasi - 627811
89	Theni	Tamil nadu	45/3, Miranda lane, 1st Street, C2C2 Scheme Road, Municipal office Back, Allinagaram, Theni - 625531
90	Thiruvallur	Tamil nadu	5, 1st Floor, Ganesan Street, P H Road, Ondi Kuppam, Vengathur, Tiruvallur - 602002.
91	Tirunelvelli	Tamil nadu	No. 67-G/3, 2nd Floor, Chacra Towers, South Bye Pass Road, Near New Bus Stand, Tirunelveli - 627005
92	Tiruppur	Tamil nadu	2/49, Chola Towers, Dharapuram Road, Perichipalayam Bus Stop ,Tirupur, Tamilnadu- 641604.
93	Tuticorin	Tamil nadu	No. 233, 2nd Floor, Palayam cottai Road, Melur, Tuticorin- 628002
94	Vellore	Tamil nadu	Devakryshna Square, 3rd Floor, S F No 49/1-B,Katpadi to Vellore Main Road, NH-234,Virudhambut, Vellore -632006.
95	Hyderabad	Telangana	604-A, 6th Floor, Municipal number 1-8-271 to 273, Ashok Bhoopal Chambers, Sardar Patel Road, Secundarabad, Telangana - 500003
96	Jagtial	Telangana	H.NO: 1-5-203/2, 2nd Floor, Karimnagar Road, opp District Collector office, Jagtial, Telangana 505327
97	Kamareddy	Telangana	H.NO.5-3-656/b 2nd Floor Sai Baba temple road Vidyanagar colony Kamareddy Town & District pin - 503111
98	Karimnagar	Telangana	H. No: 8-7-323/A, Ground Floor, Opposite to Hyundai Showroom, Kothirampur, Karimnagar, Telangana - 505001
99	Mahabubnagar	Telangana	H.NO. 14-2-122/B opposite Sri Rama TVS Showroom New Balaji Nagar Mahabubnagar - 509001
100	Miryalguda	Telangana	H.no 18/699, Ashoknagar, Miryalaguda, Nalgonda, Telangana - 508207
101	Nalgonda	Telangana	H.No: 5-5-1/18,1st Floor, Old collector Office Road, Prakasham Bazar, Nalgonda,508001
102	Nizamabad	Telangana	H.NO:5-6-513, PRAGATHI NAGAR, BACK SIDE AXIS BANK, NIZAMABAD- 503003
103	Siddipet	Telangana	1st Floor, H No- 18/70/4, Sg No 1315, Situated Old GP, Prashant Nagar town, Siddipet- Telangana-502103
104	Suryapet	Telangana	1-2-204/1, 1st floor, M.G Road, Suryapet - 508213
105	Warangal	Telangana	H. No: 2 -10-874/2/C, 2nd Floor, Bank Colony Subedary Main Road, Hanamkonda, Warangal, Telangana - 506001
106	Barasat	West Bengal	City Tower, Holding Number 1081/3 Krishnanagar Road, Bhatra Pally, Near Apollo Clinic, Kolkata, West Bengal- 700126.
107	Baruipur	West Bengal	Kulpi Road, Ward Number 5, Holding Number5, PS & PO Baruipur, District: South 24 Parganas, West Bengal- 700144
108	Hooghly	West Bengal	Flat no 2, Ground Floor, Holdinmg NOP, 93, Rishi Bimkin Sarani, ward no 3, PO & PS, Searampore, Hooghly - 712201
109	Kolkata	West Bengal	Ugro Capital Ltd, 6th Floor, East India Building, 20B, Abdul Hamid street, Kolkata, West Bengal - 700069

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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 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") read with note (i) of Emphasis of Matter below and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

i. We draw attention to Note 44 to the Financial Statements, which describes the accounting for the Scheme of Arrangement on appointed date as per the approval of National Company Law Tribunal. Our opinion on the Statement is not modified in respect of this matter.

ii. As more fully described in Note 55 (a) to the Financial Statements, to assess the recoverability of certain assets, the Company has considered currently available internal and external information in respect of the current and estimated future global economic indicators consequent to the global health pandemic. The actual effect of the pandemic may be different from that considered in assessing the recoverability of these assets. Our opinion on the Statement is not modified in respect of this matter.

Deloitte
Haskins & Sells LLP

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	(Refer Note 46 to the financial statements) As at March 31, 2020, loan assets aggregating to ₹ 82,328.19 lacs, constituting 69% of the Company's total assets and the related impairment provisions amounting to Rs. 1047.80 lacs including macro economic overlays on account of COVID. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Company and a key audit matter. As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets. • Basis used for estimating Probabilities of Default ("PD"), • Basis used for estimating Loss Given Default ("LGD") • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic	**Principal audit procedures:** We have examined the policies approved by the Board of Directors of the Company for the methodology to be adopted for computation of ECL ("ECL Model") Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors Our audit procedures related to the allowance for ECL included the following, among others: • Testing 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. – scorecards and PD rates sent by the external credit rating agency to the Company. – where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report based on which the Staging of the loans is done into Stage 1, 2 and 3 – computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model. • Also, for a sample of ECL on loan assets tested: – completeness and accuracy of information used in the estimation of the PD for the different stages depending on the nature of the portfolio. For Probability of Default (PD) used in the ECL calculations we checked that the PDs used for a sample of exposures is as per the above scorecards provided by the External Credit Rating agency; – we tested that the Loss Given Default (LGD) used in the ECL calculations is as per the Foundational-Internal Rating Based (F-IRB) approach, including the appropriateness of the use of collateral and the resultant arithmetical calculations. – for exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. We also evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.

		– we tested computation of provision for expected credit loss by using PD and LGD (EAD*PD*LGD*) to ensure the correctness of the Company's working – we tested the appropriateness of the opening balance adjustments to verify the bifurcation of impairment loss into transition adjustment and charge for the period • We also tested the adequacy of the adjustment including management's assessment of additional provision due to the Covid-19 impact after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. • We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.
2	The Company is highly dependent on technology due to significant number of transactions that are processed electronically daily. Accordingly, our audit procedures have a focus on IT systems (Loan Origination System and Loan Management System) and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations. Absence of segregation of duties may result in a risk of intended or unintended manipulation of data that could have a material effect on the completeness and accuracy of the financial statements. Due to the pervasive nature and use of IT systems, we assess the risk of a material misstatement arising from access to technology as a significant matter for the audit.	Principal audit procedures performed: For the key IT systems used to prepare accounting and financial information: • We obtained an understanding of the Company's business IT environment Furthermore, we conducted a risk assessment and identified IT applications (Loan Origination System and Loan Management System), databases and operating systems that are relevant to our audits; • We tested the design, implementation and operating effectiveness of the Company's General IT controls over the information systems that are critical to financial reporting. This included evaluation of Company's controls to ensure that access was provisioned / modified based on duly approved requests, access for exit cases was revoked in a timely manner and access of all users was re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • We tested the controls to ensure that segregation of duties was monitored and conflicting access was either removed or mapped to mitigating controls, which were documented and tested; • We tested the controls over network segmentation, restriction of remote access to the Company's network, controls over firewall configurations and mechanisms implemented by the Company to prevent, detect and respond to network security incidents; • We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy; • Where deficiencies were identified, we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the completeness and accuracy of data.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information 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 do not and 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 during the course of our audit or otherwise appears to be materially misstated.

- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

The comparative financial information of the Company for the year ended 31st March 2019 and the related transition date opening balance sheet as at 1st April 2018 included in these financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us. Our opinion on the financial statements is not modified in respect of this matter.

Deloitte
Haskins & Sells LLP

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 ASspecified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   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, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 20104968AAAABZ4582)

Place: MUMBAI

Date: June 13, 2020

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **UGRO CAPITAL LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Deloitte
Haskins & Sells LLP

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2020, based on the criteria for internal financial control over financial reporting 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 20104968AAAABZ4582)

Place: MUMBAI

Date: June 13, 2020

Deloitte
Haskins & Sells LLP

ANNEXURE "B" TO THE AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of UGRO CAPITAL LIMITED ('the Company')

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted secured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and receipts of principal amounts and interest have been regular as per stipulations.

c) There is no amount overdue for more than 90 days at the balance sheet date.

(iv) The provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the Company. Consequently, provisions of para 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31 March 2020 and therefore reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, cess, Goods and Service tax and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates(A.Y)	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Laws	Income Tax	Assessing Officer	2012-13	274,130	274,130
Income Tax Laws	Income Tax	Commissioner of Income Tax (Appeals)	2009-10	3,741,900	3,741,900
Income Tax Laws	Income Tax	Assessing Officer	2016-17	5,26,334	5,26,334
Income Tax Laws	Income Tax	High Court	2008-09	3,778,234	3,778,234

All the above tax matters are covered by a deed of indemnity entered by existing promoters with erstwhile promoters and hence no provision/ disclosure as contingent liability is required to be made in books of accounts.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company did not raise money by way of initial public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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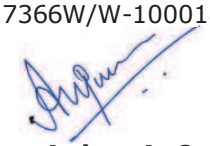
(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 20104968AAAABZ4582)

Place: MUMBAI

Date: June 13, 2020

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC970739

Balance Sheet as at March 31, 2020

(Currency : ₹ in lacs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
I. ASSETS				
Financial assets				
Cash and cash equivalents	3	874.64	32,086.98	0.87
Bank balances other than cash and cash equivalents	4	321.97	13,654.98	-
Trade receivables	5	657.93	232.00	-
Loans	6	83,238.19	7,889.47	-
Investments	7	7,250.81	10,678.86	4,220.74
Other financial assets	8	22,097.49	18,330.48	-
		114,441.03	82,872.77	4,221.61
Non-financial assets				
Current tax assets (net)	9	143.72	149.07	11.25
Deferred tax assets (net)	10	2,156.31	239.94	-
Property, plant and equipment	11	586.82	391.13	-
Right of use asset	12	1,344.01	1,627.66	-
Intangible assets under development	13	93.96	1,086.58	-
Other intangible assets	14	1,839.34	-	-
Other non-financial assets	15	641.06	480.50	-
		6,805.22	3,974.88	11.25
TOTAL ASSETS		121,246.25	86,847.65	4,232.86
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	16			
(A) Trade payables				
(I) total outstanding dues of micro enterprises and small enterprises		10.14	-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		1,039.00	90.50	0.64
(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		371.36	501.26	-
Debt securities	17	5,009.41	-	-
Borrowings (other than debt securities)	18	20,444.46	973.60	-
Other financial liabilities	19	1,870.87	1,767.52	-
		28,745.24	3,332.88	0.64
Non-financial liabilities				
Provisions	20	199.72	68.87	-
Deferred tax liabilities (net)	10	-	-	147.07
Other non-financial liabilities	21	148.93	156.34	0.10
		348.65	225.21	147.17
TOTAL LIABILITIES		29,093.89	3,558.09	147.81
Equity				
Equity share capital	22	7,052.86	2,333.15	469.85
Other equity	23	85,099.50	80,956.41	3,615.20
TOTAL EQUITY		92,152.36	83,289.56	4,085.05
TOTAL LIABILITIES AND EQUITY		121,246.25	86,847.65	4,232.86
Significant accounting policies	1			
See accompanying notes forming part of the financial statements	2-56			

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Signing page (1)

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Balance Sheet as at March 31, 2020

(Currency : ₹ in lacs)

The notes referred to above form an integral part of the financial statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Anjum A. Qazi
Partner

Membership No : 104968
Mumbai
June 13, 2020

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath	**Abhijit Ghosh**	**Abhijit Sen**
Executive Chairman & MD	Whole Time Director & CEO	Director & Chairman -Audit Committee
DIN : 00510618	DIN : 07935397	DIN : 00002593
Mumbai	Mumbai	Mumbai
May 20, 2020	May 20, 2020	May 20, 2020

Kalpeshkumar Ojha	**Aniket Karandikar**
Chief Financial Officer	Company Secretary
Mumbai	Mumbai
May 20, 2020	May 20, 2020

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2020

(Currency : ₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	24	7,889.19	2,822.62
Dividend income	25	17.40	50.43
Net gain on fair value changes	26	1,693.66	1,013.48
Other operating income	27	69.12	7.07
Total revenue from operations		9,669.37	3,893.60
Other Income	28	845.00	500.00
Total income		10,514.37	4,393.60
Expenses			
Finance costs	29	1,367.30	104.75
Impairment on financial instruments	30	1,023.41	24.39
Employee benefits expenses	31	4,714.80	2,480.62
Depreciation and amortisation	32	739.35	178.33
Other expenses	33	2,337.72	1,084.12
Total expenses		10,182.58	3,872.21
Profit before exceptional items and tax		331.79	521.39
Exceptional items	34	-	366.67
Profit before tax		331.79	154.72
Tax Expense:			
(1) Current tax			
Tax for current year as per minimum alternate tax		296.31	147.14
(2) Deferred tax benefit (Net)		(1,916.38)	(387.06)
Total tax expenses		(1,620.07)	(239.92)
Profit for the year (A)		1,951.86	394.64
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of the defined benefit obligations		0.03	0.21
- Income tax relating to items that will not be reclassified to profit and loss		(0.01)	(0.06)
Subtotal (A)		0.02	0.15
Other comprehensive income for the year (net of tax) (B)		0.02	0.15
Total comprehensive income for the year (C)= (A+B)		1,951.88	394.79
Earnings per equity share of face value of ₹ 10 each	35		
Basic (₹)		2.95	0.77
Diluted (₹)		2.87	0.75

Significant accounting policies 1
See accompanying notes forming part of the financial statements 2-56
The notes referred to above form an integral part of the financial statements





Signing page 2

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2020

(Currency : ₹ in lacs)

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anjum A. Qazi
Partner

Membership No : 104968
Mumbai
June 13, 2020

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath	**Abhijit Ghosh**	**Abhijit Sen**
Executive Chairman & MD	Whole Time Director & CEO	Director & Chairman - Audit Committee
DIN : 00510618	DIN : 07935397	DIN : 00002593
Mumbai	Mumbai	Mumbai
May 20, 2020	May 20, 2020	May 20, 2020

Kalpeshkumar Ojha	**Aniket Karandikar**
Chief Financial Officer	Company Secretary
Mumbai	Mumbai
May 20, 2020	May 20, 2020

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2020

(Currency : ₹ in lacs)

a. Equity share capital (refer note 22 below)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Equity share capital of face value of Rs.10/- each			
Balance at the beginning of the year	2,333.15	469.85	469.85
Changes in equity share capital during the year			
Issued during the year	1,356.59	1,064.75	-
Converted during the year :			
- From compulsorily convertible preference shares	1,383.72	449.71	-
- From compulsorily convertible debentures	1,383.72	348.84	-
- From share warrants	595.68	-	-
Balance as at the end of the year	**7,052.86**	**2,333.15**	**469.85**

b. Other equity (refer note 23 below)

Particulars	Compulsorily convertible preference shares	Share under issuance	Compulsorily convertible debentures	Money received against share warrants	Reserves and surplus					Total
					Statutory reserve u/s 45-IC	Capital reserve	Securities premium account	Employee stock options scheme outstanding	Retained earnings	
Balance as at April 1, 2017	-	-	-	-	-	-	-	-	2,935.70	2,935.70
IndAS transition :										-
- Impact of measuring investments at fair value through profit or loss (FVTPL)	-	-	-	-	-	-	-	-	528.64	528.64
- Deferred tax liabilities on fair value gains	-	-	-	-	-	-	-	-	(147.07)	(147.07)
Profit for the year after income tax	-	-	-	-	-	-	-	-	297.93	297.93
Transfer from retained earnings to statutory reserve	-	-	-	-	1,116.44	-	-	-	(1,116.44)	-
Balance as at April 01, 2018	-	-	-	-	**1,116.44**	-	-	-	**2,498.76**	**3,615.20**

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2020

(Currency : ₹ in lacs)

b. Other equity (Continued)

Particulars	Compulsorily convertible preference shares	Share under issuance	Compulsorily convertible debentures	Money received against share warrants	Reserves and surplus					Total
					Statutory reserve u/s 45-IC	Capital reserve	Securities premium account	Employee stock options scheme outstanding	Retained earnings	
Dividend paid including dividend distribution tax	-	-	-	-	-	-	-	-	(198.25)	(198.25)
Share under issuance (refer note 44)	-	17,500.00	-	-	-	-	-	-	-	17,500.00
Issued during the year	1,833.43	-	1,732.56	-	-	-	-	-	-	3,565.99
Converted during the year	(449.71)	-	(348.84)	-	-	-	-	-	-	(798.55)
Transfer from retained earnings to statutory reserve	-	-	-	-	29.11	-	-	-	(29.11)	-
Securities premium on shares, compulsorily convertible preference shares and compulsorily convertible debentures for the year	-	-	-	-	-	-	56,490.33	-	-	56,490.33
Addition during the year	-	-	-	3,250.00	-			300.01	-	3,550.01
Utilized during the year (net of taxes)*	-	-	-	-	-	-	(3,163.11)	-	-	(3,163.11)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	0.15	0.15
Transferred from statement of profit and loss	-	-	-	-	-	-	-	-	394.64	394.64
Total comprehensive income for the year	1,383.72	17,500.00	1,383.72	3,250.00	1,145.55	-	53,327.22	300.01	2,666.20	80,956.42
Balance as at March 31, 2019	1,383.72	17,500.00	1,383.72	3,250.00	1,145.55	-	53,327.22	300.01	2,666.19	80,956.41
Balance as at April 1, 2019	1,383.72	17,500.00	1,383.72	3,250.00	1,145.55	-	53,327.22	300.01	2,666.19	80,956.41
Converted during the year	(1,383.72)	-	(1,383.72)	-	-	-	-	-	-	(2,767.44)
Issued during the year		(17,500.00)								(17,500.00)
Conversion of share warrants	-	-	-	(2,204.00)	-	-	8,220.32	-	-	6,016.32
Transfer to capital reserve for warrants lapsed	-	-	-	(1,046.00)		1,046.00	-	-	-	-
Securities premium on equity shares issued	-	-	-	-	-	-	16,143.40	-	-	16,143.40
Addition / (Reduction) during the year	-	-	-	-	390.37	-		348.74	(390.37)	348.74
Utilized during the year (net of taxes)*	-	-	-	-	-	-	(17.50)	-	-	(17.50)
Share conversion expenses	-	-	-	-	-	-	-	-	(32.31)	(32.31)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	0.02	0.02
Transferred from statement of profit and loss	-	-	-	-	-	-	-	-	1,951.86	1,951.86
Balance as at March 31, 2020	-	-	-	-	1,535.92	1,046.00	77,673.44	648.75	4,195.39	85,099.50

*In accordance with Section 52 of the Companies Act 2013, during the year the Company has utilized securities premium account towards expenses on issue of shares amounting to ₹ 17.50 lacs and in pervious year towards issue of shares, compulsorily convertible debenture and preference shares amounting to ₹ 3,163.12 lacs.

UGRO CAPITAL LIMITED
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CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2020

(Currency : ₹ in lacs)

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Anjum A. Qazi
Partner

Membership No : 104968
Mumbai
June 13, 2020

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath	**Abhijit Ghosh**	**Abhijit Sen**
Executive Chairman & MD	Whole Time Director & CEO	Director & Chairman Audit Committee
DIN : 00510618	DIN : 07935397	DIN : 00002593
Mumbai	Mumbai	Mumbai
May 20, 2020	May 20, 2020	May 20, 2020

Kalpeshkumar Ojha	**Aniket Karandikar**
Chief Financial Officer	Company Secretary
Mumbai	Mumbai
May 20, 2020	May 20, 2020

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

Cash Flow Statement for the year ended March 31, 2020

(Currency : ₹ in lacs)

Particular	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Cash flow from operating activities :		
Net profit before tax	331.79	154.72
Adjustments for:		
Employee stock option expense	348.74	300.01
Dividend income	(17.40)	(50.43)
Depreciation expense	739.35	178.33
Impairment on financial instruments	1,023.41	24.39
Net gain on sale of financial instruments / fair valuation of financial instruments	(1,693.66)	(1,013.48)
Provision for gratuity	31.27	21.67
Provision for compensated absences	99.60	47.41
Operating profit before working capital changes	863.10	(337.38)
Movements in working capital:		
(Increase) / Decrease in Assets		
Increase in loans	(76,372.13)	(7,913.85)
Increase in receivable	(425.93)	(232.00)
Increase in non financial assets	(160.55)	(480.50)
Increase in financial assets	(4,162.82)	(165.32)
Increase / (Decrease) in Liability		
Increase in trade payables	386.13	591.12
Increase/ (Decrease) in other non-financial liabilities	(7.41)	156.24
Increase in other financial liabilities	289.95	35.37
Cash used in operations	(79,589.66)	(8,346.32)
Income taxes paid	(290.96)	(284.96)
Net cash used in operating activities (A)	(79,880.62)	(8,631.28)
Cash flow from investing activities :		
Payments for property, plant and equipment	(335.18)	(402.52)
Dividend income	17.40	50.43
Proceeds / (Investment) in bank deposits of maturity greater than 3 months but less than 12 months (net)	13,333.01	(13,654.98)
Sale of investments	197,373.62	125,644.93
Purchase of investments	(192,251.91)	(131,089.56)
Proceeds / (Investment) in bank deposits of maturity greater than 12 months (net)	395.81	(14,165.16)
Payments for intangible assets	(659.96)	(1,086.59)
Net cash (used in) / generated from investing activities (B)	17,872.79	(34,703.45)
Cash flow from financing activities :		
Proceeds received against partly paid share warrants	6,612.00	3,250.00
Principal payment of lease liabilities	(246.98)	(62.46)
Proceeds from issue of equity shares including premium	-	28,125.14
Proceeds from issue of compulsorily convertible preference shares including premium	-	24,145.92
Proceeds from issue of compulsorily convertible debentures including premium	-	22,350.00
Dividend and dividend distribution tax paid	-	(198.25)
Proceeds from borrowings through secured non convertible debenture	5,009.41	-
Proceeds from borrowings from banks and financial institutions (net of repayment)	19,470.87	973.60
Share conversion expenses	(32.31)	-
Share issue expenses	(17.50)	(3,163.11)
Net cash generated from financing activities (C)	30,795.49	75,420.84
Net Increase / (decrease) in cash and cash equivalents (A) +(B) + (C)	(31,212.34)	32,086.11
Cash and cash equivalents at the beginning of the year	32,086.98	0.87
Cash and cash equivalents at the end of the year	874.64	32,086.98

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

UGRO CAPITAL LIMITED
(formerly known as CHOKHANI SECURITIES LIMITED)
CIN:L67120MH1993PLC070739

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Cash Flow Statement for the year ended March 31, 2020

(Currency : ₹ in lacs)

Components of cash and cash equivalents (Refer Note 3)		
Cash on hand	-	1.53
Balance with banks :		
in current accounts	874.64	18,404.64
in Fixed deposit (maturing within a period of three months)	-	13,680.81
TOTAL	**874.64**	**32,086.98**

Significant accounting policies	I
See accompanying notes forming part of the financial statements	2-56

The notes referred to above form an integral part of the financial statements.

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Anjum A. Qazi
Partner

Membership No : 104968
Mumbai
June 13, 2020

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman & MD
DIN : 00510618
Mumbai
May 20, 2020

Abhijit Ghosh
Whole Time Director & CEO
DIN : 07935397
Mumbai
May 20, 2020

Abhijit Sen
Director & Chairman - Audit Committee
DIN : 00002593
Mumbai
May 20, 2020

Kalpeshkumar Ojha
Chief Financial Officer
Mumbai
May 20, 2020

Aniket Karandikar
Company Secretary
Mumbai
May 20, 2020

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 Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A 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.
The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2018. The financial statements upto the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 read with the Companies (Accounts) Rules, 2014, The Companies Act 2013, and regulatory norms("Previous GAAP") and guidelines prescribed by Reserve Bank of India (RBI)

The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability. Refer Note 26 for the details of first-time adoption exemptions availed by the Company.

(2) Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) at the end of each reporting period.

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 takes into account 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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DELOITTE HASKINS & SELLS LLP Chartered Accountants

(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 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 Finance 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.

Amounts in the financial statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

(5) Property, plant and equipment

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 there of 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.

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
Office Equipment	5 years - 6 years
Computer	3 years
Leasehold improvements	2years - 9 years (Primary period of lease of premises)
Furniture fixture and fittings	10 years

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 profit or loss.

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(6) 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 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 at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(7) 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. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(8) Revenue Recognition

(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 basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate which is the rate that exactly discounts 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 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 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)).

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(ii) 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).

(iii) 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 "Expenses", in the statement of profit and loss.

(iv) 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.

(9) Leases

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 is 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 statement of profit and loss.

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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.

Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to Retained Earning, on the date of application. Consequently, the Company recorded lease liability at present value of future lease payments discounted at the incremental borrowing rate and corresponding right of use asset at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

As a lessee

Operating Lease

On transition adoption of new standard resulted in recognition of 'Right of Use' Asset and lease liability. There is no cumulative effect of applying the standard on retained earning balance as on March 31, 2019. The effect of this adoption would result an impact on profit before tax and profit for the year. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of lease of similar assets in similar economic environment with similar end date.
2. Applied the exemption not to recognise right of use asset and lease liabilities with less than 12 months of lease term remaining on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Weighted average incremental borrowing rate is applied to lease liabilities as at April 1, 2019.

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.

(10) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

UGRO CAPITAL LIMITED

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(10.1) 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.

(10.2) 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 reflects 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 current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(10.3) Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

(10.4) 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.

(11) Employee Benefits

(11.1) 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.

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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 profit or 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 profit or 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.

(11.2) Short term and other long-term employee benefits

A liability is recognised 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 in exchange for that service.

Liabilities recognised 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 recognised 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.

(11.3) 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 organisation within a year.

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(12) Borrowing Costs

Borrowing costs include interest and other ancillary borrowing costs. Ancillary costs incurred for arrangement of borrowings such as loan processing fee, arranger fee, stamping expense and rating expense including annual fees are period costs. The Company recognises interest expense on the borrowings as per Effective Interest Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Ind AS on "Borrowing Costs".

(13) 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, taking into account 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.

(14) 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.

(15) Foreign Currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate 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.

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(16) Cash and Bank balances

Cash and bank balances also include fixed deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(17) 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

(18) Financial Instruments

(18.1) 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.

(18.2) 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 profit or loss.
A financial asset and a financial liability is offset and presented on 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.

(18.3) Subsequent Measurement of Financial Instruments

(18.3.1) 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.

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(18.3.1.1) 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 Method

The Effective Interest 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.

(18.3.1.2) 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.

Interest income is recognised in profit or loss for FVTOCI debt instruments. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

(18.3.1.3)Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are 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 as 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 as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement

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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 as 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.

(18.4) 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 months 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.

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For the purpose of counting of day 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 rate as provided by 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 PD's 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 detailed in the guidelines is used for the LGD computation.

(18.5) 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.

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 profit or loss.

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(18.6) Financial Liabilities and Equity Instruments

(18.6.1) 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.

(18.6.2) 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(18.6.3) 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 method until extinguished upon conversion or at the instrument's maturity date.

(18.6.4)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 method or at FVTPL.

Company has not designate any financial liabilities at FVTPL.

(18.6.4.1) 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 between 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

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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 profit or loss.

(19) 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.

(20) Share-based payment arrangements

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 Group 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 profit or 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.

(21) 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.

(22) 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

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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.

(23) 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.

(24) Operating cycle for current and non-current classification

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(25) Asset Acquisition

The purchase of the net assets is accounted on the appointed date mentioned in the scheme of arrangement, wherein the purchase consideration has been allocated to the respective net assets at their respective fair values.

(26) First-time adoption – mandatory exceptions and optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

1. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018.

2. The estimates as at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with previous GAAP.

3. The Company has determined the classification of all instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria or FVTPL criteria based on the facts and circumstances that existed as of the transition date.

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2. Corporate Information

Ugro Capital Limited ('the Company') formerly known as Chokhani Securities Limited, is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company is a non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is registered with effect from March 5, 1998 having Registration No. A-13.00243. The Company is 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.

As per the Share Purchase and Transfer of Control Agreement dated December 31, 2017 signed by the erstwhile promoters of the Company, agreeing to cede control over the management and transfer of their shareholding in the Company to Mr. Shachindra Nath and Poshika Advisory Services LLP (collectively referred to as "Acquirers"), the acquirers have acquired control of 2,140,800 shares of the Company from the exiting promoters on July 05, 2018 after receiving RBI approval which is effective from June 22, 2018.

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(Currency : ₹ in lacs)

3. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash on hand	-	1.53	0.05
Balances with banks			
- in current accounts	874.64	18,404.64	0.82
- in fixed deposits with banks (original maturity less than 3 months)	-	13,680.81	-
	874.64	**32,086.98**	**0.87**

4. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Unclaimed dividend on equity shares	1.43	1.52	-
Fixed deposits with banks (original maturity between 3 to 12 months)*	320.54	13,653.46	-
	321.97	**13,654.98**	-

* Earmarked balances of ₹ 312.00 lacs (previous year - ₹ 5.00 lacs) (refer note 47)

5. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Unsecured considered good	657.93	232.00	-
	657.93	**232.00**	-

1. The average credit period ranges between 1 to 3 months.
2. The Company measures trade receivables at amortised cost. Trade receivables are measured at transaction price.
3. Expected credit loss on trade receivables: The Company applies the simplified approach for computation of expected credit loss on trade receivables as allowed under IndAS 109. The Company is recognizing lifetime expected credit loss for trade receivables, as applicable.
4. The carrying amount of trade receivables approximates the fair value because of their short term nature.
5. The average ageing period ranges between 1 to 3 months.
6. There are no 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.

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Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

6. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Loans at amortised cost			
(A)			
Supply chain receivables	16,548.03	1,166.89	-
Term loans	67,733.73	6,741.57	-
Loans to employees	4.23	5.39	-
Total Gross Loans	**84,285.99**	**7,913.85**	-
Less: Impairment loss allowance	1,047.80	24.38	-
Total Net Loans	**83,238.19**	**7,889.47**	-
(B)			
Secured by book debts	24,815.34	5,935.76	-
Secured by property	33,959.68	1,400.85	-
Secured by machinery	138.30	-	-
Unsecured	25,372.67	577.24	-
Total Gross Loans	**84,285.99**	**7,913.85**	-
Less: Impairment loss allowance	1,047.80	24.38	-
Total Net Loans	**83,238.19**	**7,889.47**	-
(C)			
Loans in India			
Public sector	-	-	
Others	84,285.99	7,913.85	-
Total Gross Loans	**84,285.99**	**7,913.85**	-
Less: Impairment loss allowance	1,047.80	24.38	-
Total - Net (a)	**83,238.19**	**7,889.47**	-
Loans outside India (b)	-	-	
Total - Net (a)+(b)	**83,238.19**	**7,889.47**	-

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.
2. Underlying securities for the assets secured by tangible assets are property, machinery and book debts.
3. Impairment loss allowance as on March 31, 2020 includes ₹ 331.00 lacs on account of expected impact of COVID 19 pandemic on loan portfolio.
4. Moratorium : The board of directors of the Company in its meeting held on March 30, 2020 approved a policy to extend moratorium as per RBI Circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 the payment holiday – COVID-19 Pandemic, as per the assessment made by the management under the policy the payment holiday was extended to all the customers of the Company basis the broad based survey conducted across Company's customer base which necessitated the need of providing this relief.

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(Currency : ₹ in lacs)

7. Investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Investments - at fair value through profit and loss account			
Mutual funds (unquoted)	7,250.81	10,678.86	1,125.93
Government securities	-	-	2,924.11
Other approved securities	-	-	109.00
Debt securities		-	-
Equity instruments	-	-	61.70
Total – Gross	**7,250.81**	**10,678.86**	**4,220.74**
Investments in India	7,250.81	10,678.86	4,220.74
Investments outside India	-	-	-
Total – Gross	**7,250.81**	**10,678.86**	**4,220.74**
Less: Impairment loss allowance	-	-	-
Total – Net	**7,250.81**	**10,678.86**	**4,220.74**

Note :

1. For valuation methodology refer note 50.

2. For dividend received on investments refer note 25.

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(Currency : ₹ in lacs)

8. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Security deposits	197.71	165.32	-
Sale proceeds of mutual fund receivable	4,130.44	-	-
Fixed deposits with bank (original maturity more than 12 months)*	13,359.13	14,165.16	-
Cash collateral*	410.21	-	-
Indemnified assets	4,000.00	4,000.00	-
	22,097.49	18,330.48	-

* Earmarked balances of ₹ 675.00 lacs (previous year - nil) (refer note 47)

9. Current tax assets (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Current tax assets			
Advance Tax	587.17	296.21	11.25
Total (A)	587.17	296.21	11.25
Current tax liabilities			
Income tax payable as per minimum alternate tax	443.45	147.14	-
Total (B)	443.45	147.14	-
Net (A-B)	143.72	149.07	11.25

10. Deferred tax assets (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deferred tax assets			
Provision for compensated absence	40.90	13.19	-
Provision for gratuity	14.66	5.97	-
Deferred revenue income - processing fees allowed upfront in income tax	195.07	22.56	-
Provision for impairment losses on financial instruments	291.50	6.78	-
Lease rentals expense under IndAS 116	56.23	29.07	-
Preliminary expense	15.16	20.22	-
Employee stock options scheme outstanding expenses disallowance	180.48	-	-
Unutilised minimum alternate tax credit entitlement	443.45	147.14	-
Income tax losses carried forward	1,391.00	-	-
Others	1.54	0.55	-
Total (A)	2,629.99	245.48	-
Deferred tax liabilities			
Difference in written down value of property, plant and equipment and intangible assets	23.26	3.42	-
Unrealised gain on investments	36.83	2.35	147.07
Prepaid fees / charges on debt securities allowed upfront in income tax	10.70	-	-
Prepaid fees / charges on borrowings allowed upfront in income tax	127.41	(7.52)	-
Deferred loan sourcing cost allowed upfront in income tax	275.48	7.29	-
Total (B)	473.68	5.54	147.07
Net (A-B)	2,156.31	239.94	(147.07)

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(formerly known as CHOKHANI SECURITIES LIMITED)

CIN:L67120MH1993PLC070739

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

11. Property, plant and equipment

Particulars	As at March 31, 2020					As at March 31, 2019					As at April 01, 2018
	Office equipments	Computers	Leasehold improvements	Furniture and fixtures	Total	Office equipments	Computers	Leasehold improvements	Furniture and fixtures	Total	Total
At cost at the beginning of the year	82.75	14.59	292.25	12.93	**402.52**	-	-	-	-	-	-
Additions during the year	234.10	15.92	83.39	1.77	**335.18**	82.75	14.59	292.25	12.93	**402.52**	-
At cost at the end of the year	**316.85**	**30.51**	**375.64**	**14.70**	**737.70**	**82.75**	**14.59**	**292.25**	**12.93**	**402.52**	-
											-
Accumulated depreciation as at the beginning of the year	1.82	1.35	7.91	0.31	**11.39**	-	-	-	-	-	-
Depreciation for the year	43.24	7.71	87.22	1.32	**139.49**	1.82	1.35	7.91	0.31	**11.39**	-
Accumulated depreciation as at the end of the year	**45.06**	**9.06**	**95.13**	**1.63**	**150.88**	**1.82**	**1.35**	**7.91**	**0.31**	**11.39**	-
											-
Net carrying amounts as at the end of the year	**271.79**	**21.45**	**280.51**	**13.07**	**586.82**	**80.93**	**13.24**	**284.34**	**12.62**	**391.13**	-

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(Currency : ₹ in lacs)

12 . Right of use asset

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At cost at the beginning of the year	1,794.60	-	-
Additions during the year	60.37	1,794.60	-
At cost at the end of the year	1,854.97	1,794.60	-
Accumulated depreciation as at the beginning of the year	166.94	-	-
Depreciation for the year	344.02	166.94	-
Accumulated depreciation as at the end of the year	510.96	166.94	-
Net carrying amount as at the end of the year	1,344.01	1,627.66	-

13. Intangible assets under development

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Softwares	93.96	1,086.58	-
Total	93.96	1,086.58	-

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(Currency : ₹ in lacs)

14. Other intangible assets

Particulars	As at March 31, 2020	As at Mar 31, 2019	As at April 01, 2018
Software :			
At cost at the beginning of the year	-	-	-
Additions during the year	2,095.18	-	-
At cost at the end of the year	**2,095.18**	-	-
Accumulated amortisation as at the beginning of the year	-	-	-
Amortisation for the year	255.84	-	-
Accumulated amortisation as at the end of the year	**255.84**	-	-
Net carrying amounts as at the end of the year	**1,839.34**	-	-

15. Other non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advances to vendors and employees	77.02	15.77	-
Goods and service tax input credit receivable	291.70	244.40	-
Prepaid expenses	196.74	127.05	-
Prepaid rental charges	74.88	91.98	-
Deferred staff loan cost	0.72	1.30	-
Total	**641.06**	**480.50**	**-**

16. Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Trade payables			
Micro and small enterprises (refer note 43)	10.14	-	-
Due to others	1,039.00	90.50	0.64
Other payables			
Micro and small enterprises (refer note 43)	-	-	-
Due to others			
- Accrued employee benefits	371.36	501.26	-
Total	**1,420.50**	**591.76**	**0.64**

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(Currency : ₹ in lacs)

17. Debt securities

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	At amortised cost	Total	At amortised cost	Total	At amortised cost	Total
Redeemable non convertible debentures	5,009.41	**5,009.41**	-	-	-	-
Total	**5,009.41**	**5,009.41**	-	-	-	-
		-				
Debt securities in India	5,009.41	**5,009.41**	-	-	-	-
Debt securities outside India	-	-	-	-	-	-
Total	**5,009.41**	**5,009.41**	-	-	-	-
Secured	5,009.41	**5,009.41**	-	-	-	-
Unsecured	-	-	-	-	-	-
Total	**5,009.41**	**5,009.41**	-	-	-	-

Security and other terms of debt security :

(i) Terms of repayment (repayment schedule mentioned below excludes unamortised borrowing cost) :

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Debenture ISIN	INE583D07018		
Units	500	-	-
Amount	5,000	-	-
Security provided	Exclusive charge by way of hypothecation on the standard asset portfolio of receivables	-	-
Charge	1.10 times	-	-
Rate of interest (annualised)	11.50%	-	-
Contracted maturity date	November 03, 2020*	-	-

*The non convertible debentures were redeemed on April 13, 2020 as per the terms given under disclosure documents dated September 26, 2019.

(ii) Put option is exercisable in every 3 months by the debenture holder.

(Currency : ₹ in lacs)

18. Borrowings

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	At amortised cost	Total	At amortised cost	Total	At amortised cost	Total
(a) Term loans						
From banks	2,567.65	**2,567.65**	973.60	**973.60**	-	-
From other parties	10,463.32	**10,463.32**	-	-	-	-
From liabilities arising out of securitization transactions resulting into recording of borrowings	4,179.50	**4,179.50**	-	-	-	-
(b) Loans repayable on demand						
Cash credit	993.10	**993.10**	-	-	-	-
Bank overdraft	2,240.89	**2,240.89**	-	-	-	-
Total	**20,444.46**	**20,444.46**	**973.60**	**973.60**	-	-
Borrowings in India	20,444.46	**20,444.46**	973.60	**973.60**	-	-
Borrowings outside India	-	-	-	-	-	-
Total	**20,444.46**	**20,444.46**	**973.60**	**973.60**	-	-
Secured	17,853.08	**17,853.08**	973.60	**973.60**	-	-
Unsecured	2,591.38	**2,591.38**	-	-	-	-
Total	**20,444.46**	**20,444.46**	**973.60**	**973.60**	-	-

Security and other terms of loan are as follows :

(a) Rate of interest of cash credit is 10.78% per annum and secured by way of hypothecation on the standard asset portfolio of receivables.

(b) Rate of interest of over draft is 9.35% per annum and secured against fixed deposit.

(c) Term loans from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables. However in some of the borrowing made from financial institutions the Company has provided bank fixed deposit and cash collateral (refer note 47).

(d) For liabilities arising out of securitization transactions resulting into recording of borrowings credit enhancement provided through fixed deposits and loan receivables.

(Currency : ₹ in lacs)

18. Borrowings (Continued)

(e) Terms of repayment of term loans

Redeemable within (Payable in monthly installments)	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
	Rate of Interest 10.78 % to 12.75%*	**Rate of Interest 11.50%**	
## For Banks :			
0-12 months	1,192.86	250.65	-
12-24 months	1,230.71	333.33	-
24-36 months	193.95	333.33	-
36-48 months	-	83.33	-
	Rate of Interest 11.75 % to 12.00%*		
# For Other Parties :			
0-12 months	6,869.94	-	-
12-24 months	2,222.01	-	-
24-36 months	1,546.51	-	-
	Rate of Interest 10.00 % to 10.48%*		
For liabilities arising out of securitization transactions			
0-12 months	2,360.32	-	-
12-24 months	1,618.50	-	-
24-36 months	282.01	-	-
Total	**17,516.81**	**1,000.64**	-

*Rate of interest on term loans considered annualised payable monthly for reporting purpose.

(f) The rate of interest for the variable borrowings is linked to lender base rate (+) / (-) spread for borrowing made from financial institutions(#). Similarly for variable borrowing from banks(##) linked to external benchmark rates like T-bill, banks base rate, repo rates, MCLR, etc. (+) / (-) spread. The above categorisation is based on the interest rates prevalent as on the respective reporting dates.

(Currency : ₹ in lacs)

19. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Unclaimed dividend payable on equity shares	1.43	1.52	-
Others payables :			
Collateral margin money received	219.81	33.85	-
Deferred consideration on direct assignment	95.63	-	-
Lease liabilities	1,545.55	1,732.15	-
Other payables	8.45	-	-
Total	**1,870.87**	**1,767.52**	-

20. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for employee benefits :			
Provision for gratuity (refer note 40b)	52.70	21.46	-
Provision for compensated absences	147.02	47.41	-
Total	**199.72**	**68.87**	-

21. Other non financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory dues payable	148.93	132.39	0.10
Deferred payment liabilities	-	23.95	-
Total	**148.93**	**156.34**	**0.10**

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(Currency : ₹ in lacs)

22. Equity

a. Details of authorised, issued and subscribed share capital :

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised capital						
Equity shares of ₹10 each	81,500,000	8,150.00	81,500,000	8,150.00	6,000,000	600.00
Preference shares of ₹10 each	20,500,000	2,050.00	20,500,000	2,050.00	-	-
Issued, subscribed and fully paid up						
Equity shares of ₹10 each, fully paid up	70,528,550	7,052.86	23,331,482	2,333.15	4,698,500	469.85
Total	**70,528,550**	**7,052.86**	**23,331,482**	**2,333.15**	**4,698,500**	**469.85**

Note:

During the previous year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 600.00 lacs to ₹ 10,200.00 lacs divided into ₹ 8,150.00 lacs of equity shares and ₹ 2,050.00 lacs of preference shares.

b. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	23,331,482	2,333.15	4,698,500	469.85	4,698,500	469.85
Add: shares issued during the year *	13,565,891	1,356.59	10,647,523	1,064.75	-	-
Add : converted during the year :					-	-
From compulsorily convertible preference shares **	13,837,210	1,383.72	4,497,087	449.71	-	-
From compulsorily convertible debentures**	13,837,210	1,383.72	3,488,372	348.84	-	-
From compulsorily convertible warrants**	5,956,757	595.68	-	-	-	-
Outstanding at the end of the year	**70,528,550**	**7,052.86**	**23,331,482**	**2,333.15**	**4,698,500**	**469.85**

*During the year the Company has allotted 1,35,65,891 equity shares of ₹ 10 each for consideration of ₹ 17,500 lacs on preferential basis. (refer note 44 Below)

**During the previous year the Company had allotted 1,73,25,582 compulsory convertible debentures of ₹ 10 each for consideration of ₹ 22,350 lacs on preferential basis . Out of which during the year, the Company has converted 1,38,37,210 (previous year 34,88,372) compulsorily convertible debentures into equal numbers of equity shares.

** During the previous year the Company had allotted 18,334,297 compulsory convertible preference shares of ₹ 10 each for consideration of ₹ 241,45.92 lacs preferential basis. Out of which during the year, the Company has converted 1,38,37,210 (previous year 44,97,087) compulsorily convertible preference shares into equal numbers of equity shares.

** During the previous year, the Company had allotted 87,83,785 warrants. Out of which during the year, the Company has converted 59,56,757 (previous year Nil) into equal numbers of equity shares and balance stand forfeited.

c. Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having a face value of ₹ 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 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 share capital :

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Newquest Asia Investments III Limited	15,116,279	21.43%	1,279,069	5.48%	-	-
Clearsky Investment Holdings Pte Limited	15,116,279	21.43%	1,279,069	5.48%	-	-
DBZ (Cyprus) Limited	13,565,891	19.23%	-	-	-	-
Samena Fidem Holdings	5,956,757	8.45%	-	-	-	-
PNB Metlife India Insurance Company Limited	1,428,600	2.03%	1,428,600	6.12%	-	-
Chhattisgarh Investments Limited	1,381,372	1.96%	1,433,267	6.14%	-	-
Samena Special Situations Mauritius	3,321,500	4.71%	3,321,500	14.24%	-	-
Indgrowth Capital Fund I	3,474,086	4.93%	3,488,372	14.95%	-	-
Poshika Advisory Services LLP	3,019,817	4.28%	3,019,817	12.94%	879,017	18.71%
Anand Ramakant Chokhani	87,186	0.12%	87,186	0.37%	327,710	6.97%
Ramakant R. Chokhani HUF	315,356	0.45%	315,356	1.35%	633,600	13.49%
Neelam R. Chokhani	9,253	0.01%	29,500	0.12%	700,000	14.90%
Ramakant R. Chokhani	225,435	0.32%	215,435	0.92%	1,806,490	38.45%
Total	**63,017,811**	**89.35%**	**15,897,171**	**68.11%**	**4,346,817**	**92.52%**

e. Shares reservation :

As at March 31, 2020 - 38,01,528 shares (as at March 31, 2019 - 39,988,964 Shares) were reserved for issuance as below :

a. 38,01,528 (previous year 35,30,759) shares of ₹ 10 each towards outstanding employee stock options granted (refer note 41)
b. Nil (previous year 1,38,37,210) shares of ₹ 10 each towards outstanding compulsorily convertible preference shares.
c. Nil (previous year 1,38,37,210) shares of ₹ 10 each towards outstanding compulsorily convertible debentures.
d. Nil (previous year 87,83,785) shares of ₹ 10 each towards outstanding convertible warrants.

f. 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.

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23. Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Compulsorily convertible preference shares	-	1,383.72	-
Share under issuance	-	17,500.00	-
Compulsorily convertible debentures	-	1,383.72	-
Money received against share warrants	-	3,250.00	-
Statutory reserve	1,535.92	1,145.55	1,116.44
Capital reserve	1,046.00	-	-
Securities premium account	77,673.44	53,327.22	-
Employee stock options scheme outstanding	648.75	300.01	-
Retained earnings	4,195.39	2,666.19	2,498.76
Total	**85,099.50**	**80,956.41**	**3,615.20**

Nature and purpose of reserves :

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.

Capital reserve

Capital reserve comprises of the amount received on share warrants forfeited by the Company for non-payment of call money.

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.

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.

Retained earnings

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

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Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

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24. Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on loans		
- Loan portfolio	7,112.74	113.67
Interest on other financial assets		
- Other financial assets	34.64	7.05
Interest on investments		
- Governments bonds and other taxable bonds	-	63.84
Interest on fixed deposits		
- Interest on fixed deposits with banks	741.81	2,638.06
Total	**7,889.19**	**2,822.62**

25. Dividend income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend income on investment	17.40	50.43
Total	**17.40**	**50.43**

26. Net gain on fair value changes

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on financial instruments at fair value through profit and loss :-		
On trading portfolio		
- Gain on sale of investments	1,693.66	1,013.48
Total	**1,693.66**	**1,013.48**
Fair value changes :		
Realised	1,569.71	1,533.68
Unrealised	123.95	(520.20)
Total	**1,693.66**	**1,013.48**

27. Other operating revenue

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Processing fees income	51.43	1.33
Other miscellaneous income	17.69	5.74
Total	**69.12**	**7.07**

28. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Marketing advisory fees	220.00	-
Technology support fees	625.00	-
Web display fees	-	500.00
Total	**845.00**	**500.00**

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29. Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Costs		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	834.74	1.10
(b) Interest on debt securities		
Interest on redeemable non convertible debentures	308.59	-
(c) Interest on lease liabilities		
Interest on lease liabilities	198.48	103.65
(d) Other interest expense		
Interest expense on other financial liabilities	25.49	-
Total	**1,367.30**	**104.75**

30. Impairment losses on financial instruments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial instruments measured at amortised cost:		
Impairment on loans		
Provision for expected credit loss	1,023.41	24.39
Total	**1,023.41**	**24.39**

31. Employee benefit expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, other allowances and bonus	4,211.33	2,118.94
Contribution to provident and other funds (refer note 40a)	93.03	34.00
Gratuity expenses (refer note 40b)	31.27	21.67
Staff welfare expenses	30.43	6.00
Share based payments to employees (refer note 41)	348.74	300.01
Total	**4,714.80**	**2,480.62**

32. Depreciation and amortisation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment	139.49	11.39
Amortization on intangible assets	255.84	-
Depreciation on right of use asset	344.02	166.94
Total	**739.35**	**178.33**

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33. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent expenses	92.69	81.03
Communication expenses	95.31	5.65
Printing and stationery expenses	23.96	12.63
Advertisement and publicity expenses	6.02	3.84
Directors sitting fees	141.00	87.00
Payment to auditor **	51.28	12.00
Legal and professional expenses	714.28	404.23
Insurance expenses	102.11	15.05
Rates and taxes expenses	256.31	91.20
Computer maintenance and software expenses	403.78	43.63
Marketing and brand promotion expenses	11.25	35.46
Power and fuel expenses	20.96	5.62
Meeting and event expenses	20.10	4.59
Travelling, lodging and boarding expenses	186.90	170.21
Brokerage expenses	4.45	27.97
Miscellaneous expenses	203.55	84.01
CSR expenditure *	3.77	-
Total	**2,337.72**	**1,084.12**

* Company is required to contribute to corporate social responsibility activity as per CSR Rules under the Companies Act, 2013. During the year Company has spent ₹ 3.76 lacs out of required sum of ₹ 4.22 lacs. The amount is spent towards promoting gender equality and empowering women through NGO.

** Payment to auditor includes :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Statutory audit	31.00	6.15
b. Limited review	15.00	5.25
c. Certification matter	4.35	0.60
d. Out of pocket expenses	0.93	-
Total	**51.28**	**12.00**

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34. Exceptional expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Recruitment fees for appointment of independent directors	-	140.38
Compensatory payment to executives	-	135.45
Stamp duty and fees for increase in authorised share capital	-	90.84
Total	-	**366.67**

35. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with Indian Accounting Standard (IndAS) 33 'Earnings per share' :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic		
Profit after tax [A]	1,951.86	394.64
Weighted average number of equity shares outstanding during the year (Nos.) [B]	66,248,148	51,114,079
Basic earnings per share (₹) [A/B]	**2.95**	**0.77**
Diluted		
Profit after tax [A]	1,951.86	394.64
Weighted average number of equity shares outstanding during the year (Nos.)	66,248,148	51,114,079
Weighted average number of potential equity shares on account of employee stock options and share warrants	1,831,840	1,805,233
Weighted average number of shares outstanding for diluted earning per share [C]	68,079,988	52,919,312
Diluted earnings per share (₹) [A/C]	**2.87**	**0.75**
Face value of shares (₹)	10	10

36. 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 existing promoters with erstwhile promoters (refer note 2). Further, we state that there are no other contingent liability other than covered under deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Commitments not provided for :		
- Commitments related to loans sanction but undrawn	-	1,222.80
- Commitments related to loans sanction but partially undrawn	593.06	260.30
- Amount of contracts remaining to be executed on capital account	188.12	306.79
Total	781.18	1,789.89

37. Operating segments

The Company is mainly engaged in the business of lending and primarily deals in financing SME and MSME sector. Further, all activities are conducted within India. accordingly, there is no separate reportable segment, as per the IndAS 108 "Operating Segments" specified under Section 133 of the Act.

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38. 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	Abhijit Ghosh
- Chief Financial Officer	Kalpeshkumar Ojha
- Company secretary	Aniket Karandikar

(ii) Enterprises over which KMP has control :

- Poshika Financial Ecosystem Private Limited
- Poshika Advisory Services LLP

Transactions with related parties are as enumerated below:

Particulars	As at March 31, 2020	As at March 31, 2019
Transaction during the year		
Expenses		
Poshika Financial Ecosystem Private Limited		
Advisory and fund raising charges	-	2,457.38
Remuneration paid *		
Shachindra Nath	319.45	217.51
Abhijit Ghosh	302.26	323.48
Kalpeshkumar Ojha	117.69	49.67
Aniket Karandikar	32.11	12.85

*The above figures does not include provision towards gratuity. Gratuity is actuarially determined for the Company as a whole and separate figures are not available.

39.Expenditure in foreign currency

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other expenses	1.30	-
Total	**1.30**	-

40. Disclosure pursuant to IndAS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	As at March 31, 2020	As at March 31, 2019
Employer's contribution to provident fund	68.81	33.99
Employer's contribution to national pension scheme	24.16	-
Employer's contribution to labour welfare fund	0.06	0.01
Total	**93.03**	**34.00**

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40. Disclosure pursuant to IndAS 19 'Employee benefits' (Continued)

b. Defined benefit plan

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, 2020	As at March 31, 2019	As at April 01, 2018
Discount rate	5.45%	7.50%	NA
Expected rate of return on plan asset	NA	NA	NA
Salary escalation	7.00%	8.00%	NA
Attrition rate	22.00%	15.00%	NA
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	NA

(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, 2020	As at March 31, 2019
Service cost:		
Current service cost	29.66	21.67
Net interest expense	1.61	-
Components of defined benefit costs recognised in profit or loss	**31.27**	**21.67**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) on defined benefit obligations	(0.03)	(0.21)
Components of defined benefit costs recognised in other comprehensive income	**(0.03)**	**(0.21)**
Total	**31.24**	**21.46**

(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, 2020	As at March 31, 2019	As at April 01, 2018
Present value of defined benefit obligation	52.70	21.46	NA
Net liability arising from defined benefit obligation	**52.70**	**21.46**	**NA**

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Opening defined benefit obligation	**21.46**	**0.00**	**NA**
Current service cost	29.66	21.67	NA
Interest cost	1.61	0.00	NA
Remeasurement (gains)	(0.03)	(0.21)	NA
Closing defined benefit obligation	**52.70**	**21.46**	**NA**

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40. Disclosure pursuant to IndAS 19 'Employee benefits' (Continued)

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2020	As at March 31, 2019
1st following year	0.30	0.11
2nd following year	0.27	0.11
3rd following year	0.25	0.11
4th following year	9.98	0.11
5th following year	11.89	4.34
Sum of years 6 To 10	34.24	17.01
Sum of years 11 and above	19.08	21.32

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. The said estimates and assumptions have been relied upon by the auditors.

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.12)	3.42	(1.66)	1.85
Future salary growth (1% movement)	3.16	(2.98)	1.83	(1.67)
Attrition rate (1% movement)	(2.24)	2.32	(1.03)	1.07

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 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.

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41. Disclosure relating to employee stock option scheme

The Company has one stock option schemes 'CSL Employee Stock Option Scheme 2017'. The said scheme was approved by board of directors on August 13, 2018 and by the shareholders in EGM dated September 18, 2018.

The activity in the CSL employee stock option scheme 2017 during the year ended March 31, 2020 and March 31, 2019 is set below :

Particulars	As at March 31, 2020	Exercise price range	As at March 31, 2019	Exercise price range
	In numbers		In numbers	
CSL employee stock option scheme 2017 : (face value of ₹ 10 each)				
Option outstanding at the beginning of the year	**3,530,759**	**₹ 130**	-	-
Add: Granted	270,769	₹ 130 - ₹ 180	3,530,759	₹ 130
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding at the end of the year	**3,801,528**	**₹ 130 - ₹ 180**	**3,530,759**	**₹ 130**
Exercisable at the end of the year	**3,801,528**		**3,530,759**	

The Company follows accounting policy of fair value method for employee stock option (ESOPs) valuation. Accordingly accumulated expense of ₹ 348.74 lacs (previous year ₹ 300.01 lacs)- has been debited to the statement of profit and loss of the year ended March 31, 2020.

Particulars	CSL employee stock option scheme 2017 - Grant I	CSL employee stock option scheme 2017 - Grant II	CSL employee stock option scheme 2017 - Grant III	CSL employee stock option scheme 2017 - Grant IV	CSL employee stock option scheme 2017 - Grant V
Date of grant	August 13, 2018	September 26, 2018	November 02, 2018	November 14, 2018	December 26, 2018
Number of options granted	2,749,223	289,229	246,154	61,538	184,615
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	13/08/2019, 13/08/2020, 13/08/2021, 13/08/2022	26/09/2019, 26/09/2020, 26/09/2021, 26/09/2022	02/11/2019, 02/11/2020, 02/11/2021, 02/11/2022	14/11/2019, 14/11/2020, 14/11/2021, 14/11/2022	26/12/2019, 26/12/2020, 26/12/2021, 26/12/2022.
Vesting pattern	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50
Weighted average remaining contractual life					
Granted but not vested	1.77 years	1.89 years	1.99 years	2.02 years	2.14 years
Vested but not exercised	2.37 years	2.49 years	2.59 years	2.62 years	2.74 years
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 3 years from date of vesting.				

(Currency : ₹ in lacs)

41. Disclosure relating to employee stock option scheme (Continued)

Vesting conditions	50 % of the vesting of options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company.				
Weighted average fair value of options as on grant date in (₹)	61.91	63.69	62.92	62.78	62.54

Particulars	**CSL employee stock option scheme 2017 - Grant VI**	**CSL employee stock option scheme 2017 - Grant VII**	**CSL employee stock option scheme 2017 - Grant VIII**	**CSL employee stock option scheme 2017 - Grant IX**
Date of grant	August 09, 2019	August 16, 2019	October 14, 2019	February 05, 2020
Number of options granted	169,230	46,154	15,385	40,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	09/08/2020, 09/08/2021, 09/08/2022, 09/08/2023	16/08/2020, 16/08/2021, 16/08/2022, 16/08/2023	14/10/2020, 14/10/2021, 14/10/2022, 14/10/2023	05/02/2021, 05/02/2022, 05/02/2023, 05/02/2024
Vesting pattern	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50
Weighted average remaining contractual life				
Granted but not vested	2.36 years	2.38 years	2.54 years	2.85 years
Vested but not exercised	-	-	-	-
Weighted average share price at the date of exercise for stock options exercised during the year	Nil	Nil	Nil	Nil
Exercise period	Within a period of 3 years from date of vesting.			
Vesting conditions	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company.			
Weighted average fair value of options as on grant date in (₹)	74.80	81.44	77.38	[illegible]

(Currency : ₹ in lacs)

41. Disclosure relating to employee stock option scheme (Continued)
Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 are 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 fair value of options have been estimated on the date of grant using Black-Scholes model :
The key assumptions used in Black-Scholes model for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant I	CSL employee stock option scheme 2017 - Grant II	CSL employee stock option scheme 2017 - Grant III	CSL employee stock option scheme 2017 - Grant IV	CSL employee stock option scheme 2017 - Grant V
Risk-free interest rate	7.75%	8.02%	7.56%	7.48%	7.09%
Expected volatility of share price	39.71% *	41.40% *	41.56% *	41.6% *	42.28% *
Time to maturity (in years)	3.98	3.98	3.97	3.98	3.97
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation in (₹)	140 **	140 **	140 **	140 **	140 **
*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 VI	CSL employee stock option scheme 2017 - Grant VII	CSL employee stock option scheme 2017 - Grant VI	CSL employee stock option scheme 2017 - Grant IX
Risk-free interest rate	5.99%	6.06%	5.94%	6.05%
Expected volatility of share price	44.30% *	44.41%*	45.19%*	45.27%*
Time to maturity (in years)	3.80	3.79	3.71	3.55
Dividend yield	-	-	-	-
The price of equity share as on grant date considered for valuation in (₹)	180	180	180	165

*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 valu

(Currency : ₹ in lacs)

42. Leases (entity as a lessee)

The Company is having several branches spread in various states. The Company functions from the premises taken on lease in these states .

a. Right of use asset :

Particulars	As at March 31, 2020	As at March 31, 2019
Office Premises :		
At cost at the beginning of the year	**1,794.60**	-
Additions during the year	60.37	1,794.60
At cost at the end of the year	**1,854.97**	**1,794.60**
Accumulated depreciation as at the beginning of the year	**166.94**	-
Depreciation for the year	344.02	166.94
Accumulated depreciation as at the end of the year	**510.96**	**166.94**
Net carrying amounts as at the end of the year	**1,344.01**	**1,627.66**

b. Amount recognised in profit and loss :

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense for the year on right-of-use assets	344.02	166.94
Interest expense for the year on lease liabilities	198.48	103.65
Total expenses recognised in profit and loss	**542.50**	**270.59**

The total cash outflow on account of lease rental amounting for the current year ₹ 445.44 lacs (pervious year : ₹ 166.01 lacs).

The average lease term for the rented office premises is ranging between 5 to 12 years.

c. Lease liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	1,545.55	1,732.15
Total	**1,545.55**	**1,732.15**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	294.10	244.71
Later than 1 year and not later than 5 years	1,190.00	1,356.35
Later than 5 years	61.45	131.09
Total	**1,545.55**	**1,732.15**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Company has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

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43. Details of dues to micro and small 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 required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of 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, 2020	As at March 31, 2019
1. The principal amount remaining unpaid at the end of the accounting year.	10.14	-
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	**10.14**	-

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44. Asset acquisition

a. Brief of the transaction :

The Board of Directors of the Company at their meeting held on December 31, 2017 had considered and approved a scheme of arrangement under Sections 230 to 232 read with section 52 and 66 of the Companies Act, 2013 between Asia Pragati Capfin Private Limited ("APCPL") a private limited company incorporated under the laws of India and holding a license to act as a non-banking finance company, and UGRO Capital Limited ("UGRO") the resulting company and their respective shareholders and creditors. The scheme of arrangement (the "Scheme") for demerger of lending business of APCPL into UGRO has been sanctioned by the National Company Law Tribunal, Mumbai bench ("NCLT") vide order dated June 13, 2019. The certified copy of order of NCLT was filed with the registrar of companies, Maharashtra at Mumbai on June 28, 2019 and June 30,2019 by UGRO and APCPL respectively and has become effective from June 30, 2019.

As per the NCLT approved scheme, the appointed date of the Scheme is April 01, 2018 ("the appointed date"). The Company has issued 135,65,891 number of equity shares at ₹ 129 each (face value ₹ 10) at a premium of ₹ 119 per share aggregating to ₹ 17,500 lacs on July 30, 2019 to DBZ (Cyprus) Limited("DBZ"), a Company incorporated under the laws of Cyprus and the shareholder of APCPL, as the consideration.

Pursuant to the scheme of arrangement and board approval, the purchase of the net assets has been accounted on the appointed date, wherein the purchase consideration of ₹ 17,500 lacs has been allocated to the respective net assets (including indemnification asset) at their respective fair values. DBZ will pay UGRO, the difference (net of applicable taxes, if any) between the consideration and the aggregate realisable value of the assets and cash and cash equivalents. As per the indemnity agreement, UGRO has filed the requisite documentation for the same.

b. Details of assets acquired :

Sr No.	Particulars	
	Assets	**Amount**
(i)	Fixed deposits	
(ii)	Indemnified assets	13,500.00
	Net assets acquired	4,000.00
		17,500.00

c. Computation of goodwill :

Sr No.	Particulars	
	Transfer consideration	**Amount**
(i)	Equity shares	
(ii)	Security premium account	1,356.59
	Total consideration (A)	16,143.41
	Net assets acquired (B)	**17,500.00**
	Goodwill (excess of net assets) (A-B)	**17,500.00**
		-

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45. Summarised classification of financial assets and liabilities :

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Amortised cost	At fair value through profit and loss account	Total	Amortised cost	At fair value through profit and loss account	Total	Amortised cost	At fair value through profit and loss account	Total
Financial assets									
Cash and cash equivalents	874.64	-	874.64	32,086.98	-	32,086.98	0.87	-	0.87
Bank balance other than cash and cash equivalents	321.97	-	321.97	13,654.98	-	13,654.98	-	-	-
Trade receivables	657.93	-	657.93	232.00	-	232.00	-	-	-
Loans	83,238.19	-	83,238.19	7,889.47	-	7,889.47	-	-	-
Investments	-	7,250.81	7,250.81	-	10,678.86	10,678.86	-	4,220.74	4,220.74
Other financial assets (refer note 8)	22,097.49	-	22,097.49	18,330.48	-	18,330.48	-	-	-
Total	107,190.22	7,250.81	114,441.03	72,193.91	10,678.86	82,872.77	0.87	4,220.74	4,221.61
Financial liabilities									
Payables :									
(A) Trade payables									
(I) total outstanding dues of micro enterprises and small enterprises	10.14	-	10.14	-	-	-	-	-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	1,039.00	-	1,039.00	90.50	-	90.50	0.64		0.64
(B) Other payables									
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	371.36	-	371.36	501.26	-	501.26	-	-	-
Debt securities	5,009.41	-	5,009.41	-	-	-	-	-	-
Borrowings (other than debt securities)	20,444.46	-	20,444.46	973.60	-	973.60	-	-	-
Other financial liabilities (refer note 19)	1,870.87	-	1,870.87	1,767.52	-	1,767.52	-	-	-
Total	28,745.24	-	28,745.24	3,332.88	-	3,332.88	0.64	-	0.64

(Currency : ₹ in lacs)

46. 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. 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 understanding of these sector/sub-sectors. 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 :

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 instrument in statement of profit and loss. The write off decisions will be taken by 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 are set out below:

(A) 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 group of borrowers.
As a result, Portfolio Segmentation considered for ECL computation for seventeen segments.

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 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 behavior 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 cutoff norms as set by Company from time to time and current status is stage I 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) 0 - 30 days past due (DPD) as stage I;
(ii) 31 - 90 DPD as Stage II; and
(iii) outstanding > 90 DPD as stage III.
Any deviation to the above classification shall be approved by audit committee of the board (ACB).

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46. Financial risk management (Continued)

Probability of Default (PD%)
PD are determined depending on the risk profile of the pool of loans based on default analysis by CRIF, PD published by credit rating agency, bureau application scorecards.

Loss given default (LGD%)
Loss given default (LGD) represents recovery from defaulted assets.
Foundational-Internal Rating Based (F-IRB) approach detailed in the guidelines is used for the LGD computation.
LGD is determined based on FIRB approach for stage 1 and stage 2, 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 following for EAD computation :
a.On books principle 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 scenario, while arriving at EAD, FLDG amount would be subtracted.
In case of default in such arrangements, if the trigger event occurs for both unsecured and Secured loans on 89th day the POS plus accumulated interest would be adjusted from FLDG. The interest accumulation to stop in accounting books for such assets as there would not be principal outstanding.

(B) Undrawn exposure
In case of ECL on undrawn exposure , the EAD is computed after considering credit conversion factor (CCF) of 50% (percentage as prescribed by RBI) and 12 month ECL is computed for all undrawn commitments pertaining to stage 1 assets considering PD% and LGD% of the respective categories of loans and advances.

Applicable provisions for NBFC covered under IndAS :
RBI under this circular provide that NBFCs which are required to comply with Indian Accounting Standards (IndAS) shall, as hitherto, continue to be guided by the guidelines duly approved by their boards and as per ICAI advisories for recognition of the impairments.

Impact of Covid – 19 on expected credit loss :
This being the black swan event, company feels that the delinquency would be on rise and will impact the ECL. Basis the detail discussions with customers and after carefully analysing the data of customers with the company, a detail scenario building is done to understand the stress in the portfolio.

Portfolio default and loss estimates :
To arrive at an early estimation of loss, an internally developed methodology has been adopted.
i) For retail term loans, the method combines macroeconomic outlook of 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, focussing on key business aspects such as capacity utilization, production impact, fixed costs v/s cash flow.
iii) For onward lending book, the estimates are based on client level assessment.
iv) For inorganic pools, the estimates are based on partner assessment and high-level multipliers.

Further management will continue to review the situation and do this analysis at regular interval during FY 2021 as we will have more data points and keep updating the analysis and make appropriate adjustments, as warranted and reflect the same in financials also considering further regulatory guidance as may be forthcoming.

Provisioning under COVID 19 :
In assessing the recoverability of loans, receivables and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Company's best estimate of the recoverable amounts. The Company has estimated and recognised an additional expected credit loss of ₹ 331 lacs on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic maybe different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

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(Currency : ₹ in lacs)

46. Financial risk management (Continued)

A. Movement of expected credit loss on advances :

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balances as at April 01, 2019	23.56	0.80	-	-	24.36
Changes in the loss allowance during the year :					
Transfer to Stage 1	0.80	(0.80)	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
New loan originated during the year	611.41	52.67	359.68	-	1,023.76
Other movements (on account of change in EAD)	(2.52)	(0.57)	-	-	(3.09)
Closing balance as at March 31, 2020	633.25	52.10	359.68	-	1,045.03
Opening balance as at April 01, 2018	-	-	-	-	-
Changes in the loss allowance during the year :					
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
New loan originated during the year	23.56	0.80	-	-	24.36
Other movements (on account of change in EAD)	-	-	-	-	-
Closing balance as at March 31, 2019	23.56	0.80	-	-	24.36

B. Movement of expected credit loss (ECL) on loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2019	-	-	-	-
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	2.77	-	-	2.77
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2020	2.77	-	-	2.77
Opening balances as at April 01, 2018	-	-	-	-
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2019	-	-	-	-

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, 2019	7,943.71	19.63	-	-	7,963.34
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	10.31	(10.31)	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(111.72)	-	111.72	-	-
New loan originated during the year	78,270.04	1,820.70	706.04	-	80,796.78
Other movements (on account of change in EAD)	(3,740.20)	(9.31)	-	-	(3,749.51)
Closing balance as at March 31, 2020	82,372.14	1,820.71	817.76	-	85,010.61
Opening balance of gross carrying amount as at April 01, 2018	-	-	-	-	-
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
New loan originated during the year	7,943.71	19.63	-	-	7,963.34
Other movements (on account of change in EAD)	-	-	-	-	-
Closing balance as at March 31, 2019	7,943.71	19.63	-	-	7,963.34

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46. Financial risk management (Continued)

D. Movement in loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2019	-	-	-	-
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	593.91	-	-	593.91
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2020	593.91	-	-	593.91
Opening balance as at April 01, 2018	-	-	-	-
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2019	-	-	-	-

E. Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts.

Advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	10,583.87	65.66
51% - 70%	14,683.58	123.69
71%-90%	9,046.87	67.07
91%-100%	98.64	0.07

Credit impaired advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	122.11	1.41

*There is no collateral repossessed by the Company during the year.

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46. 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. Our 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. Company continues to maintain 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, 2020 :

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 year	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	874.64	874.64	874.64	-	-	-	-
Bank balance other than cash and cash equivalents	321.97	338.58	1.43	-	337.15	-	-
Trade receivables	657.93	657.93	-	657.93	-	-	-
*Loans	83,238.19	112,088.44	1,790.38	14,873.31	25,510.24	45,452.40	24,462.11
Investments	7,250.81	7,250.81	7,250.81	-	-	-	-
Other financial assets	22,097.49	23,158.22	4,130.44	4,000.00	4,335.38	10,686.24	6.16
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) total outstanding dues of micro enterprises and small enterprises	10.14	10.14	-	10.14	-	-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	1,039.00	1,064.58	38.64	792.59	110.06	123.29	-
(B) Other payables							
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	371.36	371.36	-	-	371.36	-	-
Debt securities	5,009.41	5,061.40	5,061.40	-	-	-	-
Borrowings (other than debt securities)	20,444.46	22,775.45	4,306.12	1,692.98	9,081.20	7,695.15	-
Other financial liabilities	1,870.87	2,317.44	37.95	84.33	351.96	1,756.90	86.30

* Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2019 :

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 year	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	32,086.98	32,169.48	31,149.04	1,020.44	-	-	-
Bank balance other than cash and cash equivalents	13,654.98	13,868.03	4,098.57	2,559.18	7,210.28	-	-
Trade receivables	232.00	232.00	-	232.00	-	-	-
Loans	7,889.47	9,817.73	264.29	1,708.79	2,645.12	4,161.98	1,037.55
Investments	10,678.86	10,678.86	10,678.86	-	-	-	-
Other financial assets	18,330.48	18,330.48	-	-	18,165.16	159.83	5.49
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	90.50	90.50	3.04	87.46	-	-	-
(B) Other payables							
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	501.26	501.26	-	501.26	-	-	-
Borrowings (other than debt securities)	973.60	1,197.42	0.96	19.17	326.67	850.62	-
Other financial liabilities	1,767.52	2,381.07	36.49	72.97	330.08	1,776.28	165.25





(Currency : ₹ in lacs)

46. Financial risk management (Continued)

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at April 01, 2018 :

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 year	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	0.87	0.87	0.87	-	-	-	-
Investments	4,220.74	4,220.74	-	-	4,220.74	-	-
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	0.64	0.64	-	0.64	-	-	-

Undiscounted cash flows by contractual maturities for off Balance sheet items as at March 31, 2020 :

Particulars	Carrying Amount	Gross nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	593.06	593.06	-	-
Capital commitments (outflow)	-	188.12	188.12	-	-

Undiscounted cash flows by contractual maturities for off Balance sheet items as at March 31, 2019 :

Particulars	Carrying Amount	Gross nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	1,483.10	1,483.10	-	-
Capital commitments (outflow)	-	306.79	306.79	-	-
Other financial facilities (inflow)	-	1,000.00	1,000.00	-	-

Undiscounted cash flows by contractual maturities for off Balance sheet items as at April 01, 2018 :

Particulars	Carrying Amount	Gross nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments	-	-	-	-	-
Other financial facilities	-	-	-	-	-
Capital commitments	-	-	-	-	-

The Company has disclosed below information as stated in RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated november 04, 2019 that enables market participants to make an informed judgement 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 non deposit taking non banking finance company (NBFC). The Company had not invested in any public deposit.

(ii) Top 20 large deposits (amount in ₹ lacs and % of total deposits) :
The Company is a non deposit taking non banking finance company (NBFC).

(iii) Top 10 borrowings (amount in ₹ lacs and % of total borrowings) :

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowing from ten largest lenders	25,688.75	1,000.00
Percentage of borrowing from ten largest lenders to total borrowing of the Company	100%	100%

The amount considered above excludes unmortised borrowing cost.

(iv) Funding concentration based on significant instrument / product :

Sr No.	Name of instrument / product	As at March 31, 2020		As at March 31, 2019	
		Amount	% of total liabilities	Amount	% of total liabilities
1	Term loans facilities	13,216.88	51%	1,000.00	100%
2	Cash credit / overdraft facilities	3,236.71	13%	-	-
3	Non convertible debenture	5,000.00	19%	-	-
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	4,235.17	17%	-	-
5	Commercial paper	-	-	-	-
Total		25,688.76	100%	1,000.00	100%

(v) Stock Ratios :

(a) Commercial papers as a % of total public funds, total liabilities and total assets :
The Company had not borrowed through commercial paper in current and previous year.

(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 borrowing through non-convertible debentures (original maturity of less than one year) in current and previous year. Put option is exercisable in every 3 months by the debenture holder.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2020			As at March 31, 2019		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	3.51%	11.13%	2.67%	-	-	-

The amount considered above excludes unmortised borrowing cost.
Total public funds comprises of total equity.

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46. Financial risk management (Continued)

c. Market risk

Market risk is the risk that the fair value or 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

The Company primarily deploy 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 investment 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 Company's investment of mutual fund schemes on profit for the period

Sensitivity :		
	Impact on statement of profit and loss	
Particulars	**For the year ended**	
	As at March 31, 2020	**As at March 31, 2019**
Liquid plus scheme - NAV rate - increase by 0.50% respectively at the reporting period *	25.74	51.26
Liquid plus scheme - NAV rate - decrease by 0.50% respectively at the reporting period *	(25.74)	(51.26)
Liquid scheme - NAV rate - increase by 1% and 0.30% respectively at reporting period *	21.03	1.28
Liquid scheme - NAV rate - decrease by 1% and 0.30% respectively at reporting period*	(21.03)	(1.28)

* 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 below two perspectives :

a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rate.

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 rate.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure positions are maintained within the established limits.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Variable rate borrowings	16,453.58	1,000.00	-
Fixed rate borrowings	9,235.17	-	-
Total borrowings	25,688.75	1,000.00	-

The Company had the following variable rate borrowings outstanding :

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Weighted average cost	11.43%	11.50%	-
Outstanding balance (excluding other borrowing cost)	16,453.58	1,000.00	-
% of total borrowings	64.05%	100%	-
Sensitivity :			
Particulars	**Impact on profit or loss**		
	For the year ended March 31, 2020	**For the year ended March 31, 2019**	
*Interest rate - increase by 1%	84.94	8.35	
*Interest rate - decrease by 1%	(84.94)	(8.35)	

* Impact on statement of profit and loss up to 1 year, holding all other variables constant.

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 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.

During the year, the the Company has not come across any instances of fraud.

Capital Management :

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in 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 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, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
The gearing ratio at each date were as follows :			
*Debt (I)	26,999.42	2,705.75	-
Cash and bank balances (II) (refer note 3)	874.64	32,086.98	0.87
Net debt (I - II)	26,124.78	(29,381.23)	(0.87)
Total equity	92,152.36	83,289.56	4,085.05
Net debt to equity ratio	0.28	NA**	NA**

* Debt includes debt securities, borrowings and lease liabilities.

** The Company had not borrowed much in earlier years as compared to financial year 2019-20 and also in earlier years the Company had deployed funds in fixed deposits of short term nature as compared to financial year 2019-20, hence the ratios are not comparable.

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47. Details of all collateral used as security for liabilities

Particulars	Carrying amount of financial assets pledged		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April , 2018
Assets type			
Loans receivable as collateral under lending agreements	22,131.21	2,221.83	-
Loans receivable as collateral under PTC agreements	324.92	-	-
Cash collateral under lending agreements	400.00	-	-
Fixed deposit (original maturity between 3 to 12 months) as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	312.00	-	-
Fixed deposit (original maturity more than 12 months) as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	275.00	-	-

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48. Income tax

Table A The major components of tax expense for the year ended March 31, 2020 and March 31, 2019 :

Sr.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Statement of profit and loss :		
	(i) Profit and loss section :		
	Current income tax :		
	Tax for current year as per minimum alternate tax	296.31	147.14
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(1,916.38)	(387.06)
	Income tax expense reported in the statement of profit and loss	(1,620.07)	(239.92)
(b)	Other comprehensive income (OCI) section :		
	Current income tax :		
	Net loss on remeasurement of defined benefit obligations	-	-
	Deferred tax :		
	Net loss on remeasurement of defined benefit obligations	(0.01)	(0.06)
	Income tax expense reported in the OCI section	(0.01)	(0.06)

Table B Reconciliation of effective tax rate :

Sr.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Profit before tax (PBT)	331.79	(54.72)
2	Applicable tax rate*	27.82%	27.82%
3	PBT * applicable tax rate (1*2)	92.30	43.04
4(a)	Add : Provisions and contingencies not allowed under income tax		
(i)	Provision for impairment losses on financial instruments	284.71	6.78
(ii)	Provision for gratuity	8.70	5.97
(iii)	Provision for compensated absences	27.71	13.19
4(b)	Add: Non deductible expense under income tax		
(i)	Interest on TDS / penalty	0.14	0.01
(ii)	Provision for share based payments to employees	180.48	-
(iii)	Lease rentals expense under IndAS 116	27.00	29.24
(iv)	Preliminary expense disallowed (gross)	-	20.22
(v)	Others	0.99	0.02
4(c)	Less : Income not chargeable under income tax		
(i)	Dividend income	(4.84)	(14.03)
(ii)	Booking of unrealised gain	(34.48)	(2.35)
(iii)	Capital gain on tax free bonds	-	(41.05)
4(d)	Add : Income chargeable under income tax		
(i)	Upfront booking of processing fees collected on loans	172.51	22.56
4(e)	Less : Tax deductible expenses		
(i)	Tax benefit of preliminary expense	(5.05)	(5.05)
(ii)	Upfront booking of borrowing expenses	(138.11)	-
(iii)	Upfront booking of loan sourcing cost	(268.19)	(7.29)
(iv)	Depreciation of property, plant and equipment and intangible assets	(19.84)	(3.66)
4(f)	Less : Brought forward tax losses under income tax		
	Brought forward tax losses set off during the year	(324.03)	67.60
5	Add :Tax for current year as per minimum alternate tax	296.31	147.14
6	Less :Unutilised minimum alternate tax credit entitlement	(296.31)	(147.14)
7	Tax expense recognised during the year (Total 1 to 6)	-	-
8	Effective tax rate	-	-

* The applicable tax is the rate prescribed under the Income - tax Act, 1961.

Table 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, 2020	As at March 31, 2019	As at April 01, 2018	For the year ended March 31, 2020	For the year ended March 31, 2019
	Deferred tax assets (DTA)					
	Provision for compensated absences	40.90	13.19	-	27.71	13.19
	Provision for gratuity	14.66	5.97	-	8.69	5.97
	Others	1.54	0.55	-	0.99	0.55
	Deferred revenue income - processing fees allowed upfront in income tax	195.07	22.56	-	172.51	22.56
	Provision for impairment losses on financial instruments	291.50	6.78	-	284.71	6.78
	Lease rentals expense under IndAS 116	56.23	29.07	-	27.16	29.07
	Preliminary expense (gross)	15.16	20.22	-	(5.05)	20.22
	ESOS expenses disallowance	180.48	-	-	180.48	-
	Unutilised minimum alternate tax credit entitlement	443.45	147.14	-	296.31	147.14
	Income tax losses carried forward	1,391.00	-	-	1,391.00	-
	Total (A)	2,629.99	245.48	-	2,384.51	245.48
	Deferred tax liabilities (DTL)					
	Difference in written down value of property, plant and equipment and intangible assets	23.26	3.42		19.84	3.42
	Unrealised gain / (loss) on investments	36.83	2.35	147.07	34.48	(144.72)
	Prepaid fees / charges on debt securities allowed upfront in income tax	10.70	-	-	10.70	-
	Prepaid fees / charges on borrowings allowed upfront in income tax	127.41	(7.52)	-	134.93	(7.52)
	Deferred loan sourcing cost allowed upfront income tax	275.48	7.29	-	268.19	7.29
	Total (B)	473.68	5.54	147.07	468.14	(141.52)
	Deferred tax asset / (liability)	(2,156.31)	(239.94)	147.07	-	-
	Deferred tax expense / (benefit)	-	-	-	(1,916.37)	(387.00)

Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

Particulars	As at March 31, 2020
Income tax losses :	
AY 2015-16 (Expiry - AY 2023-24)	3,573.56
AY 2016-17 (Expiry - AY 2024-25)	2,372.92
AY 2017-18 (Expiry - AY 2025-26)	0.11

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49. First time adoption of IndAS

The company has prepared opening balance sheet as per IndAS of April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by IndAS, derecognising items of assets or liabilities which are not permitted to be recognised by IndAS, reclassifying items from Previous GAAP to IndAS as required, and applying IndAS to measure the recognised assets and liabilities. The exemptions availed by the company under IndAS 101 are as follows :

a. The company has adopted the carrying value determined in accordance with previous GAAP for all of its assets and as deemed cost of such assets at the transition date.

b The estimates as at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with previous GAAP.

c. Statement of reconciliation of equity under IndAS and equity reported under previous GAAP :

Particulars	As at March 31, 2019	As at April 1, 2018
Total equity / shareholders funds as per Indian GAAP	63,775.02	3,703.48
Adjustment on account of asset acquisition (refer note 44)	18,252.72	-
Increase in cash and cash equivalents on account of issue of share capital and securities premium on account of assets acquisition	13,500.00	-
Increase in cash and cash equivalents on account of assets acquisition	665.16	-
Increase in indemnified assets	4,000.00	-
Increase in current tax assets on account of acquisition	87.56	-
Summary of IndAS Adjustments :		
EIR adjustment on loans as per IndAS 109	(78.26)	-
Impact of measuring investments at fair value through profit or loss (FVTPL)	8.44	528.64
Provision for expected credit loss as per IndAS 109	7.54	-
Impact of recognition of right of use asset and lease liability as per IndAS 116 (Leases)	(104.49)	-
Discounting of Financial Assets as per IndAS 109	(2.12)	-
Reclassification of compulsory convertible debentures into equity as per IndAS 32	1,383.73	-
Tax Adjustments on above items	46.98	(147.07)
Total IndAS adjustments	19,514.54	381.57
Total equity as per IndAS	83,289.56	4,085.05

d. Statement of reconciliation of total comprehensive income under IndAS and Profit after tax (PAT) reported under previous GAAP :

Particulars	As at March 31, 2019
Net profit as per previous GAAP	145.55
Adjustments on accounting for asset acquisition	
Interest income on fixed deposits	778.13
Gain on sale of mutual funds	29.57
Employee benefits expenses	(5.45)
Other expenses	(59.28)
Tax adjustments	9.75
Net profit after tax after accounting for asset acquisition	898.27
IndAS Adjustments	
EIR adjustment on loans as per IndAS 109	(78.26)
Fair valuation of financial assets as per IndAS 109	(2.12)
Impact of measuring investments at fair value through profit or loss (FVTPL)	(520.20)
Impact of recognition of right of use asset and lease liability as per IndAS 116 (Leases)	(104.49)
Provision for expected credit loss as per IndAS 109	7.54
Transfer of Actuarial gain to other comprehensive income (net of tax)	(0.15)
Tax adjustments on above	194.05
Total IndAS adjustments	394.64
Other comprehensive income (net of tax)	0.15
Total income as per IndAS	394.79

e. Statement of reconciliation of cash flow statement under IndAS and cash flow statement reported under previous GAAP :

Particulars	Previous GAAP	Adjustments	Adjustments on account for asset acquisition	Ind AS
Net cash used in operating activities (A)	(9,554.59)	287.71	635.60	(8,631.28)
Net cash used in investing activities (B)	(20,549.80)	(18.05)	(14,135.60)	(34,703.45)
Net cash generated from financing activities (C)	62,009.69	(88.85)	13,500.00	75,420.84
Net increase in cash and cash equivalents (A+B+C)	31,905.30	180.81	-	32,086.11
Cash and cash equivalents at beginning of the year	0.87	-	-	0.87
Cash and cash equivalents at the end of the year	31,906.17	180.81	-	32,086.98

The major adjustment on account of IndAS can be summarized below :

1. The Company has branches on rental basis across eight states. The MCA has issued new standard on lease which is applicable from April 01, 2019. The Company has to record lease assets and lease liability. These resulted in overall expense of ₹ 104.48 lacs consisting of Interest on lease liability and depreciation on right to use assets.

2. The Company has restated its investment held in books as at April 01, 2018 on fair value basis resulting in recording of fair value gain of ₹ 520 lacs. During the FY 2018-19 there is reversal of ₹ 520 lacs fair value gain on account of actual realisation.

3. The Company has to record interest income on loans based on EIR model as per standard issued by the MCA. These resulted in reversal of Processing income of ₹.82 lacs and reversal of expense of ₹ 3.73 lacs. Under EIR model, the Company has recorded income using EIR which is based on loan cash flow including loan origination income and expense.

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(Currency : ₹ in lacs)

50. 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.

IndAS 107, 'Financial Instrument - 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 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. This is the case for unlisted equity securities included in level 3.

a) Fair value hierarchy of financial instruments classified in amortised cost category :

Particulars	Fair value as on March 31, 2020			Carrying value as on March 31, 2020	Fair Value as on March 31, 2019			Carrying value as on March 31, 2019	Fair Value as on April 1, 2018			Carrying value as on April 1, 2018
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets												
Cash and cash equivalents	-	874.64	-	874.64	-	32,086.98	-	32,086.98	-	0.87	-	0.87
Bank balances other than cash and	-	321.97	-	321.97	-	13,654.98	-	13,654.98	-	-	-	-
Trade receivables	-	657.93	-	657.93	-	232.00	-	232.00	-	-	-	-
Loans	-	-	85,074.47	83,238.19	-	-	9,107.74	7,889.47	-	-	-	-
Other financial assets	-	22,097.49	-	22,097.49	-	18,330.48	-	18,330.48	-	-	-	-
Total	-	23,952.03	85,074.47	107,190.22	-	64,304.44	9,107.74	72,193.91	-	0.87	-	0.87
Liabilities												
Payables												
(A) Trade payables												
(I) total outstanding dues of micro enterprises and small enterprises	-	10.14	-	10.14	-	-	-	-	-	-	-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,039.00	-	1,039.00	-	90.50	-	90.50	-	0.64	-	0.64
(B) Other payables							-					-
(I) total outstanding dues of creditors other than micro enterprises and small enterprises		371.36	-	371.36	-	501.26	-	501.26	-	-	-	-
Debt securities	-	5,009.41	-	5,009.41	-	-	-	-	-	-	-	-
Borrowings	-	21,051.81	-	20,444.46	-	1,028.72	-	973.60	-	-	-	-
Other financial liabilities	-	1,870.87	-	1,870.87	-	1,767.52	-	1,767.52	-	-	-	-
Total	-	29,352.59	-	28,745.24	-	3,388.00	-	3,332.88	-	0.64	-	0.64

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. Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

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, 2020			Carrying value as on March 31, 2020	Fair Value as on March 31, 2019			Carrying value as on March 31, 2019	Fair Value as on April 1, 2018			Carrying value as on April 1, 2018
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets												
Investments in mutual funds	7,250.81	-	-	7,250.81	10,678.86	-	-	10,678.86	4,220.74	-	-	4,220.74
Total	7,250.81	-	-	7,250.81	10,678.86	-	-	10,678.86	4,220.74	-	-	4,220.74

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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(Currency : ₹ in lacs)

51. Maturity profile of assets and liabilities :

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets :									
Financial assets :									
Cash and cash equivalents	874.64	-	874.64	32,086.98	-	32,086.98	0.87	-	0.87
Bank balance other than cash and cash equivalents	321.97	-	321.97	13,654.98	-	13,654.98	-	-	-
Trade receivables	657.93	-	657.93	232.00	-	232.00	-	-	-
Loans	33,522.09	49,716.10	83,238.19	3,792.31	4,097.16	7,889.47	-	-	-
Investments	7,250.81	-	7,250.81	10,678.86	-	10,678.86	4,220.74	-	4,220.74
Other financial assets	12,210.47	9,887.02	22,097.49	18,165.16	165.32	18,330.48	-	-	-
Non-financial assets :									
Current tax assets (net)	143.72	-	143.72	149.07	-	149.07	11.25	-	11.25
Deferred tax asset (net)	-	2,156.31	2,156.31	-	239.94	239.94	-	-	-
Property, plant and equipment	-	586.82	586.82	-	391.13	391.13	-	-	-
Right of use asset	-	1,344.01	1,344.01	-	1,627.66	1,627.66	-	-	-
Intangible assets under development	-	93.96	93.96	-	1,086.58	1,086.58	-	-	-
Other intangible assets	-	1,839.34	1,839.34	-	-	-	-	-	-
Other non-financial assets	566.18	74.88	641.06	388.52	91.98	480.50	-	-	-
Total	55,547.81	65,698.44	121,246.25	79,147.88	7,699.77	86,847.65	4,232.86	-	4,232.86
Liabilities :									
Financial liabilities :									
(A) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	10.14	-	10.14	-	-	-	-	-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	921.79	117.21	1,039.00	90.50	-	90.50	0.64	-	0.64
(B) Other payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	371.36	-	371.36	501.26	-	501.26	-	-	-
Debt securities	5,009.41		5,009.41	-	-	-	-	-	-
Borrowings (other than debt securities)	13,464.32	6,980.14	20,444.46	234.32	739.28	973.60	-	-	-
Other financial liabilities	303.99	1,566.88	1,870.87	246.23	1,521.29	1,767.52	-	-	-
Non-financial liabilities :									
Provisions	31.39	168.33	199.72	47.52	21.35	68.87	-	-	-
Deferred tax liabilities (net)	-	-	-	-	-	-	-	147.07	147.07
Other non-financial liabilities	148.93	-	148.93	156.34	-	156.34	0.10	-	0.10
Total	20,261.33	8,832.56	29,093.89	1,276.17	2,281.92	3,558.09	0.74	147.07	147.81

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52. Disclosure pursuant to IndAS 7 ' statement of cash flows' - changes in liabilities arising from financing activities :

Particulars	As at April 01, 2019	Cash inflow / (outflow)	Creation of right of use assets	As at March 31, 2020
Debt securities	-	5,009.41	-	5,009.41
Borrowings (other than debt securities)	973.60	19,470.86	-	20,444.46
Other financial liabilities				
Unclaimed dividend payable on equity shares	1.52	(0.09)	-	1.43
Collateral margin money received	33.85	185.96	-	219.81
Deferred consideration on direct assignment	-	95.63	-	95.63
Lease liabilities	1,732.15	(246.98)	60.38	1,545.55
Other payables	-	8.45	-	8.45

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53. Financial assets are transferred but not derecognised in their entirety :

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of Assets	4,560.09	-	-	-	-	-
Carrying amount of associated Liabilities	4,235.17	-	-	-	-	-
For those liabilities that have recourse only to the transferred financial assets						
Fair value of assets (A)	4,852.13	-	-	-	-	-
Fair value of associated liabilities (B)	4,282.84	-	-	-	-	-
Net Position (C) = (A - B)	569.29	-	-	-	-	-

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54. 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

Particulars		As at March 31, 2020	As at March 31, 2019
i)	CRAR (%)	88.25	213.55*
ii)	CRAR - Tier I capital (%)	88.07	213.40*
iii)	CRAR - Tier II capital (%)	0.18	0.15*
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of perpetual debt instruments	-	-

* The % calculated based on the pervious return filed with RBI based on IGAAP.

b. Investments

Particulars				As at March 31, 2020	As at March 31, 2019
(1)	Value of investments				
	(i)	Gross value of investments			
		(a)	In India	7,250.81	10,678.86
		(b)	Outside India,	-	-
	(ii)	Provisions for depreciation			
		(a)	In India	-	-
		(b)	Outside India,	-	-
	(iii)	Net value of investments			
		(a)	In India	7,250.81	10,678.86
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		-	-
	(ii)	Add : provisions made during the year		-	-
	(iii)	Less : write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		-	-

c. Derivatives

During the current and previous year, the Company has not entered into any derivative contract and at the year end there is no outstanding derivative contract. Therefore, disclosures pertaining to derivatives are not applicable.

d. Disclosures relating to securitization

Details of securitization :

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No of SPVs sponsored by the applicable NBFC for securitization transactions*	2	-
2	Total amount of securitized assets as per books of the SPVs sponsored	4,560.09	-
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	324.92	-
	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	-	-
	a. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	587.00	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-

*Only the SPVs relating to outstanding securitization transactions.

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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. Therefore, disclosures pertaining to it are not applicable.

Details of assignment transactions undertaken with other NBFCs :

During the current and previous year, the Company has not entered into any assignment transaction for sale of financial assets. Therefore, disclosures pertaining to it are not applicable

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. Therefore disclosures pertaining to it are not applicable.

e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2020 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*	932.61	237.60	401.52	717.00	12,803.81	9,199.10	10,028.52	23,657.77	7,689.50	19,110.88	84,778.31
Investments	7,250.81	-	-	-	-	-	-	-	-	-	7,250.81
Liabilities	-	-	-	-	-	-	-	-	-	-	-
Borrowings :	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks and financial Institutions	3,343.15	285.54	563.43	666.57	715.57	2,505.33	5,580.24	7,093.69	-	-	20,753.52
Market borrowings	45.68	5,000.00	-	-	-	-	-	-	-	-	5,045.68

*Impairment loss allowance of ₹ 1,047.80 lacs and adjustments related to effective interest rate are not part of above disclosure. Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2019 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*	98.88	-	96.49	707.12	833.10	674.95	1,420.09	3,033.34	289.33	810.72	7,964.02
Investments	10,678.86	-	-	-	-	-	-	-	-	-	10,678.86
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	-	-	-	-	-	83.97	166.67	666.67	83.33	-	1,000.64
Market borrowings	-	-	-	-	-	-	-	-	-	-	-

*Impairment loss allowance of ₹ 24.38 lacs and adjustments related to effective interest rate are not part of above disclosure.

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

f. Exposures :

Category			As at March 31, 2020	As at March 31, 2019
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	34,669.33*	14.05
	(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			34,669.33	14.05

* These include properties held as underlying security

Particulars			As at March 31, 2020	As at March 31, 2019
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 :

There are no parent company products which are financed by the Company during the current and previous year.

h. Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company :

Particulars	As at March 31, 2020	As at March 31, 2019
Single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company.*	-	-

*The Company has acquired ("acquisition") from Avanse Financial services limited ("Avanse"), by way of assignment it's unsecured MSME financing business, for a consideration of ₹ 6793.97 lacs in respect of 391 loan agreements vide transaction document executed between the Company and Avanse on July 8, 2019. Due to IndAS 109 implication the same has been treated as single loan to Avanse. The Company has not exceeded exposure towards single borrower / group borrower limit.

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Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

i. Unsecured advances :

a) 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, 2020	As at March 31, 2019
Advances against securities of intangible assets	-	-

j. Registration obtained from other financial sector regulators :

Particulars	Type	Number Reference
-	-	-

k. Disclosure of penalties imposed by RBI and other regulators :

Particulars	As at March 31, 2020	As at March 31, 2019
	-	-

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 38 of the financial statements

m. Ratings assigned by credit rating agencies and migration of ratings during the year :

Rating agency	Type	Rating
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A / stable
Acuite Rating & Research Limited	Non- convertible debentures (long term)	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)**

* There is no migration in rating during the current year.
** Provisional

n. Remuneration of directors :

Particulars	As at March 31, 2020	As at March 31, 2019
Transactions with the non-executive	141.00	87.00

refer note 38 for remuneration to executive directors.

0. 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, 2020	As at 31st March, 2019
Provision towards NPA	359.68	-
Provision made towards income tax	443.45	147.14
Provision for standard assets	688.12	24.36

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

q. Draw down from reserves :

During the year, the Company has not drawn down any amount from reserves.

Concentration of deposits, advances, exposures and NPAs :

r. Concentration of advances :

Particulars	As at March 31, 2020	As at March 31, 2019
Total advance to twenty largest borrowers	13,908.44	7,010.07
Percentage of advances to twenty largest borrowers to total advances of the company	16.25%	88.03%

s. Concentration of exposures :

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to twenty largest borrowers	13,908.44	7,010.07
Percentage of exposures to twenty largest borrowers to total	16.25%	88.03%

t. Concentration of NPAs :

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top four NPA accounts	598.06	-

u. Sector-wise NPAs :

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2020	As at March 31, 2019
1	Agriculture & allied activities	-	-
2	MSME	0.96%*	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

*The above is based on the information and the explaination available with the Company, which have been relied upon by the statutory auditor.

v. Movement of NPAs :

Particulars			As at March 31, 2020	As at March 31, 2019
(i)	Net NPAs to Net Advances (%)		0.54%	-
(ii)	Movement of NPAs (gross)			
	(a)	Opening balance	-	-
	(b)	Additions during the year	817.76	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	817.76	-
(iii)	Movement of Net NPAs			
	(a)	Opening balance	-	-
	(b)	Additions during the year	458.08	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	458.08	-
(iv)	Movement of provisions for NPAs (excluding			
	(a)	Opening balance	-	-
	(b)	Provisions made during the year	359.68	-
	(c)	Write-off / write-back of excess	-	-
	(d)	Closing balance	359.68	-

w. Overseas assets (for those with joint ventures and subsidiaries abroad) :
There are no overseas assets.

x. 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.

y. Customer complaints :

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

z. Revenue recognition :
There are no postponement of revenue due to pending resolution of significant uncertainties.

aa. Restructured accounts :
There are no accounts that have been restructured during the current and previous year.

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

ab. Schedule to the balance sheet of a NBFC :

Particulars			As at March 31, 2020		As at March 31, 2019	
			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	5,009.41	-	-	-
	ii	Unsecured	-	-	-	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits	-	-	-	-
	c	Term loans	13,030.97	-	973.60	-
	d	Inter - corporate loans and borrowings	-	-	-	-
	e	Commercial paper	-	-	-	-
	f	Public deposits	-	-	-	-
	g	Other Loans	7,413.49	-	-	-
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, 2020**		**As at March 31, 2019**	
3	**Break - up of gross loans and advances including bills receivables (other than those included in (4) below) :**					
	a	Secured	58,913.32		7,336.61	
	b	Unsecured	25,372.67		577.24	
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	-		-	

UGRO CAPITAL LIMITED

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2020

(Currency : ₹ in lacs)

ab. Schedule to the balance sheet of a NBFC (Continued) :

Assets Side				
5	b	Unquoted	**As at March 31, 2020**	**As at March 31, 2019**
		(i) Shares		
		a. Equity		
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(iii) Units of mutual funds	-	
		(iv) Government securities	7,250.81	10,678.86
		(v) Others	-	-
	Long term investments		-	-
	a	Quoted		
		(i) Shares		
		a. Equity		
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(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	-	-
6	**Borrower group wise classification of assets financed in (3) and (4) above (gross) :**		**As at March 31, 2020**	**As at March 31, 2019**
	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	58,913.32 / 25,372.67	7,336.61 / 577.24
		Total	**58,913.32** / **25,372.67**	**7,336.61** / **577.24**
	** 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	-	-
		Total	7,250.81	10,678.86
	** As per accounting standard issued by ICAI.		**7,250.81**	**10,678.86**
8	Other information			
	Particulars			
	a	**Gross non performing assets :**		
		i. Related parties	817.76	-
		ii. Other than related parties	-	-
	b	**Net non performing assets :**	817.76	-
		i. Related parties	458.08	-
		ii. Other than related parties	-	-
	c	**Assets acquired in satisfaction of debt**	458.08	-

(Currency : ₹ in lacs)

ac. Provision under prudential norms of income recognition, asset classification (IRAC) :

Asset classification as per RBI norms	Asset classification as per IndAS 109	Gross carrying amount as per IndAS	Loss allowances (provisions) as required under IndAS 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	82,372.14	632.68	81,739.46	330.94	301.75
	Stage 2	1,820.70	52.67	1,768.03	63.01	(10.34)
Non-performing assets (NPA)						
Substandard	Stage 3	817.76	359.68	458.08	81.78	277.90
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	593.91	2.77	591.14	-	2.77
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**82,966.05**	**635.45**	**82,330.60**	**330.94**	**304.51**
	Stage 2	**1,820.70**	**52.67**	**1,768.03**	**63.01**	**(10.34)**
	Stage 3	**817.76**	**359.68**	**458.08**	**81.78**	**277.90**
	Total	**85,604.51**	**1,047.80**	**84,556.71**	**475.73**	**572.07**

55 Impact of COVID 19 pandemic

a. In assessing the recoverability of loans, receivables, intangible assets, deferred tax asset and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Company's best estimate of the recoverable amounts. The Company has estimated and recognised an additional expected credit loss of ₹ 331.00 lacs on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

b. Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 ("RBI Circular") :

As required underp para 2 of the RBI Circular, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the Income Recognition and Asset Classification norms ("IRAC norms").

Period	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI Circular*	Respective amount where asset classification benefits is extended	Provisions made in terms of paragraph 5 of RBI Circular	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular
Refer note below	1,211.37	1,211.37	60.57	NA

* These include overdue accounts which would otherwise (i.e. without availing the benefit related to asset classification) have been marked as NPA as at March 31, 2020 (overdue more than 60 days as at February 29, 2020) and does not include overdue accounts that would have continued to be under standard category as at March 31, 2020.

56 The previous year's figures have been regrouped / rearranged wherever necessary to make them comparable to current year.

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath	**Abhijit Ghosh**	**Abhijit Sen**
Executive Chairman & MD	Whole Time Director & CEO	Director & Chairman - Audit Committee
DIN : 00510618	DIN : 07935397	DIN : 00002593
Mumbai	Mumbai	Mumbai
May 20, 2020	May 20, 2020	May 20, 2020

Kalpeshkumar Ojha	**Aniket Karandikar**
Chief Financial Officer	Company Secretary
Mumbai	Mumbai
May 20, 2020	May 20, 2020

DELOITTE HASKINS & SELLS LLP Chartered Accountants

MSKA & Associates
Chartered Accountants

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 financial statements of UGRO Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and 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 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 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 (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.

Emphasis of Matter

We draw attention to Note 53 to the financial statements, which describes the extent to which the Covid-19 pandemic will continue to impact the financial statements will depend on uncertain future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification and Measurement of Loans and Provision for Expected Credit Loss (ECL) on Financial Assets - Loans Total ECL Provision as at March 31, 2021 – INR 2562.01 Lakhs Charge to the Statement of Profit and Loss – INR 1961.71 Lakhs

Refer Note 1 on Significant Accounting Policies and Refer Note 6 and 30 to the Financial Statements.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Recognition and measurement of impairment of loans involve significant management judgement. Under Ind AS 109 - Financial Instruments, allowances of loan losses are determined using expected credit loss (ECL) model. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be a key audit matter. As part of our risk assessment, we determined that the impairment allowance on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: ▪ Qualitative and quantitative factors used in staging the loan assets. ▪ Basis used for estimating Probabilities of Default ("PD") and Loss Given Default ("LGD"). ▪ Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID-19 pandemic. During the financial year ended March 31, 2021, the RBI issued various circulars related to the Covid-19 Regulatory Packages which has covered the moratorium, restructuring and other benefits to ease the repayment terms for affected customers due to the Pandemic. We have identified the above matter as Key audit matter due to the judgments involved in classification of loans, relative complexity of various assumptions and estimates used, uncertainties related to COVID-19 and determination of related provisions.	In view of the significance of the matter, our audit procedures performed included and not limited to the following: 1. Read the Company's accounting policies for estimation of expected credit loss on financial assets as explained in Note XX 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'). 2. Obtained an understanding of Management's process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation on a test check basis. 3. Obtained an understanding of management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. 4. 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. ▪ scorecards developed by the Company using PD rates sent by the external credit rating agencies. 5. Performed test of details on sample basis on 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.

	▪ Probability of Default (PD) is as per the above scorecards provided by the External Credit Rating agency. ▪ Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach, including the appropriateness of the use of collateral and the resultant arithmetical calculations. We also evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD. ▪ 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 by using PD and LGD (EAD*PD*LGD*) to ensure arithmetical accuracy. ▪ Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness. 6. Verified the ratings for a sample of PD and LGD of External Credit Rating agency and F-IRB respectively to test the accuracy of input for calculation of ECL. 7. Verified the advances to test the accuracy of inputs for calculation of ECL on test check basis. 8. Verified, on test check basis, whether appropriate staging of assets have been performed basis their days past due and other loss indicators considering the various Covid-19 Regulatory Packages related to moratorium, restructuring as per RBI circular dated August 06, 2020, MSME restructuring etc. 9. Performed procedures over segmentation of financial assets related to the advances as per their various products and models and risk characteristics.

	10. We also verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan accounts due to the Covid-19 pandemic. 11. Assessed the adequacy and appropriateness of the related presentation 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 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 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.

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 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, 2020, were audited by another auditor whose report dated June 13, 2020 expressed an unmodified opinion on those statements.

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, 2016 ("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 Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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 did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

3. As required by The Companies (Amendment) Act, 2017, 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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W



Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAHL7098

Mumbai
June 29, 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The Company has a programme of verification of fixed assets to cover all items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(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.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans to one company covered in the register maintained under section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the company listed in the register maintained under section 189 of the Act, the borrowers have been, where stipulated, regular in the payment of principal and interest.

(c) There are no overdue amounts in respect of the loans granted to the company listed in the register maintained under Section 189 of the Act.

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.

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, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Laws	Income Tax	2,74,130	AY 2012-13	Assessing Officer	
Income Tax Laws	Income Tax	37,41,900	AY 2009-10	Commissioner of Income Tax (Appeals)	
Income Tax Laws	Income Tax	5,26,334	AY 2016-17	Assessing Officer	
Income Tax Laws	Income Tax	37,78,234	AY 2008-09	High court	

All the above tax matters are covered by a deed of indemnity entered by existing promoters with erstwhile promoters and hence no provision/disclosure as contingent liability is required to be made in books of accounts.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. 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 or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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) 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 accounting standards.

xiv. 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 or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. 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 Institution.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAHL7098

Mumbai
June 29, 2021

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 Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of UGRO Capital Limited ("the Company") as of March 31, 2021 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 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"). 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 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 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.

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.

Opinion

In our opinion, the Company has, in all material respects, 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, 2021, 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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W



Swapnil Kale
Partner
Membership Number: 117812
UDIN: 21117812AAAAHL7098

Mumbai
June 29, 2021

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Balance Sheet as at March 31, 2021

(Currency : ₹ in lacs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	**12,365.55**	874.64
Bank balances other than cash and cash equivalents	4	**19,238.99**	14,091.31
Trade receivables	5	**357.77**	657.93
Loans	6	**127,880.52**	83,238.19
Investments	7	**5,522.75**	7,250.81
Other financial assets	8	**323.11**	8,328.15
		165,688.69	**114,441.03**
Non-financial assets			
Current tax assets (net)	9	**-**	143.72
Deferred tax assets (net)	10	**4,293.55**	2,156.31
Property, plant and equipment	11	**468.60**	586.82
Right of use asset	12	**1,094.31**	1,344.01
Intangible assets under development	13	**388.41**	93.96
Other intangible assets	14	**2,062.02**	1,839.34
Other non-financial assets	15	**1,093.91**	641.06
		9,400.80	6,805.22
TOTAL ASSETS		**175,089.49**	**121,246.25**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	16		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		**0.01**	10.14
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		**735.93**	1,039.00
(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		**287.36**	371.36
Debt securities	17	**29,940.69**	5,009.41
Borrowings (other than debt securities)	18	**46,628.79**	20,444.46
Other financial liabilities	19	**1,729.13**	1,870.87
		79,321.91	**28,745.24**



UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Balance Sheet as at March 31, 2021

(Currency : ₹ in lacs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Non-financial liabilities			
Current tax liabilities (net)	9	**144.13**	-
Provisions	20	**241.99**	199.72
Other non-financial liabilities	21	**137.64**	148.93
		523.76	348.65
TOTAL LIABILITIES		**79,845.67**	**29,093.89**
Equity			
Equity share capital	22	**7,052.86**	7,052.86
Other equity	23	**88,190.96**	85,099.50
TOTAL EQUITY		**95,243.82**	92,152.36
TOTAL LIABILITIES AND EQUITY		**175,089.49**	**121,246.25**

Significant accounting policies	1
See accompanying notes forming part of the financial statements	2-57

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
ICAI Firm's Registration No : 105047W

Swapnil Kale
Partner
Membership No : 117812

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
Gurugram
June 29, 2021

Abhijit Sen
Director & Chairman
-Audit Committee
DIN : 00002593
Mumbai
June 29, 2021

Sandeepkumar Zanvar
Chief Financial Officer
Mumbai
June 29, 2021

Aniket Karandikar
Company Secretary
Mumbai
June 29, 2021

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : ₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	24	**14,812.85**	7,889.19
Dividend income	25	**-**	17.40
Net gain on fair value changes	26	**34.68**	1,693.66
Other operating income	27	**133.54**	69.12
Total revenue from operations		**14,981.07**	**9,669.37**
Other Income	28	**352.77**	845.00
Total income		**15,333.84**	**10,514.37**
Expenses			
Finance costs	29	**4,456.24**	1,367.30
Impairment on financial instruments	30	**1,961.71**	1,023.41
Employee benefits expenses	31	**4,532.67**	4,714.80
Depreciation and amortisation	32	**1,173.91**	739.35
Other expenses	33	**1,996.40**	2,337.72
Total expenses		**14,120.93**	**10,182.58**
Profit before exceptional items and tax		**1,212.91**	**331.79**
Exceptional items	34	**-**	**-**
Profit before tax		**1,212.91**	**331.79**
Tax Expense:			
(1) Current tax			
Tax for current year as per minimum alternate tax		**482.99**	296.31
(2) Deferred tax benefit (Net)		**(2,142.83)**	(1,916.38)
Total tax expenses		**(1,659.84)**	**(1,620.07)**
Profit for the year (A)		**2,872.75**	**1,951.86**



UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : ₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of the defined benefit obligations		**19.19**	0.03
- Income tax relating to items that will not be reclassified to profit and loss		(5.59)	(0.01)
Subtotal (A)		**13.60**	0.02
Other comprehensive income for the year (net of tax) (B)		**13.60**	0.02
Total comprehensive income for the year (C)= (A+B)		**2,886.35**	**1,951.88**
Earnings per equity share of face value of ₹ 10 each	35		
Basic (₹)		**4.07**	**2.95**
Diluted (₹)		**4.07**	**2.87**

Significant accounting policies 1
See accompanying notes forming part of the financial statements 2-57
The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm's Registration No : 105047W

Swapnil Kale
Partner
Membership No : 117812

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
Gurugram
June 29, 2021

Abhijit Sen
Director & Chairman
-Audit Committee
DIN : 00002593
Mumbai
June 29, 2021

URGO CAPITAL LIMITED

Sandeepkumar Zanvar
Chief Financial Officer
Mumbai
June 29, 2021

Aniket Karandikar
Company Secretary
Mumbai
June 29, 2021

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Cash Flow for the year ended March 31, 2021

(Currency : ₹ in lacs)

Particular	For the year ended March 31, 2021	For Year Ended March 31, 2020
Cash flow from operating activities :		
Net profit before tax	**1,212.91**	331.79
Adjustments for:		
Employee stock option expense	**205.11**	348.74
Dividend income	**-**	(17.40)
Depreciation expense	**1,173.91**	739.35
Impairment on financial instruments	**1,961.71**	1,023.41
Net gain on sale of financial instruments / fair valuation of financial instruments	**(34.68)**	(1,693.66)
Provision for gratuity	**37.62**	31.27
Provision for compensated absences	**23.84**	99.60
Operating profit before working capital changes	**4,580.42**	**863.10**
Movements in working capital:		
(Increase) / Decrease in Assets		
(Increase) / Decrease in Loans	**(46,604.03)**	(76,372.13)
(Increase) / Decrease in Receivable	**300.15**	(425.93)
(Increase) / Decrease in Other Non - Financial Assets	**(452.85)**	(160.55)
(Increase) / Decrease in Other Financial Assets	**8,005.03**	(4,162.82)
Increase (Decrease) in Liability		
Increase / (Decrease) in Trade payable	**(397.20)**	386.13
Increase / (Decrease) in other non-financial liabilities	**(11.29)**	(7.41)
Increase / (Decrease) in other financial liabilities	**62.85**	289.95
Cash used in operations	**(34,516.92)**	**(79,589.66)**
Income taxes paid	**(195.14)**	(290.96)
Net cash used in operating activities (A)	**(34,712.06)**	**(79,880.62)**
Cash flow from investing activities :		
Payments for property, plant and equipment	**(34.74)**	(335.18)
Dividend income	**-**	17.40
Proceeds / (Investment) in bank deposits of maturity greater than 3 months	**(5,147.68)**	13,333.01
Sale of investments	**7,285.50**	197,373.62
Purchase of investments	**(5,522.75)**	(192,251.91)
Proceeds / (Investment) in bank deposits of maturity greater than 12 months (net)	**-**	395.81
Payments for intangible assets	**(1,172.06)**	(659.96)
Net cash (used in) / generated from investing activities (B)	**(4,591.73)**	**17,872.79**
Cash flow from financing activities :		
Proceeds received against partly paid share warrants	**-**	6,612.00
Principal payment of lease liabilities	**(320.89)**	(246.98)
Proceeds from borrowings through secured NCDs and Commercial paper	**24,931.26**	5,009.41
Proceeds from borrowings from banks and financial institutions (net of repayment)	**26,184.33**	19,470.87
Share issue expenses	**-**	(17.50)
Net cash generated from financing activities (C)	**50,794.70**	**30,827.80**
Net Increase / (decrease) in cash and cash equivalents (A) +(B) + (C)	**11,490.91**	**(31,180.04)**

URGO CAPITAL LIMITED

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Cash Flow for the year ended March 31, 2021

(Currency : ₹ in lacs)

Cash and cash equivalents at the beginning of the year	**874.64**	32,086.98
Cash and cash equivalents at the end of the year	**12,365.55**	**874.64**
Components of cash and cash equivalents (Refer Note 3)		
Cash on hand	-	-
Balance with banks :		
in current accounts	**6,764.51**	874.64
in Fixed deposit (maturing within a period of three months)	**5,601.04**	-
TOTAL	**12,365.55**	**874.64**

Significant accounting policies 1
See accompanying notes forming part of the financial statements 2-57
The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm's Registration No : 105047W

Swapnil Kale
Partner
Membership No : 117812

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
Gurugram
June 29, 2021

Abhijit Sen
Director & Chairman
-Audit Committee
DIN : 00002593
Mumbai
June 29, 2021

Sandeepkumar Zanvar
Chief Financial Officer
Mumbai
June 29, 2021

Aniket Karandikar
Company Secretary
Mumbai
June 29, 2021

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended Mar 31, 2021

(Currency ₹ in lacs)

a. Equity share capital (refer note 22 below)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital of face value of Rs.10/- each		
Balance at the beginning of the year	7,052.86	2,333.15
Issued during the year	-	1,356.59
Converted during the year :		
- From compulsorily convertible preference shares	-	1,383.72
- From compulsorily convertible debentures	-	1,383.72
- From share warrants	-	595.68
Balance as at the end of the year	**7,052.86**	**7,052.86**

b. Other equity (refer note 23 below)

Particulars	Compulsorily convertible preference shares	Share under issuance	Compulsorily convertible debentures	Money received against share warrants	Reserves and surplus					Total
					Statutory reserve u/s 45-IC	Capital reserve	Securities premium account	Employee stock options scheme outstanding	Retained earnings	
Balance as at April 1, 2019	**1,383.72**	**17,500.00**	**1,383.72**	**3,250.00**	**1,145.55**	**-**	**53,327.22**	**300.01**	**2,666.19**	**80,956.41**
Converted during the year	(1,383.72)	-	(1,383.72)	-	-	-	-	-	-	**(2,767.44)**
Issued during the year	-	(17,500.00)	-	-	-	-	-	-	-	**(17,500.00)**
Conversion of share warrants	-	-	-	(2,204.00)	-	-	8,220.32	-	-	**6,016.32**
Transfer to capital reserve for warrants lapsed	-	-	-	(1,046.00)		1,046.00	-	-	-	-
Securities premium on equity shares issued	-	-	-	-	-	-	16,143.40	-	-	**16,143.40**
Addition / (Reduction) during the year	-	-	-	-	390.37	-	-	348.74	(390.37)	**348.74**
Utilized during the year (net of taxes)*	-	-	-	-	-	-	(17.50)	-	-	**(17.50)**
Share conversion expenses	-	-	-	-	-	-	-	-	(32.31)	**(32.31)**
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	0.02	**0.02**
Transferred from statement of profit and loss	-	-	-	-	-	-	-	-	1,951.86	**1,951.86**
Balance as at March 31, 2020	**-**	**-**	**-**	**-**	**1,535.92**	**1,046.00**	**77,673.44**	**648.75**	**4,195.39**	**85,099.50**

URGO CAPITAL LIMITED

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended Mar 31, 2021

(Currency : ₹ in lacs)

Balance as at April 1, 2020	-	-	-	-	1,535.92	1,046.00	77,673.44	648.75	4,195.39	85,099.50
Addition / (Reduction) during the year	-	-	-	-	574.55	-	-	205.11	(574.55)	205.11
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	13.60	13.60
Transferred from statement of profit and loss	-	-	-	-	-	-	-	-	2,872.75	2,872.75
Balance as at Mar 31, 2021	-	-	-	-	2,110.47	1,046.00	77,673.44	853.86	6,507.19	88,190.96

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm's Registration No : 105047W

Swapnil Kale
Partner
Membership No : 117812

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
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Mumbai
June 29, 2021

Sandeep Kumar Zanvar
Chief Financial Officer
Mumbai
June 29, 2021

Aniket Karandikar
Company Secretary
Mumbai
June 29, 2021

2. 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 Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A 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.

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 basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) at the end of each reporting period.

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 takes into account 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. This is the case for unlisted equity securities included in level 3.

UGRO CAPITAL LIMITED

(Currency : ₹ in lacs)

(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 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 Finance 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.

Amounts in the financial statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

(5) Property, plant and equipment

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 there of 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

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
Office Equipment	5 years - 6 years
Computer	3 years
Leasehold improvements	2years - 9 years (Primary period of lease of premises)
Furniture fixture and fittings	10 years

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 profit or loss.

UGRO CAPITAL LIMITED

(6) 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 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 at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(7) 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. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(8) Revenue Recognition

(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 basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate which is the rate that exactly discounts 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 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 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 "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 evaluated and adjusted for ECL and expected prepayment.

(9) Leases

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 is depreciated using the straight-line method from the commencement

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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 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.

Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to Retained Earning, on the date of application. Consequently, the Company recorded lease liability at present value of future lease payments discounted at the incremental borrowing rate and corresponding right of use asset at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

As a lessee

Operating Lease

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of lease of similar assets in similar economic environment with similar end date.
2. Applied the exemption not to recognise right of use asset and lease liabilities with less than 12 months of lease term remaining on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Weighted average incremental borrowing rate is applied to lease liabilities as at April 1, 2019.



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.

(10) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(10.1) 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.

(10.2) 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 reflects 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 current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(10.3) Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

(10.4) 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.

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(Currency : ₹ in lacs)

(11) Employee Benefits

(11.1) 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 profit or 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 profit or 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.

(11.2) Short term and other long-term employee benefits

A liability is recognised 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 in exchange for that service.

Liabilities recognised 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 recognised 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.



(11.3) 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 organisation within a year.

(12) Borrowing Costs

Borrowing costs include interest and other ancillary borrowing costs. Ancillary costs includes issue costs such as loan processing fee, arranger fee, stamping expense and rating expense . The Company shall recognise interest expense and other ancillary cost on the borrowings as per Effective Interest 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

(13) 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, taking into account 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.

(14) 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.



(Currency : ₹ in lacs)

(15) Foreign Currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate 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.

(16) Cash and Bank balances

Cash and bank balances also include fixed deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(17) 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

(18) Financial Instruments

(18.1) 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.

(18.2) 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 profit or loss.
A financial asset and a financial liability is offset and presented on 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.



(18.3) Subsequent Measurement of Financial Instruments

(18.3.1) 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.

(18.3.1.1) 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 Method

The Effective Interest 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.

(18.3.1.2) 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.

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Interest income is recognised in profit or loss for FVTOCI debt instruments. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

(18.3.1.3) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are 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 as 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 as 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 as 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.

(18.4) 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 months 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 day 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 rate as provided by 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 PD's 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 detailed in the guidelines is used for the LGD computation.

(18.5) 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 profit or loss.

(18.6) Financial Liabilities and Equity Instruments

(18.6.1) 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.

(18.6.2) 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(18.6.3) 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 method until extinguished upon conversion or at the instrument's maturity date.

(18.6.4)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 method or at FVTPL.

Company has not designate any financial liabilities at FVTPL.

(18.6.4.1) 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 between 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 profit or loss.

(19) 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.

(20) Share-based payment arrangements

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 Group 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 profit or 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.

(21) 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.

(22) 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.

(23) 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.

(24) Operating cycle for current and non-current classification

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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(Currency ₹ in lacs)

2. Corporate Information

Ugro Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 2013 The Company is a non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 The Company is registered with effect from March 5, 1998 having Registration No A-13 00243 The Company is 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.



(Currency ₹ in lacs)

3. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	-	-
Balances with banks		
- in current accounts	6,764.51	874.64
- in fixed deposits with banks (original maturity less than 3 months)	5,601.04	-
	12,365.55	**874.64**

4. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend on equity shares	1.43	1.43
Fixed deposits with banks (original maturity between 3 to 12 months)*	2,014.14	320.54
Fixed deposits with bank (original maturity more than 12 months)*	17,034.33	13,359.13
Cash collateral*	189.09	410.21
	19,238.99	**14,091.32**

* Earmarked balances of ₹ 871.21 lacs (previous year - ₹ 987.00 lacs) (Refer Note 46)

5. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables		
Unsecured considered good	357.77	657.93
	357.77	**657.93**

1. The average credit period ranges between 1 to 3 months.
2. The Company measures trade receivables at amortised cost. Trade receivables are measured at transaction price.
3. Expected credit loss on trade receivables: The Company applies the simplified approach for computation of expected credit loss on trade receivables as allowed under IndAS 109. The Company is recognizing lifetime expected credit loss for trade receivables, as applicable.
4. The carrying amount of trade receivables approximates the fair value because of their short term nature.
5. The average ageing period ranges between 1 to 3 months.
6. There are no 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.

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(Currency : ₹ in lacs)

6. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Loans at amortised cost		
(A)		
Supply chain receivables	18,660.24	16,548.03
Term loans	111,770.33	67,733.73
Loans to employees	11.95	4.23
Total Gross Loans	**130,442.52**	**84,285.99**
Less: Impairment loss allowance	2,562.00	1,047.80
Total Net Loans	**127,880.52**	**83,238.19**
(B)		
Secured by book debts	23,457.14	24,815.34
Secured by property	56,383.46	33,959.68
Secured by machinery	7,089.63	138.30
Unsecured	43,512.29	25,372.67
Total Gross Loans	**130,442.52**	**84,285.99**
Less: Impairment loss allowance	2,562.00	1,047.80
Total Net Loans	**127,880.52**	**83,238.19**
(C)		
Loans in India		
Public sector	-	-
Others	130,442.52	84,285.99
Total Gross Loans	**130,442.52**	**84,285.99**
Less: Impairment loss allowance	2,562.00	1,047.80
Total - Net (a)	**127,880.52**	**83,238.19**
Loans outside India (b)	-	-
Total - Net (a)+(b)	**127,880.52**	**83,238.19**

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.
2. Underlying securities for the assets secured by tangible assets are property, machinery and book debts.



7. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investments - at fair value through profit and loss account		
Mutual funds (unquoted)	4,014.54	7,250.81
Debt securities	1,508.21	-
Total – Gross	**5,522.75**	**7,250.81**
Investments in India	5,522.75	7,250.81
Investments outside India	-	-
Total – Gross	**5,522.75**	**7,250.81**
Less: Impairment loss allowance	-	-
Total – Net	**5,522.75**	**7,250.81**

Note :

1. For valuation methodology Refer Note 48.

2. For dividend received on investments Refer Note 25.



(Currency : ₹ in lacs)

8. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	323.11	197.71
Sale proceeds of mutual fund receivable	0.00	4,130.44
Indemnified assets	-	4,000.00
	323.11	**8,328.15**

9. Current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets		
Advance Tax	782.31	587.17
Total (A)	**782.31**	**587.17**
Current tax liabilities		
Income tax payable as per minimum alternate tax	926.44	443.45
Total (B)	**926.44**	**443.45**
Net (A-B)	**(144.13)**	**143.72**

10. Deferred tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provision for compensated absence	49.75	40.90
Provision for gratuity	20.71	14.66
Deferred revenue income - processing fees allowed upfront in income tax	358.33	195.07
Provision for impairment losses on financial instruments	746.06	291.50
Lease rentals expense under IndAS 116	71.99	56.23
Preliminery expense	132.50	15.16
Employee stock options scheme outstanding expenses disallowance	248.64	180.48
Unutilised minimum alternate tax credit entitlement	926.44	443.45
Income tax losses carried forward	2,748.92	1,391.00
Others	28.88	1.54
Total (A)	**5,332.22**	**2,629.99**
Deferred tax liabilities		
Difference in written down value of property, plant and equipment and intangible assets	157.79	23.26
Receivable On EIS DA	22.27	-
Unrealised gain on investments	3.91	36.83
Prepaid fees / charges on debt securities allowed upfront in income tax	113.61	10.70
Prepaid fees / charges on borrowings allowed upfront in income tax	361.12	127.41
Deferred loan sourcing cost allowed upfront in income tax	379.97	275.48
Total (B)	**1,038.67**	**473.68**
Net (A-B)	**4,293.55**	**2,156.31**



(Currency : ₹ in lacs)

11. Property, plant and equipment

Particulars	As at March 31, 2021				As at March 31, 2020			
	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	**347.36**	**375.64**	**14.70**	**737.70**	**97.34**	**292.25**	**12.93**	**402.52**
Additions during the year	34.63	0.11	-0.00	**34.74**	250.01	83.39	1.77	**335.18**
At cost at the end of the year	**381.99**	**375.75**	**14.70**	**772.44**	**347.36**	**375.64**	**14.70**	**737.70**
Accumulated depreciation as at the beginning of the year	**54.12**	**95.13**	**1.63**	**150.88**	**3.17**	**7.91**	**0.31**	**11.39**
Depreciation for the year	64.59	86.97	1.40	**152.96**	50.95	87.22	1.32	**139.49**
Accumulated depreciation as at the end of the year	**118.71**	**182.10**	**3.03**	**303.84**	**54.12**	**95.13**	**1.63**	**150.88**
Net carrying amounts as at the end of the year	**263.28**	**193.65**	**11.67**	**468.60**	**293.24**	**280.51**	**13.07**	**586.82**

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12 . Right of use asset

Particulars	As at March 31, 2021	As at March 31, 2020
At cost at the beginning of the year	**1,854.97**	**1,794.60**
Remeasurment of Assets	24.21	-
Additions during the year	92.10	60.37
At cost at the end of the year	**1,971.28**	**1,854.97**
Accumulated depreciation as at the beginning of the year	**510.96**	**166.94**
Depreciation for the year	366.01	344.02
Accumulated depreciation as at the end of the year	**876.97**	**510.96**
Net carrying amount as at the end of the year	**1,094.31**	**1,344.01**

13. Intangible assets under development

Particulars	As at March 31, 2021	As at March 31, 2020
Softwares	388.41	93.96
Total	**388.41**	**93.96**

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(Currency : ₹ in lacs)

14. Other intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
Software :		
At cost at the beginning of the year	**2,095.18**	**-**
Additions during the year	877.61	2,095.18
At cost at the end of the year	**2,972.79**	**2,095.18**
Accumulated amortisation as at the beginning of the year	**255.84**	**-**
Amortisation for the year	654.93	255.84
Accumulated amortisation as at the end of the year	**910.77**	**255.84**
Net carrying amounts as at the end of the year	**2,062.02**	**1,839.34**

15. Other non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to vendors and employees	410.07	77.02
Goods and service tax input credit receivable	468.40	291.70
Prepaid expenses	215.14	196.74
Prepaid rental charges	-	74.88
Deferred staff loan cost	0.30	0.72
Total	**1,093.91**	**641.06**

16. Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
Micro and small enterprises (Refer Note 43)	0.01	10.14
Due to others	735.93	1,039.00
Other payables		
Micro and small enterprises (Refer Note 43)	-	-
Due to others		
- Accrued employee benefits	232.65	371.36
- Payable to Customer	54.71	-
Total	**1,023.30**	**1,420.50**



(Currency : ₹ in lacs)

17. Debt securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	At amortised cost	Total	At amortised cost	Total
a. Secured				
Redeemable non convertible debentures	24,670.81	24,670.81	5,009.41	5,009.41
b. Unsecured				
Commercial Paper	5,269.88	5,269.88	-	-
Total	**29,940.69**	**29,940.69**	**5,009.41**	**5,009.41**
Debt securities in India	29,940.69	29,940.69	5,009.41	5,009.41
Debt securities outside India	-	-	-	-
Total	**29,940.69**	**29,940.69**	**5,009.41**	**5,009.41**
Secured	24,670.81	24,670.81	5,009.41	5,009.41
Unsecured	5,269.88	5,269.88	-	-
Total	**29,940.68**	**29,940.68**	**5,009.41**	**5,009.41**

Security and other terms of debt security :

(i) Terms of repayment (repayment schedule mentioned below includes principal outstanding) as on 31 March 2021:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	Total
6.75 - 8.99 %	5,600.00	-	-	-	**5,600.00**
9.00 - 10.99 %	10,000.00	6,500.00	5,000.00	-	**21,500.00**
11.00 - 13.00 %	-	833.33	833.33	833.33	**2,500.00**
Total	**15,600.00**	**7,333.33**	**5,833.33**	**833.33**	**29,600.00**

(ii) Terms of repayment (repayment schedule mentioned below includes principal outstanding) as on 31 March 2020:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	Total
6.75 - 8.99 %	-	-	-	-	-
9.00 - 10.99 %	-	-	-	-	-
11.00 - 13.00 %	5,000.00	-	-	-	**5,000.00**
Total	**5,000.00**	-	-	-	**5,000.00**



(Currency : ₹ in lacs)

18. Borrowings (other than debt securities)

Particulars	As at March 31, 2021		As at March 31, 2020	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	**18,223.33**	18,223.33	**2,567.65**	2,567.65
From other parties	**22,702.07**	22,702.07	**10,463.32**	10,463.32
From liabilities arising out of securitization transactions resulting into recording of borrowings	**1,616.85**	1,616.85	**4,179.50**	4,179.50
(b) Loans repayable on demand				
Cash credit	-	-	**993.10**	993.10
Bank overdraft	**4,086.54**	4,086.54	**2,240.89**	2,240.89
Total	**46,628.79**	**46,628.79**	**20,444.46**	**20,444.46**
Borrowings in India	**46,628.79**	46,628.79	**20,444.46**	20,444.46
Borrowings outside India	-	-	-	-
Total	**46,628.79**	**46,628.79**	**20,444.46**	**20,444.46**
Secured	45,254.08	45,254.08	17,853.08	17,853.08
Unsecured	1,374.71	1,374.71	2,591.38	2,591.38
Total	**46,628.79**	**46,628.79**	**20,444.46**	**20,444.46**

Security and other terms of loan are as follows :

(a) Rate of interest of over draft is 8.60% per annum and secured against fixed deposit.

(b) Term loans from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables. However in some of the borrowing made from financial institutions the Company has provided bank fixed deposit and cash collateral (Refer Note 46).

(c) For liabilities arising out of securitization transactions resulting into recording of borrowings credit enhancement provided through fixed deposits and loan receivables.



(Currency : ₹ in lacs)

18. Borrowings (Continued)

(e) Terms of repayment of term loans

(i) Terms of repayment (repayment schedule mentioned below excludes unamortised borrowing cost) as on 31 March 2021:

Redeemable within (Payable in monthly installments)	**0-12 months**	**12-24 months**	**24-36 months**	**36-60 months**	**Total**
## For Banks :					
Rate of Interest 8.74 % to 12.00%*	5,763.63	5,656.27	4,946.00	2,159.72	18,525.62
# For Other Parties :					
Rate of Interest 06.57 % to 12.75%*	10,078.59	8,961.55	3,965.72	-	23,005.86
For liabilities arising out of securitization transactions resulting into recording of borrowings :					
Rate of Interest 10.00 % to 10.48%*	1,330.02	319.38	-	-	1,649.40
Total	**17,172.23**	**14,937.19**	**8,911.72**	**2,159.72**	**43,180.87**

(ii) Terms of repayment (repayment schedule mentioned below excludes unamortised borrowing cost) as on 31 March 2020:

Redeemable within (Payable in monthly	**0-12 months**	**12-24 months**	**24-36 months**	**36-60 months**	**Total**
## For Banks :					
Rate of Interest 10.78 % to 12.75%*	1,192.86	1,230.71	193.95	-	2,617.53
# For Other Parties :					
Rate of Interest 11.75 % to 12.00%*	6,869.94	2,222.01	1,546.51	-	10,638.46
For liabilities arising out of securitization transactions resulting into recording of borrowings :					
Rate of Interest 10.00 % to 10.48%*	2,360.32	1,618.50	282.01	-	4,260.83
Total	**10,423.13**	**5,071.22**	**2,022.47**	**-**	**17,516.82**

*Rate of interest on term loans considered annualised payable monthly for reporting purpose.

(f) The rate of interest for the variable borrowings is linked to lender base rate (+) / (-) spread for borrowing made from financial institutions(#). Similarly for variable borrowing from banks(##) linked to external benchmark rates like T-bill, banks base rate, repo rates, MCLR, etc. (+) / (-) spread. The above categorisation is based on the interest rates prevalent as on the respective reporting dates.



(Currency : ₹ in lacs)

19. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend payable on equity shares	1.43	1.43
Others payables :		
Collateral margin money received	199.67	219.81
Deferred consideration on direct assignment	156.87	95.63
Lease liabilities	1,340.97	1,545.55
Book Overdraft	30.19	-
Other payables	-	8.45
Total	**1,729.13**	**1,870.87**

20. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
Provision for gratuity (Refer Note 40b)	71.14	52.70
Provision for compensated absences	170.85	147.02
Total	**241.99**	**199.72**

21. Other non financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	137.64	148.93
Total	**137.64**	**148.93**



(Currency : ₹ in lacs)

22. Equity

a. Details of authorised, issued and subscribed share capital :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of ₹10 each	81,500,000	8,150.00	81,500,000	8,150.00
Preference shares of ₹10 each	20,500,000	2,050.00	20,500,000	2,050.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each, fully paid up	70,528,550	7,052.86	70,528,550	7,052.86
Total	**70,528,550**	**7,052.86**	**70,528,550**	**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, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	70,528,550	7,052.86	23,331,482	2,333.15
Add: shares issued during the year *	-	-	13,565,891	1,356.59
Add : converted during the year :				
From compulsorily convertible preference shares **	-	-	13,837,210	1,383.72
From compulsorily convertible debentures**	-	-	13,837,210	1,383.72
From compulsorily convertible warrants**	-	-	5,956,757	595.68
Outstanding at the end of the year	**70,528,550**	**7,052.86**	**70,528,550**	**7,052.86**

*During the previous year the Company has allotted 1,35,65,891 equity shares of ₹ 10 each for consideration of ₹ 17,500 lacs on preferential basis.

**During the previous year, the Company has converted 1,38,37,210 compulsorily convertible debentures into equal numbers of equity shares.

** During the previous year, the Company has converted 1,38,37,210 compulsorily convertible preference shares into equal numbers of equity shares.

** During the previous year, the Company has converted 59,56,757 into equal numbers of equity shares and balance stand forfeited.

c. Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having a face value of ₹ 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 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 share capital :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Newquest Asia Investments III Limited	15,116,279	21.43%	15,116,279	21.43%
Clearsky Investment Holdings Pte Limited	15,116,279	21.43%	15,116,279	21.43%
DBZ (Cyprus) Limited	13,565,891	19.23%	13,565,891	19.23%
Samena Fidem Holdings	5,956,757	8.45%	5,956,757	8.45%
PNB Metlife India Insurance Company Limited	1,428,600	2.03%	1,428,600	2.03%
Chhattisgarh Investments Limited	1,320,372	1.87%	1,381,372	1.96%
Samena Special Situations Mauritius	3,321,500	4.71%	3,321,500	4.71%
Indgrowth Capital Fund I	3,443,640	4.88%	3,474,086	4.93%
Poshika Advisory Services LLP	2,027,709	2.88%	3,019,817	4.28%
Abakkus Growth Fund- 1	1,078,000	1.53%	1,091,635	1.55%
Total	**62,375,027**	**88.44%**	**63,472,216**	**90.00%**

e. Shares reservation :

As at March 31, 2021 - 32,57,033 shares (as at March 31, 2020 - 38,01,528 Shares) were reserved for issuance as below :

a. 32,57,033 (previous year 38,01,528) shares of ₹ 10 each towards outstanding employee stock options granted (Refer Note 41)

f. 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.



(Currency : ₹ in lacs)

23. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Compulsorily convertible preference shares	-	-
Share under issuance	-	-
Compulsorily convertible debentures	-	-
Money received against share warrants	-	-
Statutory reserve	2,110.47	1,535.92
Capital reserve	1,046.00	1,046.00
Securities premium account	77,673.44	77,673.44
Employee stock options scheme outstanding	853.86	648.75
Retained earnings	6,507.19	4,195.39
Total	**88,190.96**	**85,099.50**

Nature and purpose of reserves :

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.

Capital reserve

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

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.

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.

Retained earnings

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.



(Currency : ₹ in lacs)

24. Interest income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on loans		
- Loan portfolio	13,360.27	7,112.74
Interest on other financial assets		
- Other financial assets	25.42	34.64
Interest on investment		
- Interest on fixed deposits with banks	1,425.78	741.81
- Interest on bonds	1.38	-
Total	**14,812.85**	**7,889.19**

25. Dividend income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income on investment	-	17.40
Total	**-**	**17.40**

26. Net gain on fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain on financial instruments at fair value through profit and loss :-		
On trading portfolio		
- Gain on sale of investments	34.68	1,693.66
Total	**34.68**	**1,693.66**
Fair value changes :		
Realised	153.65	1,569.71
Unrealised	(118.97)	123.95
Total	**34.68**	**1,693.66**

27. Other operating revenue

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Processing fees income	55.63	51.43
Other miscellaneous income	77.91	17.69
Total	**133.54**	**69.12**

28. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Marketing advisory fees	-	220.00
Technology support fees	300.00	625.00
Web display fees	50.00	-
Incurance commission Income	2.77	-
Total	**352.77**	**845.00**



(Currency : ₹ in lacs)

29. Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Costs		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	2,662.99	834.74
(b) Interest on debt securities		
Interest on redeemable non convertible debentures / Discount on Commercial paper	1,602.43	308.59
(c) Interest on lease liabilities		
Interest on lease liabilities	171.20	198.48
(d) Other interest expense		
Interest expense on other financial liabilities	19.62	25.49
Total	**4,456.24**	**1,367.30**

30. Impairment losses on financial instruments

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On financial instruments measured at amortised cost:		
Impairment on loans		
Provision for expected credit loss	1,961.71	1,023.41
Total	**1,961.71**	**1,023.41**

31. Employee benefit expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, other allowances and bonus	4,159.92	4,211.33
Contribution to provident and other funds (Refer Note 40a)	120.15	93.03
Gratuity expenses (Refer Note 40b)	37.62	31.27
Staff welfare expenses	9.87	30.43
Share based payments to employees (Refer Note 41)	205.11	348.74
Total	**4,532.67**	**4,714.80**

32. Depreciation and amortisation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	152.96	139.49
Amortization on intangible assets	654.93	255.84
Depreciation on right of use asset	366.02	344.02
Total	**1,173.91**	**739.35**

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(Currency ₹ in lacs)

33. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent expenses	92.82	92.69
Communication expenses	71.04	95.31
Printing and stationery expenses	14.20	23.96
Advertisement and publicity expenses	3.03	6.02
Directors sitting fees	123.38	141.00
Payment to auditor **	46.03	51.28
Legal and professional expenses	741.84	714.28
Insurance expenses	46.82	102.11
Rates and taxes expenses	256.35	256.31
Computer maintenance and software expenses	320.39	403.78
Marketing and brand promotion expenses	6.73	11.25
Power and fuel expenses	10.65	20.96
Meeting and event expenses	14.91	20.10
Travelling, lodging and boarding expenses	35.24	186.90
Brokerage expenses	0.09	4.45
Miscellaneous expenses	193.83	203.55
CSR expenditure	19.05	3.77
Total	**1,996.40**	**2,337.72**

** Payment to auditor includes :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Statutory audit	23.21	31.00
b. Limited review	15.77	15.00
c. Certification matter	7.05	4.35
d. Out of pocket expenses	-	0.93
Total	**46.03**	**51.28**

34. Corporate Social Responsibility

Company is required to contribute to corporate social responsibility activity as per CSR Rules under the Companies Act, 2013. During the year ended 31st March 2021 Company has spent ₹ 19.05 lacs whereas required sum to be spent was ₹ 18.57 lacs. The amount is spent towards Skill Training in Healthcare for Under-priveleged youth through NGO.

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(Currency : ₹ in lacs)

35. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with Indian Accounting Standard (IndAS) 33 'Earnings per share' :
Basic EPS 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 amounts are calculated by dividing the profit attributable to equity holders (after adjusting 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, 2021	For the year ended March 31, 2020
Basic		
Profit after tax [A]	2,872.75	1,951.86
Weighted average number of equity shares outstanding during the year (Nos.) [B]	70,528,550	66,248,148
Basic earnings per share (₹) [A/B]	**4.07**	**2.95**
Diluted		
Profit after tax [A]	2,872.75	1,951.86
Weighted average number of equity shares outstanding during the year (Nos.)	70,528,550	66,248,148
Weighted average number of potential equity shares on account of employee stock options and share warrants	-	1,831,840
Weighted average number of shares outstanding for diluted earning per share [C]	70,528,550	68,079,988
Diluted earnings per share (₹) [A/C]	**4.07**	**2.87**
Face value of shares (₹)	10	10

36. 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 existing promoters with erstwhile promoters. Further, there are no other contingent liability other than those covered under deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Commitments not provided for :		
- Commitments related to loans sanction but undrawn	-	-
- Commitments related to loans sanction but partially undrawn	1,381.88	593.06
- Amount of contracts remaining to be executed on capital account	47.00	188.12
Total	**1,428.88**	**781.18**

37. Operating segments

There is no separate reportable segment, as per the IndAS 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.



(Currency : ₹ in lacs)

38. 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	Abhijit Ghosh
- Chief Financial Officer (up to 12th November 2020)	Kalpeshkumar Ojha
- Chief Financial Officer (from 13th November 2020)	Sandeepkumar Zanvar
- Company Secretary	Aniket Karandikar

(ii) Enterprises over which KMP has control :

- Poshika Financial Ecosystem Private Limited
- Poshika Advisory Services LLP

Transactions with related parties are as enumerated below:

Particulars	As at March 31, 2021	As at March 31, 2020
Transaction during the year		
Remuneration paid *		
Shachindra Nath	269.35	319.45
Abhijit Ghosh	136.52	302.26
Kalpeshkumar Ojha	65.04	117.69
Sandeepkumar Zanvar	23.87	-
Aniket Karandikar	23.83	32.11

*The above figures does not include provision towards gratuity.

39.Expenditure in foreign currency

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other expenses	0.87	1.30
Total	**0.87**	**1.30**

40. Disclosure pursuant to IndAS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	As at March 31, 2021	As at March 31, 2020
Employer's contribution to provident fund	84.44	68.81
Employer's contribution to national pension scheme	35.58	24.16
Employer's contribution to labour welfare fund	0.13	0.06
Total	**120.15**	**93.03**



(Currency : ₹ in lacs)

40. Disclosure pursuant to IndAS 19 'Employee benefits' (Continued)

b. Defined benefit plan

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, 2021	As at March 31, 2020
Discount rate	5.18%	5.45%
Expected rate of return on plan asset	NA	NA
Salary escalation	5.00%	7.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality (2006-08)	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, 2021	As at March 31, 2020
Service cost:		
Current service cost	34.75	29.66
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	2.88	1.61
Components of defined benefit costs recognised in Statement of profit or loss	**37.63**	**31.27**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) on defined benefit obligations	(19.19)	(0.03)
Components of defined benefit costs recognised in other comprehensive income	**(19.19)**	**(0.03)**
Total	**18.44**	**31.24**

(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, 2021	As at March 31, 2020
Present value of defined benefit obligation	71.14	52.70
Net liability arising from defined benefit obligation	**71.14**	**52.70**

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans	
	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	**52.70**	**21.46**
Current service cost	34.75	29.66
Interest cost	2.88	1.61
Remeasurement (gains)	(19.19)	(0.03)
Closing defined benefit obligation	**71.14**	**52.70**



40. Disclosure pursuant to IndAS 19 'Employee benefits' (Continued)

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2021	As at March 31, 2020
1st following year	0.41	0.30
2nd following year	0.37	0.27
3rd following year	12.70	0.25
4th following year	15.13	9.98
5th following year	12.87	11.89
Sum of years 6 To 10	37.21	34.24
Sum of years 11 and above	16.45	19.08

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.

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.53)	3.83	(3.12)	3.42
Future salary growth (1% movement)	3.37	(3.21)	3.16	(2.98)
Attrition rate (1% movement)	(2.05)	2.09	(2.24)	2.32

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 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.



(Currency ₹ in lacs)

41. Disclosure relating to employee stock option scheme

The Company has one stock option schemes 'CSL Employee Stock Option Scheme 2017'. The said scheme was approved by board of directors on August 13, 2018 and by the shareholders in 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 ₹ 10 each.

The activity in the CSL employee stock option scheme 2017 during the year ended March 31, 2021 and March 31, 2020 is set below :

Particulars	As at March 31, 2021 In numbers	Exercise price range	As at March 31, 2020 In numbers	Exercise price range
CSL employee stock option scheme 2017 (face value of ₹ 10 each)				
Option outstanding at the beginning of the year	**3,801,528**	**₹ 130**	3,530,759	₹ 130
Add: Granted	597,617	₹ 130	270,769	₹ 130 - ₹ 180
Less: Exercised	-	-	-	-
Less: Lapsed	1,142,112	-	-	-
Option outstanding at the end of the year	**3,257,033**	**₹ 130 - ₹ 180**	**3,801,528**	**₹ 130 - ₹ 180**
Exercisable at the end of the year	**3,257,033**		**3,801,528**	

The Company follows accounting policy of fair value method for employee stock option (ESOPs) valuation. Accordingly accumulated expense of ₹ 205.11 lacs (previous year ₹ 348.74 lacs)- has been debited to the Statement of profit and loss of the year ended March 31, 2021

Particulars	CSL employee stock option scheme 2017 - Grant I	CSL employee stock option scheme 2017 - Grant II	CSL employee stock option scheme 2017 - Grant III	CSL employee stock option scheme 2017 - Grant IV	CSL employee stock option scheme 2017 - Grant V
Date of grant	August 13, 2018	September 26, 2018	November 02, 2018	November 14, 2018	December 26, 2018
Number of options granted	2,749,223	289,229	246,154	61,538	184,615
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	13/08/2019, 13/08/2020, 13/08/2021, 13/08/2022	26/09/2019, 26/09/2020, 26/09/2021, 26/09/2022	02/11/2019, 02/11/2020, 02/11/2021, 02/11/2022	14/11/2019, 14/11/2020, 14/11/2021, 14/11/2022	26/12/2019, 26/12/2020, 26/12/2021, 26/12/2022
Vesting pattern	16.66 16.56 16.66 50	16.66 16.66 16.56 50	16.66 16.66 16.66 50	16.66 16.66 16.66 50	16.66 16.66 16.66 50
Weighted average remaining contractual life					
Granted but not vested	1.12 years	1.24 years	1.34 years	1.37 years	1.49 years
Vested but not exercised	1.87 years	1.99 years	2.09 years	2.12 years	2.24 years
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 3 years from date of vesting				

URGO CAPITAL LIMITED

(Currency ₹ in lacs)

41. Disclosure relating to employee stock option scheme (Continued)

Vesting conditions	50 % of the vesting of options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company				
Weighted average fair value of options as on grant date in (₹)	61.91	63.69	62.92	62.78	62.54

Particulars	**CSL employee stock option scheme 2017 - Grant VI**	**CSL employee stock option scheme 2017 - Grant VII**	**CSL employee stock option scheme 2017 - Grant VIII**	**CSL employee stock option scheme 2017 - Grant IX**	**CSL employee stock option scheme 2017 - Grant X**
Date of grant	August 09, 2019	August 16, 2019	October 14, 2019	February 05, 2020	May 21, 2020
Number of options granted	169,230	46,154	15,385	40,000	191,924
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	09/08/2020, 09/08/2021, 09/08/2022, 09/08/2023	16/08/2020, 16/08/2021, 16/08/2022, 16/08/2023	14/10/2020, 14/10/2021, 14/10/2022, 14/10/2023	05/02/2021, 05/02/2022, 05/02/2023, 05/02/2024	21/05/2021, 21/05/2022, 21/05/2023, 21/05/2024
Vesting pattern	16.66 16.66 16.66 50	16.66 16.66 16.66:50	16.66 16.66 16.66:50	16.66 16.66:16.66 50	16.66 16.66 16.66 50
Weighted average remaining contractual life					
Granted but not vested	1.76 years	1.78 years	1.94 years	2.25 years	2.14 years
Vested but not exercised	2.36 years	2.38 years	2.54 years	2.85 years	-
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 3 years from date of vesting				
Vesting conditions	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company				
Weighted average fair value of options as on grant date in (₹)	74.80	81.44	77.38	66.37	46.98



(Currency : ₹ in lacs)

41. Disclosure relating to employee stock option scheme (Continued)

Particulars	CSL employee stock option scheme 2017 - Grant XI	CSL employee stock option scheme 2017 - Grant XII	CSL employee stock option scheme 2017 - Grant XIII	CSL employee stock option scheme 2017 - Grant XIV	CSL employee stock option scheme 2017 - Grant XV
Date of grant	13 November 2020	01 January 2021	09 February 2021	24 February 2021	01 March 2021
Number of options granted	115,385	78,000	61,538	20,000	100,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	13/11/2021, 13/11/2022, 13/11/2023, 13/11/2024	1/1/2022, 1/1/2023, 1/1/2024, 1/1/2025	9/2/2022, 9/2/2023, 9/2/2024, 9/2/2025	24/2/2022, 24/2/2023, 24/2/2024, 24/2/2025	1/3/2022, 1/3/2023, 1/3/2024, 1/3/2025
Vesting pattern	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50
Weighted average remaining contractual life					
Granted but not vested	2.62 years	2.76 years	2.86 years	2.91 years	2.92 years
Vested but not exercised	-	-	-	-	-
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 3 years from date of vesting				
Vesting conditions	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company				
Weighted average fair value of options as on grant date in (₹)	31.37	35.47	37.46	38.16	38.41

Particulars	CSL employee stock option scheme 2017 - Grant XII
Date of grant	31 March 2021
Number of options granted	30,770
Method of settlement	Equity shares
Vesting period	31/3/2022, 31/3/2023, 31/3/2024, 31/3/2025
Vesting pattern	16.66:16.66:16.66:50
Weighted average remaining contractual life	
Granted but not vested	3.00 years
Vested but not exercised	-
Weighted average share price at the date of exercise for stock options exercised during the year	Nil
Exercise period	Within a period of 3 years from date of vesting
Vesting conditions	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company
Weighted average fair value of options as on grant date in (₹)	41.46

Note - During the year certain employees of the company has surrendered their 2,39,999 ESOP which was issued on August 06, 2019 and January 20, 2020 having an exercise price of Rs. 180 and Rs. 165 respectively. The company has re-issued the same number of ESOPs with the same vesting conditions at an exercise price of Rs. 130.



(Currency ₹ in lacs)

41. Disclosure relating to employee stock option scheme (Continued)
Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 are 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 fair value of options have been estimated on the date of grant using Black-Scholes model
The key assumptions used in Black-Scholes model for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants

Particulars	CSL employee stock option scheme 2017 - Grant I	CSL employee stock option scheme 2017 - Grant II	CSL employee stock option scheme 2017 - Grant III	CSL employee stock option scheme 2017 - Grant IV	CSL employee stock option scheme 2017 - Grant V
Risk-free interest rate	7.75%	8.02%	7.56%	7.48%	7.09%
Expected volatility of share price	39.71% *	41.40% *	41.56% *	41.6% *	42.28% *
Time to maturity (in years)	3.98	3.98	3.97	3.98	3.97
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation in (₹)	140 **	140 **	140 **	140 **	140 **
*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 VI	CSL employee stock option scheme 2017 - Grant VII	CSL employee stock option scheme 2017 - Grant VI	CSL employee stock option scheme 2017 - Grant IX	CSL employee stock option scheme 2017 - Grant X
Risk-free interest rate	5.99%	6.06%	5.94%	6.05%	5.08%
Expected volatility of share price	44.30% *	44.41%*	45.19%*	45.27%*	50.23%*
Time to maturity (in years)	3.80	3.79	3.71	3.55	3.41
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation in (₹)	180	180	180	165	120.95

*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



(Currency : ₹ in lacs)

42. 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.

a. Right of use asset :

Particulars	As at March 31, 2021	As at March 31, 2020
Office Premises :		
At cost at the beginning of the year	**1,854.97**	1,794.60
Additions during the year	92.10	60.37
Remeasurment of Assets	24.21	-
At cost at the end of the year	**1,971.28**	**1,854.97**
Accumulated depreciation as at the beginning of the year	**510.96**	**166.94**
Depreciation for the year	366.01	344.02
Accumulated depreciation as at the end of the year	**876.97**	**510.96**
Net carrying amounts as at the end of the year	**1,094.31**	**1,344.02**

b. Amount recognised in Statement of Profit and loss :

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation expense for the year on right-of-use assets	366.01	344.02
Interest expense for the year on lease liabilities	24.47	198.48
Total expenses recognised in Statement of profit and loss	**390.48**	**542.50**

The total cash outflow on account of lease rental amounting for the current year ₹ 447.99 lacs (previous year : ₹ 445.44 lacs).

The average lease term for the rented office premises is ranging between 5 to 12 years.

c. Lease liabilities :

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities	1,340.97	1,545.55
Total	**1,340.97**	**1,545.55**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	404.82	294.10
Later than 1 year and not later than 5 years	884.64	1,190.00
Later than 5 years	51.51	61.45
Total	**1,340.97**	**1,545.55**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Company has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.



(Currency : ₹ in lacs)

43. Details of dues to micro and small 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 required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of 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, 2021	As at March 31, 2020
1. The principal amount remaining unpaid at the end of the accounting year.	0.01	10.14
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	**0.01**	**10.14**



(Currency : ₹ in lacs)

44. Summarised classification of financial assets and liabilities :

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised cost	At fair value through profit and loss account	Total	Amortised cost	At fair value through profit and loss account	Total
Financial assets						
Cash and cash equivalents	12,365.55	-	**12,365.55**	874.64	-	**874.64**
Bank balance other than cash and cash equivalents	19,238.99	-	**19,238.99**	14,091.31	-	**14,091.31**
Trade receivables	357.77	-	**357.77**	657.93	-	**657.93**
Loans	127,880.52	-	**127,880.52**	83,238.19	-	**83,238.19**
Investments	1,508.21	4,014.54	**5,522.75**	-	7,250.81	**7,250.81**
Other financial assets (Refer Note 8)	323.11	-	**323.11**	8,328.15	-	**8,328.15**
Total	**161,674.14**	**4,014.54**	**165,688.68**	**107,190.21**	**7,250.81**	**114,441.02**
Financial liabilities						
Payables :						
(A) Trade payables						
(I) total outstanding dues of micro enterprises and small enterprises	0.01	-	**0.01**	10.14	-	**10.14**
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	735.93	-	**735.93**	1,039.00	-	**1,039.00**
(B) Other payables						
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	287.36	-	**287.36**	371.36	-	**371.36**
Debt securities	29,940.69	-	**29,940.69**	5,009.41	-	-
Borrowings (other than debt securities)	46,628.79	-	**46,628.79**	20,444.46	-	**20,444.46**
Other financial liabilities (Refer Note 19)	1,729.13	-	**1,729.13**	1,870.87	-	**1,870.87**
Total	**79,321.91**	-	**79,321.91**	**28,745.24**	-	**28,745.24**



(Currency : ₹ in lacs)

45. 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. 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 understanding of these sector/sub-sectors. 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 instrument in Statement of profit and loss. The write off decisions will be taken by 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:

(A) 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 group of borrowers.
As a result, Portfolio Segmentation considered for ECL computation for seventeen segments.

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 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 behavior 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 cutoff norms as set by Company from time to time and current status is Stage I 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) 0 - 30 days past due (DPD) as Stage I;
(ii) 31- 90 DPD as Stage II, and
(iii) outstanding > 90 DPD as Stage III.
Any deviation to the above classification shall be approved by audit committee of the board (ACB)

URGO CAPITAL LIMITED

(Currency ₹ in lacs)

45. Financial risk management (Continued)

Probability of Default (PD%)
PD are determined depending on the risk profile of the pool of loans based 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 Foundational-Internal Rating Based (F-IRB) approach or basis cashflows from post default workout and collections, as applicable to respective portfolio segments
LGD is determined based on FIRB approach for Stage 1 and Stage 2, 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 following for EAD computation
a On books principle 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 scenario, while arriving at EAD, FLDG amount would be subtracted
In case of default in such arrangements, if the trigger event occurs for both unsecured and Secured loans on 89th day the POS plus accumulated interest would be adjusted from FLDG. The interest accumulation to stop in accounting books for such assets as there would not be principal outstanding

(B) Undrawn exposure
In case of ECL on undrawn exposure , the EAD is computed after considering credit conversion factor (CCF) of 50% (percentage as prescribed by RBI) and 12 month ECL is computed for all undrawn commitments pertaining to Stage 1 assets considering PD% and LGD% of the respective categories of loans and advances.

Applicable provisions for NBFC covered under IndAS :
RBI under this circular provide that NBFCs which are required to comply with Indian Accounting Standards (IndAS) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per ICAI guidelines for recognition of the impairments.

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 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, focussing on key business aspects such as capacity utilization, production impact, fixed costs v/s cash flow
iii) For onward lending , the estimates are based on client level assessment
iv) For direct assignment, the estimates are based on partner assessment and high-level multipliers



45. 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, 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 loan originated during the year	920.10	30.62	56.60	-	-	1,007.32
Other movements (on account of change 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**	**1,011.01**	**-**	**270.00**	**2,553.31**
Opening balance as at April 01, 2019	**23.56**	**0.80**	**-**	**-**	**-**	**24.36**
Changes in the loss allowance during the year :						
Transfer to Stage 1	0.80	(0.80)	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
New loan originated during the year	611.41	52.67	359.68	-	-	1,023.76
Other movements (on account of change in EAD)	(2.52)	(0.57)	-	-	-	(3.09)
Closing balance as at March 31, 2020	**633.25**	**52.10**	**359.68**	**-**	**-**	**1,045.03**

B. Movement of expected credit loss (ECL) on loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
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 change in EAD)	(2.77)	-	-	(2.77)
Closing balance as at March 31, 2021	**8.69**	**-**	**-**	**8.69**
Opening balances as at April 01, 2019	-	-	-	-
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	2.77	-	-	2.77
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2020	**2.77**	**-**	**-**	**2.77**

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, 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 loan originated during the year	81,536.19	2,023.61	286.61	-	83,846.41
Other movements (on account of change in EAD)	(34,410.67)	(1,154.38)	(498.21)	-	(36,063.26)
Closing balance as at March 31, 2021	**125,998.34**	**3,751.00**	**3,044.42**	**-**	**132,793.76**
Opening balance of gross carrying amount as at April 01, 2019	**7,943.71**	**19.63**	**-**	**-**	**7,963.34**
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	10.31	(10.31)	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(111.72)	-	111.72	-	-
New loan originated during the year	78,270.04	1,820.70	706.04	-	80,796.78
Other movements (on account of change in EAD)	(3,740.20)	(9.31)	-	-	(3,749.51)
Closing balance as at March 31, 2020	**82,372.14**	**1,820.71**	**817.76**	**-**	**85,010.61**



45. Financial risk management (Continued)

D. Movement in loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
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	-	-	-	-
New loan commitments originated during the year	1,381.88	-	-	1,381.88
Other movements (on account of change in EAD)	(593.91)	-	-	(593.91)
Closing balance as at March 31, 2021	**1,381.88**	-	-	**1,381.88**
Opening balance as at April 01, 2019	-	-	-	-
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New loan commitments originated during the year	593.91	-	-	593.91
Other movements (on account of change in EAD)	-	-	-	-
Closing balance as at March 31, 2020	**593.91**	-	-	**593.91**

E. Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts The value of the collateral for the below calculation is taken at the date of loan inception

Advances (LTV band wise) :

LTV ratio	As at March 31, 2021		As at March 31, 2020	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	21,738.07	132.49	10,583.87	65.66
51% - 70%	21,100.79	183.50	14,683.58	123.69
71%-90%	17,935.08	126.71	9,046.87	67.07
> 90%	28,256.91	419.90	98.64	0.07

Credit impaired advances (LTV band wise) :

LTV ratio	As at March 31, 2021		As at March 31, 2020	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	374.80	30.30	122.11	1.41
71%-90%	99.29	5.08	-	-
> 90%	579.93	89.59	-	-

*There is no collateral repossessed by the Company during the year

UGRO CAPITAL LIMITED

45. 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. Our 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. Company continues to maintain 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, 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 year	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	-
Trade receivables	357.77	357.77	-	357.77	-	-	-
Loans	120,442.52	161,045.73	3,347.20	8,463.97	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	323.11	323.11	-	-	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	735.93	745.88	32.64	580.07	133.17	-	-
(B) Other payables							
(I) total outstanding dues of creditors other than micro enterprises and small enterprises	287.36	287.36	-	-	287.36	-	-
Debt securities	29,940.69	34,226.07	48.72	1,234.19	17,224.43	15,718.73	-
Borrowings (other than debt securities)	46,628.79	49,947.65	2,145.53	3,622.18	15,300.54	28,879.40	-
Other financial liabilities	1,729.13	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2020 :

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 year	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	874.64	874.64	874.64	-	-	-	-
Bank balance other than cash and cash equivalents	14,991.31	338.58	1.43	-	4,672.54	10,494.69	-
Trade receivables	657.93	657.93	-	657.93	-	-	-
*Loans	83,238.19	112,088.44	1,790.38	14,873.31	25,510.24	45,452.40	24,462.11
Investments	7,250.81	7,250.81	7,250.81	-	-	-	-
Other financial assets	8,328.14	8,328.14	4,130.44	4,000.00	-	191.55	6.16
Financial liabilities (outflow) :							
(A) Trade payables							
(I) total outstanding dues of micro enterprises and small enterprises	10.14	10.14	-	10.14	-	-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	1,039.00	1,061.58	38.61	702.50	110.06	123.29	-
(B) Other payables							
(I) total outstanding dues of creditors other than n	371.36	371.36	-	-	371.36	-	-
Debt securities	5,009.41	5,061.40	5,061.40	-	-	-	-
Borrowings (other than debt securities)	20,141.46	22,775.45	1,306.12	1,692.98	9,081.20	7,695.15	-
Other financial liabilities	1,870.87	2,317.44	37.95	84.33	351.96	1,756.90	86.30

* Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement

UGRO CAPITAL LIMITED

45. Financial risk management (Continued)

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	-	-
Capital commitments (outflow)	-	47.00	47.00	-	-

Undiscounted cash flows by contractual maturities for off Balance Sheet items as at March 31, 2020 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	593.06	593.06	-	-
Capital commitments (outflow)	-	188.12	188.12	-	-

The Company has disclosed below information as stated in RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated november 04, 2019 that enables 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 non deposit taking non banking finance company (NBFC). The Company had not invested in any public deposit.

Sr.No.	Number of Significant counterparties	Amount	% of Total Liabilities
1	10	54775.47*	71.26%

* The amount considered above excludes unmortised borrowing cost.

(ii) Top 20 large deposits (amount in ₹ lacs and % of total deposits) :
The Company is a non deposit taking non banking finance company (NBFC).

(iii) Top 10 borrowings (amount in ₹ lacs and % of total borrowings) :

Particulars	As at March 31, 2021	As at March 31, 2020
Total borrowing from ten largest lenders	54775.47*	25688.75*
Percentage of borrowing from ten largest lenders to total borrowing of the Company	71.26%	100%

* The amount considered above excludes unmortised borrowing cost.

(iv) Funding concentration based on significant instrument / product :

Sr No.	Name of instrument / product	As at March 31, 2021		As at March 31, 2020	
		Amount	% of total liabilities	Amount	% of total liabilities
1	Term loan facilities	40,925.39	51.26%	13,216.88	45.43%
2	Cash credit / overdraft facilities	4,086.54	5.12%	3,236.71	11.13%
3	Non convertible debenture	24,670.81	30.90%	5,000.00	17.19%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	1,616.85	2.02%	4,235.17	14.56%
5	Commercial paper	5,269.88	6.60%	-	-
Total		76,569.47	95.90%	25,688.76	88.30%

(v) Stock Ratios :

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2021			As at March 31, 2020		
	% of total public funds *	% of total liabilities	% of total assets	% of total public funds *	% of total liabilities	% of total assets
Commercial papers	5.88%	7.01%	3.70%	-	-	-

(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 borrowing through non-convertible debentures (original maturity of less than one year) in 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, 2021			As at March 31, 2020		
	% of total public funds *	% of total liabilities	% of total assets	% of total public funds *	% of total liabilities	% of total assets
Cash credit / overdraft facilities	4.29%	5.12%	2.33%	3.51%	11.12%	2.67%

The amount considered above excludes unmortised borrowing cost.
* Total public funds comprises of total equity

UGRO CAPITAL LIMITED

45. Financial risk management (Continued)

c. Market risk

Market risk is the risk that the fair value or 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.

The Company primarily deploy 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 investment 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 Company's investment of mutual fund schemes on profit for the period.

Sensitivity :	**Impact on Statement of Profit and Loss**	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Liquid plus scheme - NAV rate - increase by 0.50% respectively at the reporting period *	-	25.74
Liquid plus scheme - NAV rate - decrease by 0.50% respectively at the reporting period *	-	(25.74)
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	46.17	21.03
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	(46.17)	(21.03)
* 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 below two perspectives :

a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rate.

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 rate.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure positions are maintained within the established limits.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Variable rate borrowings	30,331.48	14,209.98
Fixed rate borrowings	46,535.94	11,478.77
Total borrowings	**76,867.42**	**25,688.75**

*excluding other borrowing cost

The Company had the following variable rate borrowings outstanding :

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Weighted average cost	11.02%	11.43%
Outstanding balance (excluding other borrowing cost)	30,331.48	14,209.98
% of total borrowings	39.46%	55.32%
Sensitivity :	**Impact on profit or loss**	
Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
*Interest rate - increase by 1%	262.85	84.49
*Interest rate - decrease by 1%	(262.85)	(84.49)

* Impact on Statement of profit and loss up to 1 year, holding all other variables constant.

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 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.

During the year, the the Company has not come across any instances of fraud.

Capital Management :

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in 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 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, 2021**	**As at March 31, 2020**
The gearing ratio at each date were as follows :		
*Debt (I)	77,910.45	26,909.42
Cash and bank balances (II) (Refer Note 3)	12,365.55	874.64
Net debt (I - II)	**65,544.90**	**26,124.78**
Total equity	**95,243.82**	**92,152.36**
Net debt to equity ratio	**0.69**	**0.28**

* Debt includes debt securities, borrowings and lease liabilities.



(Currency : ₹ in lacs)

46. Details of all collateral used as security for liabilities

Particulars	Carrying amount of financial assets pledged	
	As at 31st March, 2021	As at 31st March, 2020
Assets type		
Loans receivable as collateral under lending agreements	84,052.22	22,131.21
Loans receivable as collateral under PTC agreements	582.12	324.92
Cash collateral under lending agreements	189.09	400.00
Fixed deposit (original maturity between 3 to 12 months) as collateral under lending agreements	52.02	-
Fixed deposit (original maturity between 3 to 12 months) as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	332.36	312.00
Fixed deposit (original maturity more than 12 months) as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	297.74	275.00



(Currency : ₹ in lacs)

47. Income tax

Table A **The major components of tax expense for the year ended March 31, 2021 and March 31, 2020 :**

Sr.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Statement of profit and loss :		
(a)	**(i) Profit and loss section :**		
	Current income tax :		
	Tax for current year as per minimum alternate tax	482.99	296.31
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(2,142.83)	(1,916.38)
	Income tax expense reported in the Statement of profit and loss	**(1,659.84)**	**(1,620.07)**
(b)	**Other comprehensive income (OCI) section :**		
	Current income tax :		
	Net loss on remeasurement of defined benefit obligations	-	-
	Deferred tax :		
	Net loss on remeasurement of defined benefit obligations	5.59	0.01
	Income tax expense reported in the OCI section	**5.59**	**(0.01)**

Table B **Reconciliation of effective tax rate :**

Sr.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Profit before tax (PBT)**	1,212.91	331.79
2	Applicable tax rate*	29.12%	27.82%
3	PBT * applicable tax rate (1*2)	353.20	92.30
4(a)	**Add : Provisions and contingencies not allowed under income tax**		
(i)	Provision for impairment losses on financial instruments	440.94	284.71
(ii)	Provision for gratuity	5.37	8.70
(iii)	Provision for compensated absences	6.94	27.71
	Sub total	**453.25**	**321.12**
4(b)	**Add: Non deductible expense under income tax**		
(i)	Interest on TDS / penalty	0.11	0.14
(ii)	Provision for share based payments to employees	59.73	180.48
(iii)	Lease rentals expense under IndAS 116	13.19	27.00
(iv)	Preliminary expense disallowed (gross)	-	-
(v)	Booking of unrealised loss	34.65	-
(vi)	Others	5.84	0.99
	Sub total	**113.52**	**208.62**
4(c)	**Less : Income not chargeable under income tax**		
(i)	Dividend income	-	(4.84)
(ii)	Booking of unrealised gain	-	(34.48)
	Sub total	**0.00**	**(39.32)**
4(d)	**Add : Income chargeable under income tax**		
(i)	Upfront booking of processing fees collected on loans	156.53	172.51
	Sub total	**156.53**	**172.51**
4(e)	**Less : Tax deductible expenses**		
(i)	Tax benefit of preliminary expense	(62.69)	(5.05)
(ii)	Upfront booking of borrowing expenses	(329.07)	(138.11)
(iii)	Upfront booking of loan sourcing cost	(93.38)	(268.19)
(iv)	Depreciation of property, plant and equipment and intangible assets	73.84	(19.84)
	Others	(27.53)	-
	Sub total	**(438.83)**	**(431.19)**
4(f)	**Less : Brought forward tax losses under income tax**		
	Brought forward tax losses set off during the year	(637.66)	(324.03)
	Sub total	**(637.66)**	**(324.03)**
5	Add :Tax for current year as per minimum alternate tax	482.99	296.31
6	Less :Unutilised minimum alternate tax credit entitlement	(482.99)	(296.31)
7	**Tax expense recognised during the year (Total 1 to 6)**	0.00	0.00
8	Effective tax rate	-	-

* The applicable tax is the rate prescribed under the Income - tax Act, 1961.



(Currency : ₹ in lacs)

47. Income tax (Continued)

Table C **Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss :**

Particulars	Balance Sheet		Statement of profit and loss and other comprehensive income	
	As at March 31, 2021	As at March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax assets (DTA)				
Provision for compensated absences	49.75	40.90	8.85	27.71
Provision for gratuity	20.71	14.66	6.05	8.69
Others	28.88	1.54	27.34	0.99
Deferred revenue income - processing fees allowed upfront in income tax	358.33	195.07	163.24	172.51
Provision for impairment losses on financial instruments	746.06	291.50	454.56	284.71
Lease rentals expense under IndAS 116	71.99	56.23	15.76	27.16
Preliminary expense (gross)	132.50	15.16	117.34	(5.05)
ESOS expenses disallowance	248.64	180.48	68.16	180.48
Unutilised minimum alternate tax credit entitlement	926.44	443.45	482.99	296.31
Income tax losses carried forward	2,748.92	1,391.00	1,357.92	1,391.00
Total (A)	**5,332.22**	**2,629.99**	**2,702.21**	**2,384.51**
Deferred tax liabilities (DTL)				
Difference in written down value of property, plant and equipment and intangible assets	157.79	23.26	134.53	19.84
Receivable On EIS DA	22.27	-	22.27	-
Unrealised gain / (loss) on investments	3.91	36.83	(32.92)	34.48
Prepaid fees / charges on debt securities allowed upfront in income tax	113.61	10.70	102.91	10.70
Prepaid fees / charges on borrowings allowed upfront in income tax	361.12	127.41	233.71	134.93
Deferred loan sourcing cost allowed upfront income tax	379.97	275.48	104.49	268.19
Total (B)	**1,038.67**	**473.68**	**564.98**	**468.14**
Deferred tax asset / (liability)	**4,293.55**	**2,156.31**	-	-
Deferred tax expense / (benefit)	-	-	**(2,137.24)**	**(1,916.37)**

Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax losses :		
AY 2015-16 (Expiry - AY 2023-24)	-	3,573.56
AY 2016-17 (Expiry - AY 2024-25)	-	2,372.92
AY 2017-18 (Expiry - AY 2025-26)	-	0.11

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48. 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

IndAS 107, 'Financial Instrument - 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 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. This is the case for unlisted equity securities included in level 3

a) Fair value hierarchy of financial instruments classified in amortised cost category :

Particulars	Fair value as on March 31, 2021			Carrying value as on March 31, 2021	Fair Value as on March 31, 2020			Carrying value as on March 31, 2020
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Cash and cash equivalents	12,365.55	-	-	12,365.55	-	874.64	-	874.64
Bank balances other than cash and cash equivalents	19,238.99	-	-	19,238.99	-	14,091.32	-	14,091.31
Trade receivables	-		357.77	357.77	-	657.93	-	657.93
Loans	-	-	131,247.25	127,880.52	-	-	85,074.47	83,238.19
Investments	1,476.71			1,508.21	-	-	-	-
Other financial assets	-	-	323.11	323.11	-	8,328.15	-	8,328.15
Total	**33,081.25**	**-**	**131,928.13**	**161,674.15**	**-**	**23,952.04**	**85,074.47**	**107,190.21**
Liabilities								
Payables								
(A) Trade payables								
(I) total outstanding dues of micro enterprises and small enterprises	-	-	0.01	0.01	-	10.14	-	10.14
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	735.93	735.93	-	1,039.00	-	1,039.00
(B) Other payables								
(I) total outstanding dues of creditors other than micro enterprises and small enterprises		-	287.36	287.36		371.36	-	371.36
Debt securities	-	30,179.74	-	29,940.69	-	5,009.41	-	5,009.41
Borrowings	-	47,326.05	-	46,628.79	-	21,051.81	-	20,444.46
Other financial liabilities	-	-	1,729.13	1,729.13	-	1,870.87	-	1,870.87
Total	**-**	**77,505.79**	**2,752.43**	**79,321.91**	**-**	**29,352.59**	**-**	**28,745.24**

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, 2021			Carrying value as on March 31, 2021	Fair Value as on March 31, 2020			Carrying value as on March 31, 2020
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	4,014.54	-	-	4,014.54	7,250.81	-	-	7,250.81
Total	**4,014.54**	**-**	**-**	**4,014.54**	**7,250.81**	**-**	**-**	**7,250.81**

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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(Currency : ₹ in lacs)

49. Maturity profile of assets and liabilities :

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets :						
Financial assets :						
Cash and cash equivalents	12,365.55	-	12,365.55	874.64	-	874.64
Bank balance other than cash and cash equivalents	18,480.05	758.94	19,238.99	321.97	-	321.97
Trade receivables	357.77	-	357.77	657.93	-	657.93
Loans	45,798.56	84,643.96	130,442.52	33,522.09	49,716.10	83,238.19
Investments	4,014.54	1,508.21	5,522.75	7,250.81	-	7,250.81
Other financial assets	94.97	228.14	323.11	12,210.47	9,887.02	22,097.49
Non-financial assets :						
Current tax assets (net)	-	-	-	143.72	-	143.72
Deferred tax asset (net)	-	4,293.55	4,293.55	-	2,156.31	2,156.31
Property, plant and equipment	-	468.60	468.60	-	586.82	586.82
Right of use asset	-	1,094.31	1,094.31	-	1,344.01	1,344.01
Intangible assets under development	-	388.41	388.41	-	93.96	93.96
Other intangible assets	-	2,062.02	2,062.02	-	1,839.34	1,839.34
Other non-financial assets	1,093.91	-	1,093.91	566.18	74.88	641.06
Total	**82,205.35**	**95,446.14**	**177,651.49**	**55,547.81**	**65,698.44**	**121,246.25**
Liabilities :						
Financial liabilities :						
(A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01	10.14	-	10.14
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	735.93	-	735.93	921.79	117.21	1,039.00
(B) Other payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	287.36	-	287.36	371.36	-	371.36
Debt securities	16,112.25	13,828.44	29,940.69	5,009.41		5,009.41
Borrowings (other than debt securities)	21,103.91	25,524.88	46,628.79	13,464.32	6,980.14	20,444.46
Other financial liabilities	436.44	1,292.69	1,729.13	303.99	1,566.88	1,870.87
Non-financial liabilities :						
Provisions	38.22	203.77	241.99	31.39	168.33	199.72
Current tax liabilities (net)	144.13	-	144.13	-	-	-
Other non-financial liabilities	137.64	-	137.64	148.93	-	148.93
Total	**38,995.89**	**40,849.78**	**79,845.67**	**20,261.33**	**8,832.56**	**29,093.89**

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(Currency : ₹ in lacs)

50. Disclosure pursuant to IndAS 7 ' Statement of Cash Flows' - changes in liabilities arising from financing activities :

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	24,931.28	-	29,940.69
Borrowings (other than debt securities)	20,444.46	26,184.33	-	46,628.79
Other financial liabilities				
Lease liabilities	1,545.55	(320.89)	116.31	1,340.97

Particulars	As at April 01, 2019	Cash inflow / (outflow)	Creation of right of use assets	As at March 31, 2020
Debt securities	-	5,009.41	-	5,009.41
Borrowings (other than debt securities)	973.60	19,470.86	-	20,444.46
Other financial liabilities				
Lease liabilities	1,732.15	(246.98)	60.38	1,545.55



Notes forming part of the financial statements (Continued)
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(Currency : ₹ in lacs)

51. Financial assets are transferred but not derecognised in their entirety :

a) Securitisation

Particulars	As at March 31, 2021		As at March 31, 2020	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of Assets	2,089.55	-	4,560.09	-
Carrying amount of associated Liabilities	1,649.40	-	4,235.17	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	2,050.63	-	4,852.13	-
Fair value of associated liabilities (B)	1,632.39	-	4,282.84	-
Net Position (C) = (A - B)	**418.24**	-	**569.29**	-

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, 2021	As at March 31, 2020
Carrying amount of de-recognised financial asset	1,251.63	Nil
Carrying amount of retained asset at amortised cost	312.91	Nil
Gain on sale of the de-recognised financial asset	Nil	Nil



52. 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

Particulars		As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	65.55	88.25
ii)	CRAR - Tier I capital (%)	65.15	88.07
iii)	CRAR - Tier II capital (%)	0.40	0.18
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, 2021	As at March 31, 2020
(1)	Value of investments				
	(i)	Gross value of investments			
		(a)	In India	**5,522.75**	**7,250.81**
		(b)	Outside India.	-	-
	(ii)	Provisions for depreciation			
		(a)	In India	-	-
		(b)	Outside India.	-	-
	(iii)	Net value of investments			
		(a)	In India	**5,522.75**	**7,250.81**
		(b)	Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments				
	(i)	Opening balance		-	-
	(ii)	Add : provisions made during the year		-	-
	(iii)	Less : write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		-	-

c. Derivatives

During the current and previous year, the Company has not entered into any derivative contract and at the year end there is no outstanding derivative contract. Therefore, disclosures pertaining to derivatives are not applicable.

d. Disclosures relating to securitization

Details of securitization :

Sr No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the applicable NBFC for securitization transactions*	2	2.00
2	Total amount of securitized assets as per books of the SPVs sponsored	2,055.74	4,560.09
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	582.12	324.92
	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	-	-
	a. On - Balance Sheet exposures		
	i) Exposure to own securitizations		
	First loss	630.10	587.00
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-

*Only the SPVs relating to outstanding securitization transactions.

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Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

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. Therefore, disclosures pertaining to it are not applicable.

Details of assignment transactions undertaken during the year :

Sr No.	Particulars	As at March 31, 2021	As at March 31, 2020
1.	No. of accounts	107	-
2.	Aggregate value (net of provisions) of accounts assigned	1,439.68	-
3.	Aggregate consideration	1,439.68	-
4.	Additional consideration realized in respect of accountstransferred in earlier years	-	-
5.	Aggregate gain / loss over net book value	-	-

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. Therefore disclosures pertaining to it are not applicable.

e. 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	10,171.27	6,218.19	9,540.61	12,690.69	42,035.32	14,774.32	27,835.29	130,442.52
Investments	4,014.54	-	-	-	-	-	-	-	1,017.87	490.34	5,522.75
Liabilities	-	-	-	-	-	-	-	-	-	-	-
Borrowings :	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks and financial Institutions	4,256.32	924.49	815.85	1,380.24	1,416.43	3,954.36	8,355.23	23,424.39	2,100.48	-	46,628.79
Market borrowings (Debt Securities)	-	-	38.74	-	799.57	3,441.05	11,832.89	13,018.06	810.38	-	29,940.69

*Impairment loss allowance of ₹ 2,562.01 lacs and adjustments related to effective interest rate are not part of above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2020 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*	932.61	237.60	401.52	717.00	12,803.81	9,199.10	10,028.52	23,657.77	7,689.50	19,110.88	84,778.31
Investments	7,250.81	-	-	-	-	-	-	-	-	-	7,250.81
Liabilities	-	-	-	-	-	-	-	-	-	-	
Borrowings :	-	-	-	-	-	-	-	-	-	-	
Borrowings from banks and financial Institutions	3,343.15	285.54	563.43	666.57	715.57	2,505.33	5,580.24	7,093.69	-	-	20,753.53
Market borrowings (Debt Securities)	45.68	5,000.00	-	-	-	-	-	-	-	-	5,045.68

*Impairment loss allowance of ₹ 1,047.80 lacs and adjustments related to effective interest rate are not part of above disclosure. Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

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Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency ₹ in lacs)

f. Exposures :

Category			As at March 31, 2021	As at March 31, 2020
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	56,012.71*	34,669.33*
	(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			**56,012.71**	**34,669.33**

* These include properties held as underlying security

Particulars			As at March 31, 2021	As at March 31, 2020
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 :

There are no parent company products which are financed by the Company during the current and previous year.

h. Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company :

Particulars	As at March 31, 2021	As at March 31, 2020
Single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company *	-	-

*The Company has acquired ("acquisition") from Avanse Financial services limited ("Avanse"), by way of assignment it's unsecured MSME financing business, for a consideration of ₹ 6793.97 lacs in respect of 391 loan agreements vide transaction document executed between the Company and Avanse on July 8, 2019. Due to IndAS 109 implication the same has been treated as single loan to Avanse. The Company has not exceeded exposure towards single borrower / group borrower limit.



Notes forming part of the financial statements (Continued)
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(Currency : ₹ in lacs)

i. Unsecured advances :
a) 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, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
	-	-

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 38 of the financial statements

m. Ratings assigned by credit rating agencies and migration of ratings during the year :

Rating agency	Type	Rating
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A / stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) - Series 1	ACUITE A / stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) - Series 2	ACUITE A / stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) - Series 3	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)

* There is no migration in rating during the current year.

n. Remuneration of directors :

Particulars	As at March 31, 2021	As at March 31, 2020
Transactions with the non-executive	123.38	141.00

Refer Note 38 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, 2021	As at 31st March, 2020
Provision towards NPA	1,350.25	359.68
Provision made towards income tax	926.44	443.45
Provision for standard assets	1,211.75	688.12



Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

q. Draw down from reserves :

During the year, the Company has not drawn down any amount from reserves

Concentration of deposits, advances, exposures and NPAs :

r. Concentration of advances :

Particulars	As at March 31, 2021	As at March 31, 2020
Total advance to twenty largest borrowers	12,055.60	13,908.44
Percentage of advances to twenty largest borrowers to total advances of the company	8.98%	16.25%

s. Concentration of exposures :

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers	12,055.60	13,908.44
Percentage of exposures to twenty largest borrowers to total exposure of the company	8.98%	16.25%

t. Concentration of NPAs :

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	763.01	598.06

u. Sector-wise NPAs :

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2021	As at March 31, 2020
1	Agriculture & allied activities	-	-
2	MSME	2.40%	0.96%*
3	Corporate borrowers	16.82%	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

v. Movement of NPAs :

Particulars			As at March 31, 2021	As at March 31, 2020
(i)	Net NPAs to Net Advances (%)		1.75%	0.54%
(ii)	Movement of NPAs (gross)			
	(a)	Opening balance	817.76	-
	(b)	Additions during the year	3,328.15	817.76
	(c)	Reductions during the year	498.21	-
	(d)	Closing balance	3,647.71	817.76
(iii)	Movement of Net NPAs			
	(a)	Opening balance	458.08	-
	(b)	Additions during the year	2,097.47	458.08
	(c)	Reductions during the year	258.10	-
	(d)	Closing balance	2,297.45	458.08
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	359.68	-
	(b)	Provisions made during the year	1,212.21	359.68
	(c)	Write-off / write-back of excess	221.64	-
	(d)	Closing balance	1,350.25	359.68

w. Overseas assets (for those with joint ventures and subsidiaries abroad) :

There are no overseas assets.

x. 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.

y. Customer complaints :

Sr No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	11	Nil
(c)	No. of complaints redressed during the year	11	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

z. Revenue recognition :

There are no postponement of revenue due to pending resolution of significant uncertainties.

URGO CAPITAL LIMITED

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

aa. 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, 2020	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	5	-	-	-	5
		Amount outstanding	-	-	-	-	-	597.76	-	-	-	597.76
		Provision thereon	-	-	-	-	-	69.25	-	-	-	69.25
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-off's of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Restructured accounts as on March 31 , 2021	No. of borrowers	-	-	-	-	-	**5**	-	-	-	**5**
		Amount outstanding	-	-	-	-	-	**597.76**	-	-	-	**597.76**
		Provision thereon	-	-	-	-	-	**69.25**	-	-	-	**69.25**



Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

ab. Schedule to the Balance Sheet of a NBFC :

Particulars			As at March 31, 2021		As at March 31, 2020	
			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	24,670.81	-	5,009.41	-
	ii	Unsecured	-	-	-	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits	-	-	-	-
	c	Term loans	40,925.40	-	13,030.97	-
	d	Inter - corporate loans and borrowings	-	-	-	-
	e	Commercial paper	5,269.88	-	-	-
	f	Public deposits	-	-	-	-
	g	Other Loans	5,703.39	-	7,413.49	-
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, 2021**		**As at March 31, 2020**	
3	**Break - up of gross loans and advances including bills receivables (other than those included in (4) below) :**					
	a	Secured	86,930.23		58,913.32	
	b	Unsecured	43,512.29		25,372.67	
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	-		-	

URGO CAPITAL LIMITED

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

ab. Schedule to the Balance Sheet of a NBFC (Continued) :

Assets Side			**As at March 31, 2021**		**As at March 31, 2020**	
5	b	Unquoted				
		(i) Shares				
		a. Equity	-		-	
		b. Preference	-		-	
		(ii) Debentures and bonds	-			
		(iii) Units of mutual funds	4,014.54		7,250.81	
		(iv) Government securities	-		-	
		(v) Others	-		-	
	Long term investments					
	a	Quoted				
		(i) Shares				
		a. Equity	-		-	
		b. Preference	-		-	
		(ii) Debentures and bonds	1,508.21		-	
		(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	-		-	
6	**Borrower group wise classification of assets financed in (3) and (4) above (gross) :**		**As at March 31, 2021**		**As at March 31, 2020**	
	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	86,930.23	43,512.29	58,913.32	25,372.67
		Total	**86,930.23**	**43,512.29**	**58,913.32**	**25,372.67**
	** 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	5,522.75		7,250.81	
		Total	**5,522.75**		**7,250.81**	
	** As per accounting standard issued by ICAI.					
8	Other information					
	Particulars					
	a	**Gross non performing assets :**	**3,647.71**		**817.76**	
		i. Related parties	-		-	
		ii. Other than related parties	3,647.71		817.76	
	b	**Net non performing assets :**	**2,297.45**		**458.08**	
		i. Related parties	-		-	
		ii. Other than related parties	2,297.45		458.08	
	c	**Assets acquired in satisfaction of debt**	-		-	



Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

ac. 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 IndAS 109	Gross carrying amount as per IndAS	Loss allowances (provisions) as required under IndAS 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	125,395.07	1,128.03	124,267.04	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**	**127,380.22**	**1,205.97**	**126,174.25**	**560.02**	**645.95**
	Stage 2	**3,751.00**	**75.03**	**3,675.97**	**14.94**	**60.08**
	Stage 3	**3,044.42**	**1,281.00**	**1,763.42**	**1,109.58**	**171.42**
	Total	**134,175.64**	**2,562.00**	**131,613.64**	**1,684.54**	**877.46**



ac. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2020 :

Asset classification as per RBI norms	Asset classification as per IndAS 109	Gross carrying amount as per IndAS	Loss allowances (provisions) as required under IndAS 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	82,372.14	632.68	81,739.46	330.94	301.75
	Stage 2	1,820.70	52.67	1,768.03	63.01	(10.34)
Non-performing assets (NPA)						
Substandard	Stage 3	817.76	359.68	458.08	81.78	277.90
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	Stage 1	593.91	2.77	591.14	-	2.77
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**82,966.05**	**635.45**	**82,330.60**	**330.94**	**304.51**
	Stage 2	**1,820.70**	**52.67**	**1,768.03**	**63.01**	**(10.34)**
	Stage 3	**817.76**	**359.68**	**458.08**	**81.78**	**277.90**
	Total	**85,604.51**	**1,047.80**	**84,556.71**	**475.73**	**572.07**



53 Impact of COVID 19 pandemic

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, the sale of third party products and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations

As a matter of prudence, the Company has made a provision of Rs. 295.59 lacs towards recoverability of its loans and advances.

b. Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 ("RBI Circular") :

In accordance with the COVID-19 Regulatory Packages announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company, in line with its board approved policy, offered a moratorium on the repayment of all instalments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

Period	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI Circular	Respective amount where asset classification benefits is extended	Provisions made in terms of paragraph 5 of RBI Circular	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular
As on 31st March 2020	1,211.37	1,211.37	60.57	NA
As on 31st March 2021	1,797.29	Nil*	Nil**	NA

* There are NIL accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been at actuals.

**The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has created an additional Covid provision in Q4 FY2020 and Q1 FY2021 amounting to Rs 448.86 lacs. The residual provisions had been written back/ adjusted by the Company in March 2021 as per the circular

54 Note on Social Security Code

The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.

55 Supreme Court Order dated 23 March 2021

The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr.), vide an interim order dated September 03, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders which was subsequently vacated vide final order dated March 23, 2021. Accordingly, the Company has classified and recognised provision as at 31 March 2021 in accordance with the Company's Expected Credit Loss policy.

Pursuant to the order passed by the Honourable Supreme Court read along with the instructions received from RBI circular dated April 07 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 the Company has put in place a Board approved policy and the methodology for calculation of the amount to be refunded/ adjusted by way of the interest on interest / penal interest' charged to borrowers during the moratorium period i.e., March 01, 2020 to August 31, 2020. The Company has estimated the said amount, considering the relevant portfolio, and has accordingly recognised a charge of Rs. 54.71 lacs in its Statement of Profit and Loss for the year ended March 31, 2021.

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The Company had implemented the ex-gratia scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.



(Currency : ₹ in lacs)

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

56 a Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress

Type of borrower	(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	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons*	Nil	Nil	Nil	Nil	Nil
Of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

56 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, 2021:

No. of accounts restructured	Amount
156	7,356.11

56 c Disclosure on frauds pursuant to RBI Master direction
During the year 2020-21, one fraud instance aggregating to Rs. 500 Lacs (Previous Year : Nil) was detected and reported to RBI

URGO CAPITAL LIMITED

Notes forming part of the financial statements (Continued)
For the year ended March 31, 2021

(Currency : ₹ in lacs)

57 Previous year figures have been reclassified / regrouped wherever necessary to confirm to / with the current year classification / disclosure

As per our report of even date attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm's Registration No 105047W

Swapnil Kale
Partner
Membership No 117812

Mumbai
June 29, 2021

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN 00510618
Gurugram
June 29, 2021

Abhijit Sen
Director & Chairman
- Audit Committee
DIN 00002593
Mumbai
June 29, 2021

Sandeepkumar Zanvar
Chief Financial Officer
Mumbai
June 29, 2021

Aniket Karandikar
Company Secretary
Mumbai
June 29, 2021

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 on audited financial results for the quarter and year ended March 31, 2022 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of UGRO Capital Limited

Report on the Audit of Financial Results

Opinion

We have audited the accompanying financial results of UGRO Capital Limited (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2022 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

i) is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii) gives a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2022.

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 Results 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 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.

Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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.

MSKA & ASSOCIATES * Chartered Accountants *

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation. .

We communicate with those charged with governance of the Company of which we are the independent auditors 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.



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Other Matter

The Statement include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our Opinion is not modified in respect of the above matter.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJMBKL4166

Mumbai
May 24, 2022

Head Office: 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (E), Mumbai 400063, INDIA, Tel: +91 22 6831 1600
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UGRO CAPITAL LIMITED

Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070

Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Audited Financial Results for the quarter and year ended March 31, 2022

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited #	Unaudited	Audited #	Audited	Audited
1	Revenue from operations					
	(a) Interest income	9,403.08	7,335.98	4,374.10	27,215.28	14,683.43
	(b) Net Gain / (Loss) on derecognition of financial instruments under amortised cost category	1,612.29	629.68	57.22	2,852.50	129.42
	(c) Net gain on fair value changes	(5.27)	(5.25)	14.54	33.67	34.68
	(d) Fees and commission income	198.68	265.24	68.78	626.01	133.54
2	Other income	213.90	300.23	350.86	614.13	352.77
3	**Total income (1 + 2)**	**11,422.68**	**8,525.88**	**4,865.50**	**31,341.59**	**15,333.84**
4	(a) Finance cost	4,968.30	3,839.88	1,630.28	13,738.92	4,456.24
	(b) Impairment on financial instruments	926.31	936.03	867.47	2,941.54	1,961.71
	(c) Employee benefits expense	2,795.48	1,894.51	1,291.18	7,289.06	4,532.67
	(d) Depreciation, amortisation and impairment	376.83	310.22	313.61	1,233.26	1,173.91
	(e) Other expenses	1,552.69	1,038.06	524.66	4,121.03	1,996.40
	Total expense	**10,619.61**	**8,018.70**	**4,627.20**	**29,323.81**	**14,120.93**
5	**Profit before tax (3-4)**	**803.07**	**507.18**	**238.30**	**2,017.78**	**1,212.91**
6	Tax expense					
	(a) Current Tax	272.01	246.42	116.64	660.90	482.99
	(b) Deferred Tax	(77.49)	(77.81)	(33.53)	(98.18)	(2,142.83)
	Total tax expense (a +b)	**194.52**	**168.61**	**83.11**	**562.72**	**(1,659.84)**
7	**Profit for the period (5-6)**	**608.55**	**338.57**	**155.19**	**1,455.06**	**2,872.75**
8	**Other comprehensive income**					
	Items that will not be reclassified to profit and loss					
	Remeasurements of the defined benefit obligations	(2.78)	5.30	12.38	25.67	19.19
	Income tax relating to items that will not be reclassified to profit and loss	0.82	(1.54)	(3.69)	(7.47)	(5.59)
	Items that will be reclassified to profit and loss					
	The effective portion of Gains and Loss on hedging instrument in a cash flow hedge	91.86	(82.86)	-	9.00	-
	Income tax relating to items that will be reclassified to profit and loss	(26.75)	24.13	-	(2.62)	-
	Total other comprehensive income (Net of Tax)	**63.15**	**(54.97)**	**8.69**	**24.58**	**13.60**
9	**Total comprehensive income (7+8)**	**671.70**	**283.60**	**163.88**	**1,479.64**	**2,886.35**
10	Paid Up Equity Share Capital (Face Value Rs. 10 each)	7,055.94	7,052.86	7,052.86	7,055.94	7,052.86
11	**Earnings per share (Face Value of Rs 10 each)**					
	Basic (in rupees)	0.86	0.48	0.22	2.06	4.07
	Diluted (in rupees)	0.84	0.47	0.22	2.05	4.07
		Not annualised	Not annualised	Not annualised		

 # Refer Note no. 15

UGRO CAPITAL LIMITED

UGRO CAPITAL LIMITED

Statement of Assets and Liabilities as at March 31, 2022

(Rupees in Lakh)

Sr. No.	Particulars	As at March 31, 2022 Audited	As at March 31, 2021 Audited
	ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	6,574.94	12,365.55
(b)	Bank balances other than cash and cash equivalents above	12,260.25	19,238.99
(c)	Derivative financial instruments	22.29	-
(d)	Loans	2,45,048.34	1,28,269.61
(e)	Investments	6,943.99	5,522.75
(f)	Other financial assets	789.62	680.88
2	**Non-financial assets**		
(a)	Current tax assets (net)	164.23	-
(b)	Deferred tax assets (net)	4,381.63	4,293.55
(c)	Property, plant and equipment	430.43	468.60
(d)	Right of use asset	2,538.28	1,094.31
(e)	Capital work in progress	20.25	-
(f)	Intangible assets under development	568.54	388.41
(g)	Other intangible assets	2,602.04	2,062.02
(h)	Other non-financial assets	3,077.73	1,093.91
	TOTAL ASSETS	**2,85,422.56**	**1,75,478.58**
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	Payables		
	(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
(b)	Debt securities	70,376.77	31,557.55
(c)	Borrowings (other than debt securities)	1,09,807.09	45,011.94
(d)	Other financial liabilities	4,722.81	2,118.22
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	126.07	144.13
(b)	Provisions	2,687.22	939.67
(c)	Other non-financial liabilities	364.23	137.64
3	**Equity**		
(a)	Equity share capital	7,055.94	7,052.86
(b)	Other equity	89,600.38	88,190.96
	TOTAL LIABILITIES AND EQUITY	**2,85,422.56**	**1,75,478.58**



UGRO CAPITAL LIMITED

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	38.19	37.62
Provision for compensated absences	116.66	23.84
Operating profit before working capital changes	**6,206.61**	**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 payable	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 provision	1,618.36	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 / (Investment) 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 (used in) / generated from 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 deposit (maturing within a period of three months)	**400.33**	**5,601.04**
TOTAL	**6,574.94**	**12,365.55**



Notes to Statement of Audited Financial Results for the quarter and year ended March 31, 2022

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-NDSI") registered with the Reserve Bank of India ("the RBI").

2. The above audited financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on May 24, 2022. The above results have been audited by the statutory auditor of the Company.

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") 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 ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended from time to time.

4. The Company is engaged primarily in the business of financing and accordingly 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. 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.

6. The Company had made an additional management overlay of Rs. 273.79 lakh towards its restructured loans and advances during the quarter ended December 31, 2021. The same provision has been continued as at March 31, 2022.

7. 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

(Rs. in Lakh)

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	-	-	-	-	-
Corporate Persons					
- of which, MSMEs	6,297.90	-	-	7.59	6,290.31
- Others	-	-	-	-	-

* Total ECL provision for the above loans as on March 31, 2022 is Rs. 629.03 Lakh

8. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

9. 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
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	33,372.84
ii.	Aggregate consideration received (Rs. in Lakh)	33,372.84
iii.	Weighted average residual tenor of loans sold (in years)	3.74
iv.	Weighted average Maturity of Loans (in years)	4.97
v.	Weighted average Holding period of Loans (in years)	1.23
vi.	Retention of Beneficial economic interest (in %)	11.10%

UGRO CAPITAL LIMITED

vii.	Coverage of Tangible security Coverage (in %) **	188.22%
viii.	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
i.	Aggregate principal outstanding of loans acquired (Rs. in Lakh)	12,199.68
ii.	Aggregate consideration paid (Rs. in Lakh)	12,199.68
iii.	Weighted average residual tenor of loans acquired (in years)	1.35
iv.	Weighted average Maturity of Loans (in years)	1.96
v.	Weighted average Holding period of Loans (in years)	0.67
vi.	Retention of Beneficial economic interest (in %)	88.57%
vii.	Coverage of Tangible security Coverage (in %) *	709%
viii.	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)
i.	No. of accounts	3,377.00
ii.	Aggregate principal outstanding of loans transferred (Rs. In Lakh)	4,385.77
iii.	Weighted average residual tenor of the loans transferred (in years)	0.81
iv.	Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	3,264.50
v.	Aggregate consideration (Rs. in Lakh)	3,394.00
vi.	Additional consideration realized in respect of accounts transferred in earlier years	Nil

UGRO CAPITAL LIMITED

vii.	Excess Provision reversed on account of sale	Nil

** 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

10. During the year ended March 31, 2022, the Company has transferred loans amounting to Rs.24,948.39 lakh through Co-lending arrangements to the respective participating banks/ financial institutions which are akin to Direct assignment transaction under circular no. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020.

11. During the quarter and year ended March 31, 2022, the Company has granted 1,70,769 and 13,78,039 options respectively under the employee stock option scheme of the Company. During the quarter and year ended March 31, 2022, the Company has allotted 30,769 and 30,769 Equity Shares respectively pursuant to the exercise of options under the approved employee stock option schemes.

12. All secured non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified 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 asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

13. The Company has raised funds by way of public issuance of Rated Secured Listed Non-Convertible Debentures (NCDs) of face value Rs. 1,000 each for an amount of Rs. 7,221.55 lakh pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCD Regulations"), The Companies Act, 2013 and the rules made thereunder, as amended to the extent notified. The Issue opened for subscription on Thursday, April 07, 2022 and was closed on April 28, 2022 and the NCDs were allotted on 5th May, 2022.

14. The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarifications", had clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken all necessary steps to implement the provisions of this circular under IRACP norms effective from November 12, 2021.

UGRO CAPITAL LIMITED

15. The figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.

16. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

17. Previous period/year figures have been regrouped / rearranged wherever necessary, to conform with the current period presentation.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED



Shachindra Nath
Executive Chairman & MD
DIN: 00510618
Mumbai
May 24, 2022

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 at and for the year ended March 31, 2022 :

Sr. No	Particular	Ratio
1	Debt - Equity Ratio [1]	1.86
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	96,656.32
8	Net profit after Tax (Rs. in Lakh)	1,455.06
9	Earnings per share	
	a. Basic	2.06
	b. Diluted	2.05
10	Current ratio	Not Applicable
11	Long term debt to working capital	Not Applicable
12	Bad debts to Account receivable ratio	Not Applicable
13	Current liability ratio	Not Applicable
14	Total debts to total assets [5]	0.63
15	Debtors turnover	Not Applicable
16	Inventory turnover	Not Applicable
17	Operating margin	Not Applicable
18	Net profit margin (%) [6]	4.64%
19	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.28%
	b. Net Stage 3 [8]	1.70%
	c. Capital to risk-weighted assets [9]	34.37%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / 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.



Disclosure of related party transactions for the half year ended 31.03.2022

												Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction (*see Note 5*)	Value of the related party transaction as approved by the audit committee *(see Note 6a)*	Value of transaction during the reporting period *(see Note 6b)*	In case monies are due to either party as a result of the transaction *(see Note 1)*		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost (*see Note 7*)	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
1	UGRO CAPITAL LIMITED	AAACC2069E	LIVFIN INDIA PRIVATE LIMITED	AAACD4634N	Related Party	Purchase of Services		INR 20,24,212	NIL	INR 7,88,588	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	UGRO CAPITAL LIMITED	AAACC2069E	LIVFIN INDIA PRIVATE LIMITED	AAACD4634N	Related Party	Sale of Services		INR 33,80,624	NIL	INR 7,88,588								
3	UGRO CAPITAL LIMITED	AAACC2069E	SHACHINDRA NATH	ABOPN3798F	KMP	Executive Chairman and Managing Director		INR 1,54,36,170	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	UGRO CAPITAL LIMITED	AAACC2069E	SANDEEPKUMAR MOHANLAL ZANVAR	AAAPZ8659C	KMP	CFO		INR 6,35,440	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	UGRO CAPITAL LIMITED	AAACC2069E	AMIT GUPTA	AFIPG2588N	KMP	CFO		INR 53,67,809	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	UGRO CAPITAL LIMITED	AAACC2069E	ANIKET KARANDIKAR	ALNPK8037B	KMP	CS		INR 13,38,033	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Total (of Note 6b)								INR 2,81,82,288										

*****

MSKA & Associates
Chartered Accountants

HO
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Geetanjali Railway Colony, Ram Nagar,
Goregaon (E), Mumbai 400063, INDIA
Tel: +91 22 6831 1600

Independent Auditor's Review Report on unaudited financial results for the quarter and half year ended September 30, 2022 of UGRO Capital Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors
UGRO Capital Limited

1. We have reviewed the accompanying statement of unaudited financial results of UGRO Capital Limited ('the Company') for the quarter and half year ended September 30, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been 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 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812BCRSKV4782

MSKA & ASSOCIATES * Chartered Accountants *

Mumbai
November 10, 2022

UGRO CAPITAL LIMITED

Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070

Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

(Rupees in Lakh)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021	March 31, 2022
		Reviewed #	Reviewed	Reviewed #	Reviewed	Reviewed	Audited
1	Revenue from operations						
	(a) Interest income	11,619.64	9,309.80	5,511.67	20,929.44	10,476.21	27,215.28
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	3,033.94	2,264.11	536.27	5,298.04	610.53	2,852.50
	(c) Net gain on fair value changes	-	-	16.29	-	49.46	49.46
	(d) Fees and commission income	421.84	303.55	119.00	725.40	175.72	626.01
2	Other income	662.66	502.90	100.00	1,165.56	100.00	614.13
3	**Total income (1 + 2)**	**15,738.08**	**12,380.36**	**6,283.23**	**28,118.44**	**11,411.92**	**31,357.38**
4							
	(a) Finance cost	6,993.04	5,308.69	2,693.70	12,301.73	4,930.74	13,738.92
	(b) Impairment on financial instruments	1,485.33	935.42	592.25	2,420.74	1,084.47	2,957.33
	(c) Employee benefits expense	3,090.92	2,918.69	1,370.17	6,009.61	2,599.07	7,289.06
	(d) Depreciation, amortisation and impairment	475.37	177.03	286.34	652.40	546.21	1,233.26
	(e) Other expenses	1,937.75	2,002.00	868.93	3,939.74	1,543.91	4,121.03
	Total expense	**13,982.41**	**11,341.83**	**5,811.39**	**25,324.22**	**10,704.40**	**29,339.60**
5	**Profit before tax (3-4)**	**1,755.67**	**1,038.53**	**471.84**	**2,794.22**	**707.52**	**2,017.78**
6	Tax expense						
	(a) Current tax	476.03	335.72	142.47	811.75	142.47	660.90
	(b) Deferred tax*	752.44	(31.43)	(8.42)	721.01	57.12	(98.18)
	Total tax expense (a +b)	**1,228.47**	**304.29**	**134.05**	**1,532.76**	**199.59**	**562.72**
7	**Profit for the period (5-6)**	**527.20**	**734.24**	**337.79**	**1,261.46**	**507.93**	**1,455.06**
8	**Other comprehensive income**						
	Items that will not be reclassified to profit and loss						
	Remeasurements of the defined benefit obligations	5.50	6.42	16.18	11.91	23.16	25.67
	Income tax relating to items that will not be reclassified to profit and loss	(1.60)	(1.87)	(4.71)	(3.47)	(6.74)	(7.47)
	Items that will be reclassified to profit and loss						
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	(72.20)	56.82	-	(15.38)	-	9.00
	Income tax relating to items that will be reclassified to profit and loss	21.02	(16.55)	-	4.48	-	(2.62)
	Total other comprehensive income (Net of Tax)	**(47.28)**	**44.82**	**11.47**	**(2.46)**	**16.42**	**24.58**
9	**Total comprehensive income (7+8)**	**479.92**	**779.06**	**349.26**	**1,259.00**	**524.35**	**1,479.64**
10	Paid up equity share capital (Face value Rs. 10 each)	6932.13 **	7,055.94	7,052.86	6932.13 **	7,052.86	7,055.94
11	**Earnings per share (Face Value of Rs 10 each)**						
	Basic (in rupees)	0.75	1.04	0.48	1.79	0.72	2.06
	Diluted (in rupees)	0.74	1.03	0.48	1.77	0.72	2.05
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	

*** Refer Note no 13**

**** Refer Note no 12**

 # Refer Note no 14



Notes to Statement of Unaudited Financial Results For The Quarter and Half Year Ended September 30, 2022:

1. Statement of Assets and Liabilities as at September 30, 2022

(Rupees in lakh)

Particulars	As at Sep 30, 2022	As at March 31, 2022
	Reviewed	Audited
I. ASSETS		
Financial assets		
Cash and cash equivalents	17,940.43	6,574.94
Bank balances other than cash and cash equivalents above	18,154.71	12,260.25
Derivative financial instruments	222.60	22.29
Loans	3,16,796.50	2,45,048.34
Investments	6,598.90	6,943.99
Other financial assets	1,545.98	789.62
	3,61,259.12	**2,71,639.43**
Non-financial assets		
Current tax assets (net)	461.98	164.23
Deferred tax assets (net)	3,660.62	4,381.63
Property, plant and equipment	353.30	430.43
Non current asset held for sale	792.06	-
Right of use asset	2,834.08	2,538.28
Capital work in progress	8.75	20.25
Intangible assets under development	880.85	568.54
Other intangible assets	2,951.85	2,602.04
Other non-financial assets	4,457.11	3,077.73
	16,400.60	**13,783.13**
TOTAL ASSETS	**3,77,659.72**	**2,85,422.56**
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
(A) Trade payables		
(I) total outstanding dues of micro enterprises and small enterprises	-	0.08
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	675.39	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	16.29	15.04
Debt securities	1,22,548.92	70,376.77
Borrowings (other than debt securities)	1,49,980.15	1,09,807.09
Other financial liabilities	4,864.65	4,722.81
	2,78,085.40	**1,85,588.72**
Non-financial liabilities		
Current tax liabilities (net)	661.75	126.07
Provisions	2,921.87	2,687.22
Other non-financial liabilities	496.14	364.23
	4,079.76	**3,177.52**
TOTAL LIABILITIES	**2,82,165.16**	**1,88,766.24**
Equity		
Equity share capital*	6,932.13	7,055.94
Other equity	88,562.43	89,600.38
TOTAL EQUITY	**95,494.56**	**96,656.32**
TOTAL LIABILITIES AND EQUITY	**3,77,659.72**	**2,85,422.56**

***Refer Note no 12**



2. Cash Flow Statement as at September 30, 2022

(Rupees in lakh)

Particulars	For the period ended Sep 30, 2022 Reviewed	For the period ended Sep 30, 2021 Reviewed
Cash flow from operating activities :		
Net profit before tax	**2,794.22**	**707.52**
Adjustments for:		
Employee stock option expense	81.41	64.31
Depreciation, amortisation and impairment	652.40	546.21
Impairment on financial instruments	2,420.74	1,084.47
Net gain on sale of financial instruments / fair valuation of financial instruments	(5,298.04)	(659.99)
Provision for gratuity	32.12	19.09
Provision for compensated absences	126.31	73.88
Operating profit before working capital changes	**809.16**	**1,835.49**
Change in working capital:		
Increase in Loans	(69,498.57)	(50,823.52)
Increase in Other Non - Financial Assets	(1,379.38)	(668.56)
Increase in Other Financial Assets	(956.67)	(1,249.59)
Increase in Trade payable	9.63	1,030.30
Increase in other non-financial liabilities	131.91	22.50
Increase/(Decrease) in other financial liabilities	1.90	(78.01)
Increase in provision	88.13	69.82
Cash used in operating activities	**(70,793.90)**	**(49,861.57)**
Income taxes paid	(573.85)	(273.31)
Net cash used in operating activities (A)	**(71,367.74)**	**(50,134.88)**
Cash flow from investing activities :		
Purchase of property, plant and equipment	(14.78)	(13.89)
Proceeds / (Investment) in bank deposits of maturity greater than 3 months	(5,900.75)	8,723.73
Sale/realisation of investments	187.01	4,106.30
Purchase of investments	-	(4,188.50)
Payments for intangible assets	(1,058.68)	(541.53)
Net cash (used in) / generated from investing activities (B)	**(6,787.20)**	**8,086.11**
Cash flow from financing activities :		
Payment for purchase of treasury shares	(2,495.25)	-
Payment of lease liabilities	(308.26)	(195.05)
Net proceeds from borrowings through secured NCDs and Commercial paper	52,166.26	15,427.65
Net proceeds from borrowings from banks and financial institutions	40,157.68	20,754.13
Net cash generated from financing activities (C)	**89,520.43**	**35,986.73**
Net Increase / (decrease) in cash and cash equivalents (A) +(B) + (C)	**11,365.49**	**(6,062.04)**
Cash and cash equivalents at the beginning of the year	**6,574.94**	**12,365.55**
Cash and cash equivalents at the end of the year	**17,940.43**	**6,303.51**
Components of cash and cash equivalents		
Balance with banks :		
in current accounts	**16,839.95**	**1,393.55**
in Fixed deposit (maturing within a period of three months)	**1,100.48**	**4,909.96**
TOTAL	**17,940.43**	**6,303.51**



Notes to Statement of Unaudited Financial Results for the Quarter and Half year Ended September 30, 2022

3. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI").

4. The above unaudited financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on November 10, 2022. The above results have been subjected to limited review by the statutory auditor of the Company.

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 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended from time to time.

6. The Company is engaged primarily in the business of financing and accordingly 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 6 August 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.

(Rs. in Lakh)

Type of Borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended September 30, 2022	Of (A), amount written off during the half year ended September 30, 2022	Of (A), amount paid by the borrowers during the half year ended September 30, 2022	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2022*
Personal Loans	-	-	-	-	-
Corporate Persons					
- of which, MSMEs	6,290.31	295.93	-	347.93	5,646.45
- Others	-	-	-	-	-
Total	6,290.31	295.93	-	347.93	5,646.45

* Total ECL provision for the above loans as on September 30, 2022 is Rs. 634.65 Lakh.

8. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The

Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

9. 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 half year ended September 30, 2022*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	17,230.08
ii.	Aggregate consideration received (Rs. in Lakh)	17,230.08
iii.	Weighted average residual tenor of loans sold (in years)	6.14
iv.	Weighted average Maturity of Loans (in years)	7.23
v.	Weighted average Holding period of Loans (in years)	0.89
vi.	Retention of Beneficial economic interest (in %)	11.82%
vii.	Coverage of Tangible security Coverage (in %) **	245.75%
viii.	Rating- wise distribution of rated loans	Non- Rated

Note

* i. The above table includes Special Mention Account ("SMA") Loans

ii. 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 half year ended September 30, 2022

   c. The Company has neither transferred nor acquired any stressed loans during the half year ended September 30, 2022.

   d. The rating wise distribution of Security Receipts (SRs) held by the Company as on September 30, 2022 is given below:

Ratings	Rating Agency	Amount (in Lakh)
BW RR1	Brick Works Rating India Private Limited	1,131.17
In Process	Brick Works Rating India Private Limited	1,271.64

10. During the half year ended September 30, 2022, the Company has transferred loans amounting to Rs. 29,680.87 lakh through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction 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.

11. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified 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 asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

12. 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 Equity Share Capital to the tune of Rs. 123.83 lakh as at September 30, 2022. The amount received in excess of the face value is deducted from the Securities Premium Account.

13. During the F.Y. 2019-20 there was a demerger of Asia Pragati Capfin Private Limited (APCPL) into UGRO Capital Limited. By virtue of that, the Company inherited certain brought forward business losses. Out of the above, business losses to the tune of Rs. 2,468.94 lakh have crossed the statutory time limit of 8 years and hence the deferred tax asset amounting to Rs.718.96 lakh on the same have been reversed. In lieu of this, the total tax line item for the quarter and half year ended September 30, 2022 is higher by Rs. 718.96 lakh.

14. The figures for the quarter ended September 30, 2022, and September 30, 2021 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and September 30, 2021 and the reviewed figures for the quarter ended June 30, 2022 and June 30, 2021 respectively.

15. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

16. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
November 10, 2022

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 at and for the half year ended September 30, 2022:

Sr. No	Particular	Ratio
1	Debt - Equity Ratio [1]	2.85
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	95,494.56
8	Net profit after Tax (Rs. in Lakh)	1,261.46
9	Current ratio	Not Applicable
10	Long term debt to working capital	Not Applicable
11	Bad debts to Account receivable ratio	Not Applicable
12	Current liability ratio	Not Applicable
13	Total debts to total assets [5]	0.72
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin	Not Applicable
17	Net profit margin (%) [6]	4.49%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.16%
	b. Net Stage 3 [8]	1.51%
	c. Capital to risk-weighted assets [9]	24.66%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / 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.



MSKA & Associates
Chartered Accountants

HO
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Western Express Highway,
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Goregaon (E), Mumbai 400063, INDIA
Tel: +91 22 6831 1600

Independent Auditor's Review Report on unaudited financial results for the quarter and nine months ended December 31, 2022 of UGRO Capital Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors
UGRO Capital Limited

1. We have reviewed the accompanying statement of unaudited financial results of UGRO Capital Limited ('the Company') for the quarter and nine months ended December 31, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been 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 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQKH1085

MSKA & ASSOCIATES * Chartered Accountants *

Mumbai
January 25, 2023

UGRO CAPITAL LIMITED

Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070

Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022

(Rupees in Lakh)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	March 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Revenue from operations						
	(a) Interest income	13,311.83	11,569.53	7,335.98	34,179.91	17,812.20	27,212.19
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	4,288.66	2,835.35	624.24	9,169.73	1,232.55	2,693.46
	(c) Net gain on fair value changes	-	-	-	-	49.46	49.46
	(d) Fees and commission income	573.61	479.26	256.39	1,398.44	432.10	675.78
2	Other income	784.48	645.00	300.23	1,911.94	400.23	580.32
3	**Total income (1 + 2)**	**18,958.58**	**15,529.14**	**8,516.84**	**46,660.02**	**19,926.54**	**31,211.21**
4							
	(a) Finance cost	8,159.36	6,850.57	3,834.44	20,290.61	8,762.95	13,725.68
	(b) Impairment on financial instruments	1,671.18	1,485.33	941.28	4,091.93	2,025.75	2,957.33
	(c) Employee benefits expense	4,047.77	3,090.92	1,894.51	10,057.38	4,493.58	7,289.06
	(d) Depreciation, amortisation and impairment	488.51	475.37	310.22	1,140.91	856.43	1,233.26
	(e) Other expenses	2,369.26	1,871.28	1,029.20	6,062.49	2,573.11	3,988.10
	Total expense	**16,736.08**	**13,773.47**	**8,009.65**	**41,643.32**	**18,711.82**	**29,193.43**
5	**Profit before tax (3-4)**	**2,222.50**	**1,755.67**	**507.19**	**5,016.70**	**1,214.72**	**2,017.78**
6	Tax expense						
	(a) Current tax	655.61	476.03	246.42	1,467.36	388.89	660.90
	(b) Deferred tax*	255.08	752.44	(77.81)	976.09	(20.69)	(98.18)
	Total tax expense (a +b)	**910.69**	**1,228.47**	**168.61**	**2,443.45**	**368.20**	**562.72**
7	**Profit for the period (5-6)**	**1,311.81**	**527.20**	**338.58**	**2,573.25**	**846.52**	**1,455.06**
8	**Other comprehensive income**						
	Items that will not be reclassified to profit and loss						
	Remeasurements of the defined benefit obligations	(12.18)	5.50	5.30	(0.25)	28.45	25.67
	Income tax relating to items that will not be reclassified to profit and loss	3.54	(1.60)	(1.54)	0.07	(8.29)	(7.47)
	Items that will be reclassified to profit and loss						
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	(30.98)	(72.20)	(82.86)	(46.36)	(82.86)	9.00
	Income tax relating to items that will be reclassified to profit and loss	9.03	21.02	24.13	13.50	24.13	(2.62)
	Total other comprehensive income (Net of Tax)	**(30.59)**	**(47.28)**	**(54.97)**	**(33.04)**	**(38.57)**	**24.58**
9	**Total comprehensive income (7+8)**	**1,281.22**	**479.92**	**283.61**	**2,540.21**	**807.95**	**1,479.64**
10	Paid up equity share capital (Face value Rs. 10 each)	6,932.13 **	6,932.13 **	7,052.86	6,932.13 **	7,052.86	7,055.94
11	**Earnings per share (Face Value of Rs 10 each)**						
	Basic (in rupees)	1.89	0.75	0.48	3.67	1.20	2.06
	Diluted (in rupees)	1.88	0.74	0.47	3.65	1.20	2.05
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	

*** Refer Note no 11**

**** Refer Note no 10**



Notes to Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI").

2. The above unaudited financial results for the quarter and nine months ended December 31, 2022 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 25, 2023. The above results have been subjected to limited review by the statutory auditor of the Company.

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 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended from time to time.

4. The Company has followed the same significant accounting policies in the preparation of the financial results as those followed in the annual financial statement for the year ended March 31, 2022.

5. The Company is engaged primarily in the business of financing and accordingly 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.

6. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

7. 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 nine months ended December 31, 2022*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	28,013.75
ii.	Aggregate consideration received (Rs. in Lakh)	28,013.75
iii.	Weighted average Maturity of Loans (in years)	7.37
iv.	Weighted average Holding period of Loans (in years)	0.98
v.	Retention of Beneficial economic interest (in %)	11.96%
vi.	Coverage of Tangible security Coverage (in %) **	237.88%
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 nine months ended December 31, 2022

c. The Company has neither transferred nor acquired any stressed loans during the nine months ended December 31, 2022.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on December 31, 2022 is given below:

Ratings	**Rating Agency**	**Amount (in Rs. Lakh)**
BW RR1	Brick Works Rating India Private Limited	1,108.32
In Process	Brick Works Rating India Private Limited	1,271.64

8. During the nine months ended December 31, 2022, the Company has transferred loans amounting to Rs. 57,599.39 lakh through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction 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.

9. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified 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 asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

10. 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 Equity Share Capital to the tune of Rs. 123.83 lakh as at September 30, 2022. 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.

11. During the F.Y. 2019-20 there was a demerger of Asia Pragati Capfin Private Limited (APCPL) into UGRO Capital Limited. By virtue of that, the Company inherited certain brought forward business losses. Out of the above, business losses to the tune of Rs. 2,468.94 lakh have crossed the statutory time limit of 8 years and hence the deferred tax asset amounting to Rs.718.96 lakh on the same have been reversed. In lieu of this, the total tax line item for the quarter ended September 30, 2022 and nine months ended December 31, 2022 is higher by Rs. 718.96 lakh.



12. The figures for the quarter ended December 31, 2022, and December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2022 and December 31, 2021 and the reviewed figures for the half year ended September 30, 2022 and September 30, 2021 respectively.

13. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

14. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
January 25, 2023

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 at and for the nine months ended December 31, 2022:

Sr. No	Particular	Ratio
1	Debt - Equity Ratio [1]	2.98
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	96,868.64
8	Net profit after Tax (Rs. in Lakh)	2,573.24
9	Current ratio	Not Applicable
10	Long term debt to working capital	Not Applicable
11	Bad debts to Account receivable ratio	Not Applicable
12	Current liability ratio	Not Applicable
13	Total debts to total assets [5]	0.72
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin	Not Applicable
17	Net profit margin (%) [6]	5.51%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.46%
	b. Net Stage 3 [8]	1.58%
	c. Capital to risk-weighted assets [9]	21.54%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio are not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve and Debenture redemption reserve are not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / 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.



MSKA & Associates
Chartered Accountants

HO
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Tel: +91 22 6831 1600

Independent Auditor's Report on Audited Annual Financial Results of the Company pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To the Board of Directors of UGRO Capital Limited
Report on the Audit of Financial Results

Opinion

We have audited the accompanying statement of annual financial results of UGRO Capital Limited (hereinafter referred to as "the Company") for the year ended March 31, 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2)of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

i. is presented in accordance with the requirements of the Listing Regulations in this regard; and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the financial results 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 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.

Management and Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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 Statement, 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors 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.

MSKA & ASSOCIATES Chartered Accountants

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Ahmedabad | Bengaluru | Chennai | Goa | Gurugram | Hyderabad | Kochi | Kolkata | Mumbai | Pune www.mska.in

Other Matter

The Statement include the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W



Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQUX8418

Mumbai
May 15, 2023

UGRO CAPITAL LIMITED

Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070

Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Audited Financial Results for the quarter and year ended March 31, 2023

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited#	Reviewed	Audited#	Audited	Audited
1	Revenue from operations					
	(a) Interest income	14,111.43	13,311.83	9,397.66	48,291.34	27,207.62
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	6,237.49	4,288.66	1,460.91	15,407.22	2,693.46
	(c) Net gain on fair value changes	-	-	-	-	49.46
	(d) Fees and commission income	548.37	573.61	246.01	1,946.81	680.35
2	Other income	818.97	784.48	180.09	2,730.91	580.32
3	**Total income (1+2)**	**21,716.26**	**18,958.58**	**11,284.67**	**68,376.28**	**31,211.21**
4						
	(a) Finance cost	9,036.79	8,159.36	4,962.73	29,327.40	13,725.68
	(b) Net loss on fair value changes	481.44	0.58	5.27	640.11	15.79
	(c) Impairment on financial instruments	1,746.73	1,670.60	926.31	5,679.99	2,941.54
	(d) Employee benefits expense	4,014.10	4,047.77	2,795.48	14,071.48	7,289.06
	(e) Depreciation, amortisation and impairment	622.83	488.51	376.83	1,763.74	1,233.26
	(f) Other expenses	2,448.23	2,369.26	1,414.98	8,510.72	3,988.10
	Total expense	**18,350.12**	**16,736.08**	**10,481.60**	**59,993.44**	**29,193.43**
5	**Profit before tax (3-4)**	**3,366.14**	**2,222.50**	**803.07**	**8,382.84**	**2,017.78**
6	Tax expense					
	(a) Current tax	831.26	655.61	272.01	2,298.62	660.90
	(b) Deferred tax*	851.99	255.08	(77.49)	1,828.08	(98.18)
	(c) Excess/Short provision of tax of earlier years	278.50	-	-	278.50	-
	Total tax expense (a+b)	**1,961.75**	**910.69**	**194.52**	**4,405.20**	**562.72**
7	**Profit for the period (5-6)**	**1,404.39**	**1,311.81**	**608.55**	**3,977.64**	**1,455.06**
8	**Other comprehensive income**					
	Items that will not be reclassified to profit and loss					
	Remeasurements of the defined benefit obligations	(23.78)	(12.18)	(2.78)	(24.03)	25.67
	Income tax relating to items that will not be reclassified to profit and loss	6.93	3.54	0.82	7.00	(7.47)
	Items that will be reclassified to profit and loss					
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	91.69	(30.98)	91.86	45.33	9.00
	Income tax relating to items that will be reclassified to profit and loss	(26.70)	9.03	(26.75)	(13.20)	(2.62)
	Total other comprehensive income (Net of Tax)	**48.14**	**(30.59)**	**63.15**	**15.10**	**24.58**
9	**Total comprehensive income (7+8)**	**1,452.53**	**1,281.22**	**671.70**	**3,992.74**	**1,479.64**
10	Paid up equity share capital (Face value of Rs. 10 each)	6,932.11 **	6,932.11 **	7,055.94	6,932.11 **	7,055.94
11	**Earnings per share (Face Value of Rs. 10 each)**					
	Basic (in rupees)	2.03	1.89	0.86	5.69	2.06
	Diluted (in rupees)	2.02	1.88	0.84	5.66	2.05
		Not annualised	Not annualised	Not annualised		

*** Refer Note no 14**

**** Refer Note no 11**

 # Refer Note no 15



Notes to the Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2023

1. Statement of Assets and Liabilities as at March 31, 2023

(Rupees in lakh)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	I. ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	4,014.77	6,574.94
(b)	Bank balances other than cash and cash equivalents above	17,166.14	12,260.25
(c)	Derivative financial instruments	-	22.29
(d)	Loans	3,80,636.21	2,45,111.74
(e)	Investments	6,010.69	6,943.99
(f)	Other financial assets	2,531.23	789.62
		4,10,359.04	**2,71,702.83**
2	**Non-financial assets**		
(a)	Current tax assets (net)	203.78	164.23
(b)	Deferred tax assets (net)	2,547.36	4,381.63
(c)	Property, plant and equipment	379.30	430.43
(d)	Non-current assets held for sale	2,194.55	-
(e)	Right of use assets	3,364.08	2,538.28
(f)	Capital work in progress	2.82	20.25
(g)	Intangible assets under development	1,431.41	568.54
(h)	Other intangible assets	4,741.53	2,602.04
(i)	Other non-financial assets	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		
1	**Financial liabilities**		
(a)	Derivative financial instruments	9.27	-
(b)	Payables		
	(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
(c)	Debt securities	1,14,434.45	70,441.43
(d)	Borrowings (other than debt securities)	2,00,459.00	1,09,783.21
(e)	Other financial liabilities	7,734.85	4,722.36
		3,24,049.12	**1,85,656.22**
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	1,567.77	126.07
(b)	Provisions	5,776.71	2,687.22
(c)	Other non-financial liabilities	760.77	364.23
		8,105.25	**3,177.52**
	TOTAL LIABILITIES	**3,32,154.37**	**1,88,833.74**
3	**Equity**		
(a)	Equity share capital	6,932.11	7,055.94
(b)	Other equity	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**



2. Statement of Cash Flows 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 cost borrowings	(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 borrowing and debt securities repaid	(1,26,315.31)	(65,300.15)
Total borrowing 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**
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	**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**



Notes to the Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2023

3. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI").

4. The above audited financial results for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on May 15, 2023. The above results have been audited by the statutory auditor of the Company.

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") 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 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended from time to time.

6. The Company is engaged primarily in the business of financing and accordingly 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 6 August 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.

(Rs. in Lakh)

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.

UGRO CAPITAL LIMITED

8. 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
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	47,746.89
ii.	Aggregate consideration received (Rs. in Lakh)	47,746.89
iii.	Weighted average Maturity of Loans (in years)	7.95
iv.	Weighted average Holding period of Loans (in years)	1.03
v.	Retention of Beneficial economic interest (in %)	11.16%
vi.	Coverage of Tangible security Coverage (in %) **	228.90%
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 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 INR Lakh)
IVR RR1	Infomerics Valuation and Ratings Private Limited	943.48
BW RR3	Brick Works Rating India Private Limited	805.44

9. During the year ended March 31, 2023, the Company has transferred loans amounting to Rs. 97,060.82 lakh through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction 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.

10. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified 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 asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

11. 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 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.

12. 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.

13. The Company has entered into definitive share subscription agreement with Investeringsfonden for Udviklingslande (IFU) to the tune of Rs. 24,000 lakh. It is the Danish Development Finance Institution (independent Denmark government-owned fund) and an impact investor which invests to support sustainable development in developing countries and contribute 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.

14. During the F.Y. 2019-20 there was a demerger of Asia Pragati Capfin Private Limited into UGRO Capital Limited. By virtue of that, the Company inherited certain brought forward business losses. Out of the above, business losses to the tune of Rs. 2,468.94 lakh and Rs. 4,598.01 lakh have crossed the statutory time limit of 8 years because of loss in buoyancy of business due to COVID, hence the deferred tax assets amounting to Rs.718.96 lakh and Rs. 1,338.94 lakh respectively on the same have been reversed during the year ended March 31, 2023.

15. The figures for the quarter ended March 31, 2023, and March 31, 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the respective financial year, which were subjected to Limited Review.



16. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

17. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED



Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
May 15, 2023

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 at and for the year ended March 31, 2023:

Sr. No	Particulars	Ratios
1	Debt - Equity Ratio [1]	3.20
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	98,404.31
8	Net profit after Tax (Rs. in Lakh)	3,977.64
9	Current ratio	Not Applicable
10	Long term debt to working capital	Not Applicable
11	Bad debts to Account receivable ratio	Not Applicable
12	Current liability ratio	Not Applicable
13	Total debts to total assets [5]	0.73
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin	Not Applicable
17	Net profit margin (%) [6]	5.82%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.46%
	b. Net Stage 3 [8]	1.31%
	c. Capital to risk-weighted assets [9]	20.23%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / 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.



MSKA & Associates
Chartered Accountants

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Independent Auditor's Review Report on unaudited financial results for the quarter ended June 30, 2023 of UGRO Capital Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors
UGRO Capital Limited

1. We have reviewed the accompanying statement of unaudited financial results of UGRO Capital Limited ('the Company') for the quarter ended June 30, 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been 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 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXRAS4625

MSKA & ASSOCIATES Chartered Accountants

Mumbai
August 01, 2023

UGRO CAPITAL LIMITED

Registered Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

Telephone: +91 22 41821600 E-mail: info@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter Ended June 30, 2023

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		Reviewed	Audited#	Reviewed	Audited
1	Revenue from operations				
	(a) Interest income	16,149.85	14,111.43	9,298.97	48,291.34
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	4,383.66	6,237.49	2,045.72	15,407.22
	(c) Fees and commission income	793.80	548.37	345.16	1,946.81
2	Other income	507.59	818.97	482.46	2,730.91
3	**Total income (1+2)**	**21,834.90**	**21,716.26**	**12,172.31**	**68,376.28**
4					
	(a) Finance cost	9,268.68	9,036.79	5,280.69	29,327.40
	(b) Net loss on fair value changes	0.50	481.44	-	640.11
	(c) Impairment on financial instruments	2,093.12	1,746.73	935.42	5,679.99
	(d) Employee benefits expense	3,693.30	4,014.10	2,918.69	14,071.48
	(e) Depreciation, amortisation and impairment	755.14	622.83	177.03	1,763.74
	(f) Other expenses	2,459.91	2,448.23	1,821.95	8,510.72
	Total expense	**18,270.65**	**18,350.12**	**11,133.78**	**59,993.44**
5	**Profit before tax (3-4)**	**3,564.25**	**3,366.14**	**1,038.53**	**8,382.84**
6	Tax expense				
	(a) Current tax	736.84	831.26	335.72	2,298.62
	(b) Deferred tax	303.51	851.99	(31.43)	1,828.08
	(c) Excess/Short provision of tax of earlier years	0.31	278.50	-	278.50
	Total tax expense (a+b+c)	**1,040.66**	**1,961.75**	**304.29**	**4,405.20**
7	**Profit for the period (5-6)**	**2,523.59**	**1,404.39**	**734.24**	**3,977.64**
8	**Other comprehensive income**				
	Items that will not be reclassified to profit and loss				
	Remeasurements of the defined benefit obligations	(7.61)	(23.78)	6.42	(24.03)
	Income tax relating to items that will not be reclassified to profit and loss	2.22	6.93	(1.87)	7.00
	Items that will be reclassified to profit and loss				
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	(618.35)	91.69	56.82	45.33
	Income tax relating to items that will be reclassified to profit and loss	180.06	(26.70)	(16.55)	(13.20)
	Total other comprehensive income (Net of Tax)	**(443.68)**	**48.14**	**44.82**	**15.10**
9	**Total comprehensive income (7+8)**	**2,079.91**	**1,452.53**	**779.06**	**3,992.74**
10	Paid up equity share capital (Face value of Rs. 10 each)	9,119.51 *	6,932.11	7,055.94	6,932.11
11	**Earnings per share (Face Value of Rs. 10 each)**				
	Basic (in rupees)	3.06	2.03	1.04	5.69
	Diluted (in rupees)	3.04	2.02	1.03	5.66
		Not annualised	Not annualised	Not annualised	

*** Refer Note no 10 and 11**

 # Refer Note no 12

Notes to the Statement of Unaudited Financial Results for the Quarter Ended June 30, 2023

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") and classified as NBFC- Middle Layer under 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 ended June 30, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on August 01, 2023. The above results have been subjected to limited review by the statutory auditor of the Company.

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 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") 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 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 quarter ended June 30, 2023*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	12,076.69
ii.	Aggregate consideration received (Rs. in Lakh)	12,076.69
iii.	Weighted average Maturity of Loans (in years)	4.39
iv.	Weighted average Holding period of Loans (in years)	0.95
v.	Retention of Beneficial economic interest (in %)	10.00%
vi.	Coverage of Tangible security Coverage (in %) **	246.67%
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 ended June 30, 2023.

c. The Company has neither transferred nor acquired any stressed loans during the quarter ended June 30, 2023.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on June 30, 2023 is given below:

Ratings	Rating Agency	Amount (in INR Lakh)
IVR RR1	Infomerics Valuation and Ratings Private Limited	943.44
BW RR3	Brick Works Rating India Private Limited	804.98

6. During the quarter ended June 30, 2023, the Company has transferred loans amounting to Rs. 36,978.96 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 asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

8. An Employee Benefit Trust viz. "UGRO Employee Benefit Trust" ("Trust") has been constituted pursuant to the "UGRO Capital Employee Benefit Scheme-2022" ("the Scheme"), who holds the shares of the Company for the purpose of extending benefits of the Scheme to the Employees. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this scheme. 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 has granted 11,11,929 options on October 10, 2022. During the quarter ended June 30, 2023, there has been no secondary market acquisition by the trust.

9. During the quarter ended June 30, 2023, the Company has issued and allotted 24,615 equity shares on May 26, 2023 of face value of Rs. 10 per share at a premium of Rs. 120 per share pursuant to the exercise of options under the CSL Employee Stock Option Scheme 2017.

10. The Company has successfully raised equity share capital through Qualified Institutions Placement (QIP) in April 2023. The issue opened on April 10, 2023, closed on 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.



11. The Company has also successfully raised equity share capital through Preferential Issue to the tune of Rs. 24,000 lakh from Danish Sustainable Development Goals Investment Fund K/S represented by Investment Fund for Developing Countries. The said issue had been approved by the Board on April 11, 2023 and the shareholders through postal ballot on May 11, 2023. The Company issued and allotted 1,52,38,095 equity shares (face value of Rs. 10 per share) at a premium of Rs. 147.50 per share. These shares were allotted on May 17, 2023.

12. The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the respective financial year, which were subjected to Limited Review.

13. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

14. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.



For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
August 01, 2023

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 at and for the quarter ended June 30, 2023:

Sr. No	Particulars	Ratios
1	Debt - Equity Ratio [1]	2.50
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	1,33,733.99
8	Net profit after Tax (Rs. in Lakh)	2,523.59
9	Current ratio [2]	Not Applicable
10	Long term debt to working capital [2]	Not Applicable
11	Bad debts to Account receivable ratio [2]	Not Applicable
12	Current liability ratio [2]	Not Applicable
13	Total debts to total assets [5]	0.69
14	Debtors turnover [2]	Not Applicable
15	Inventory turnover [2]	Not Applicable
16	Operating margin (%)[2]	Not Applicable
17	Net profit margin (%) [6]	11.56%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.67%
	b. Net Stage 3 [8]	1.45%
	c. Capital to risk-weighted assets [9]	26.56%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / 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)) / 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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chartered accountants

Independent Auditor's Review Report on Standalone Unaudited Quarterly and Half Yearly Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF
UGRO Capital Limited

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of UGRO Capital Limited ("the Company") for the quarter and half year ended September 30, 2023 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 and 52 of the SEBI (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 Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 these financial results 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of 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 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Sharp & Tannan Associates
ICAI Regn. No. 109983W
Chartered Accountants

Other Matter

5. The numbers and details pertaining to quarter ended June 30, 2023 and quarter and half year ended September 30, 2022, have been traced from the review reports of the predecessor auditor who has issued an unmodified opinion vide his reports dated August 01, 2023 and November 10, 2022 respectively, in terms of Regulation 33 and 52 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Similarly, the numbers and details pertaining to year ended as at March 31, 2023 and notes related thereto in the statement have been traced from the Financial Statements of the Company audited by the predecessor auditor who has issued an unmodified audit report dated May 15, 2023.

   Our report is not modified in respect of this matter.

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 0109983W
By the hand of



Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 23037457BGYRNX3963

Place: Mumbai
Date: October 26, 2023

UGRO CAPITAL LIMITED

Registered Office: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

Telephone: +91 22 41821600 E-mail: info@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2023

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2023	June 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	March 31, 2023
		Reviewed #	Reviewed	Reviewed #	Reviewed	Reviewed	Audited
1	Revenue from operations						
	(a) Interest income	17,185.69	16,149.85	11,569.53	33,335.54	20,868.08	48,291.34
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	6,481.29	4,383.66	2,835.35	10,864.95	4,881.07	15,407.22
	(c) Net gain on fair value changes	18.12	-	-	18.12	-	-
	(c) Fees and commission income	771.62	793.80	479.26	1,565.42	824.83	1,946.81
2	Other income	906.38	507.59	645.00	1,413.97	1,127.46	2,730.91
3	**Total income (1+2)**	**25,363.10**	**21,834.90**	**15,529.14**	**47,198.00**	**27,701.44**	**68,376.28**
4	(a) Finance cost	10,539.63	9,268.68	6,850.57	19,808.31	12,131.25	29,327.40
	(b) Net loss on fair value changes	0.78	0.50	158.09	1.28	158.09	640.11
	(c) Impairment on financial instruments	2,456.22	2,093.12	1,327.24	4,549.34	2,262.66	5,679.99
	(d) Employee benefits expense	4,602.54	3,693.30	3,090.92	8,295.84	6,009.61	14,071.48
	(e) Depreciation, amortisation and impairment	877.49	755.14	475.37	1,632.63	652.40	1,763.74
	(f) Other expenses	2,806.51	2,459.91	1,871.28	5,266.42	3,693.23	8,510.72
	Total expense	**21,283.17**	**18,270.65**	**13,773.47**	**39,553.82**	**24,907.24**	**59,993.44**
5	**Profit before tax (3-4)**	**4,079.93**	**3,564.25**	**1,755.67**	**7,644.18**	**2,794.20**	**8,382.84**
6	Tax expense						
	(a) Current tax	890.42	736.84	476.03	1,627.26	811.75	2,298.62
	(b) Deferred tax	300.24	303.51	752.44	603.75	721.01	1,828.08
	(c) Excess/Short provision of tax of earlier years	-	0.31	-	0.31	-	278.50
	Total tax expense (a+b+c)	**1,190.66**	**1,040.66**	**1,228.47**	**2,231.32**	**1,532.76**	**4,405.20**
7	**Profit for the period (5-6)**	**2,889.27**	**2,523.59**	**527.20**	**5,412.86**	**1,261.44**	**3,977.64**
8	**Other comprehensive income**						
	Items that will not be reclassified to profit and loss						
	Remeasurements of the defined benefit obligations	(19.98)	(7.61)	5.50	(27.59)	11.93	(24.03)
	Income tax relating to items that will not be reclassified to profit and loss	5.81	2.22	(1.60)	8.03	(3.47)	7.00
	Items that will be reclassified to profit and loss						
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	472.73	(618.35)	(72.20)	(145.62)	(15.38)	45.33
	Income tax relating to items that will be reclassified to profit and loss	(137.65)	180.06	21.02	42.41	4.47	(13.20)
	Total other comprehensive income (Net of Tax)	**320.91**	**(443.68)**	**(47.28)**	**(122.77)**	**(2.45)**	**15.10**
9	**Total comprehensive income (7+8)**	**3,210.18**	**2,079.91**	**479.92**	**5,290.09**	**1,258.99**	**3,992.74**
10	Paid up equity share capital (Face value of Rs. 10 each)	9,126.03 *	9,119.51*	6,932.11	9,126.03 *	6,932.11	6,932.11
11	**Earnings per share (Face Value of Rs. 10 each)**						
	Basic (in rupees)	3.17	3.06	0.75	6.23	1.79	5.69
	Diluted (in rupees)	3.12	3.04	0.74	6.16	1.77	5.66
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	

*** Refer Note no 12, 13 and 14**

 # Refer Note no 15

UGRO CAPITAL LIMITED

Notes to the Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2023

1. Statement of Assets and Liabilities as at September 30, 2023

(Rupees in lakh)

Sr. No.	Particulars	As at September 30, 2023	As at March 31, 2023
		Reviewed	Audited
	I. ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	25,426.66	4,014.77
(b)	Bank balances other than cash and cash equivalents above	29,416.38	17,166.14
(c)	Derivative financial instruments	162.33	-
(d)	Loans	4,45,761.77	3,80,636.21
(e)	Investments	5,876.53	6,010.69
(f)	Other financial assets	1,670.89	2,531.23
		5,08,314.56	**4,10,359.04**
2	**Non-financial assets**		
(a)	Current tax assets (net)	210.86	203.78
(b)	Deferred tax assets (net)	1,994.05	2,547.36
(c)	Property, plant and equipment	452.85	379.30
(d)	Non-current assets held for sale	4,722.65	2,194.55
(e)	Right of use assets	3,776.35	3,364.08
(f)	Capital work in progress	0.00	2.82
(g)	Intangible assets under development	71.97	1,431.41
(h)	Other intangible assets	6,743.77	4,741.53
(i)	Other non-financial assets	6,781.72	5,334.81
		24,754.22	**20,199.64**
	TOTAL ASSETS	**5,33,068.78**	**4,30,558.68**
	II. LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	Derivative financial instruments	-	9.27
(b)	Payables		
	(A) Trade payables		
	(I) total outstanding dues of micro enterprises and small enterprises	-	145.97
	(II) total outstanding dues of creditors other than micro enterprises and small enterprises	152.45	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	141.54	96.78
(c)	Debt securities	1,03,644.88	1,14,434.45
(d)	Borrowings (other than debt securities)	2,76,175.78	2,00,459.00
(e)	Other financial liabilities	7,348.89	7,734.85
		3,87,463.54	**3,24,049.12**
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	2,588.86	1,567.77
(b)	Provisions	5,274.60	5,776.71
(c)	Other non-financial liabilities	638.63	760.77
		8,502.09	**8,105.25**
	TOTAL LIABILITIES	**3,95,965.63**	**3,32,154.37**
3	**Equity**		
(a)	Equity share capital	9,126.03	6,932.11
(b)	Other equity	1,27,977.12	91,472.20
	TOTAL EQUITY	**1,37,103.15**	**98,404.31**
	TOTAL LIABILITIES AND EQUITY	**5,33,068.78**	**4,30,558.68**

UGRO CAPITAL LIMITED

2. Statement of Cash Flows for the half year ended September 30, 2023

(Rupees in lakh)

Particulars	For the period ended September 30, 2023	For the period ended September 30, 2022
	Reviewed	Reviewed
Cash flow from operating activities :		
Profit before tax	**7,644.18**	**2,794.20**
Adjustments for:		
Interest income on loans	(32,021.59)	(20,394.78)
Cash inflow from interest on loans	30,043.62	19,078.00
Interest income on debt securities	(123.41)	(124.24)
Interest on income tax	(7.39)	-
Employee stock option expense	177.08	81.41
Depreciation, amortisation and impairment	1,632.63	652.40
Impairment on financial instruments	4,549.34	2,262.66
Net gain on sale of financial instruments / fair valuation of financial instruments	(10,883.06)	(4,881.07)
Net loss on fair value changes	1.28	158.09
Finance cost on borrowings	17,378.09	10,298.35
Cash outflow towards finance cost borrowings	(17,268.36)	(8,945.81)
Provision for gratuity net of payment	49.82	32.12
Provision for compensated absences	172.84	126.31
Property, plant and equipment written off	-	-
Interest on other financial assets	(35.06)	(0.28)
Interest on lease liabilities	228.74	268.16
Gain on pre-closure of lease	(20.41)	(42.39)
Operating profit before working capital changes	**1,518.34**	**1,363.13**
Changes in working capital:		
(Increase)/decrease in loans	(59,356.84)	(68,717.59)
(Increase)/decrease in other non-financial assets	(1,446.91)	(1,415.88)
(Increase)/decrease in other financial assets	857.08	(755.58)
(Increase)/decrease in derivative financial assets	(162.33)	(200.31)
Increase/(decrease) in derivative financial liabilities	(9.27)	-
Increase/(decrease) in trade payables	(1,121.35)	22.62
Increase/(decrease) in other non-financial liabilities	(122.14)	131.91
Increase/(decrease) in other financial liabilities	(925.50)	184.59
Increase/(decrease) in provisions	(752.38)	88.13
Cash (used in) operating activities	**(61,521.30)**	**(69,298.98)**
Income taxes paid	(606.17)	(573.85)
Net cash (used in) operating activities (A)	**(62,127.47)**	**(69,872.83)**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work in progress)	(183.73)	(3.09)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(12,253.50)	(5,900.76)
Sale/realisation of investments	11,549.84	87.21
Purchase of investments	(11,499.43)	-
Interest received from investments	224.02	224.04
Payments for intangible assets	(1,644.98)	(1,070.38)
Net cash generated from / (used in) investing activities (B)	**(13,807.78)**	**(6,662.98)**
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year	33,231.66	-
Payment for purchase of treasury shares	-	(2,495.26)
Share issue expense	-	(5.90)
Principal payment of lease liabilities	(556.38)	(534.05)
Total borrowing and debt securities repaid	(81,781.51)	(51,265.57)
Total borrowing and debt securities availed	1,46,453.37	1,42,202.08
Net cash generated from financing activities (C)	**97,347.14**	**87,901.30**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**21,411.89**	**11,365.49**
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	**25,426.66**	**17,940.43**
Components of cash and cash equivalents:		
Cash on hand		
Balance with banks :		
In current accounts	25,426.66	16,839.95
In Fixed deposits (maturing within a period of three months)	-	1,100.48
TOTAL	**25,426.66**	**17,940.43**



Notes to the Statement of Unaudited Financial Results for the Quarter and Half year Ended September 30, 2023

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, 2023 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 26, 2023. The above results have been subjected to limited review by the statutory auditor of the Company.

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 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") 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 6 August 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.

(Rs. in Lakh)

Type of Borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended September 30, 2023	Of (A), amount written off during the half year ended September 30, 2023	Of (A), amount paid by the borrowers during the half year ended September 30, 2023	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2023*
Personal Loans	-	-	-	-	-
Corporate Persons					
- of which, MSMEs	4,140.95	108.32	-	1,125.01	2,907.62
- Others	-	-	-	-	-
Total	4,140.95	108.32	-	1,125.01	2,907.62

* Total ECL provision for the above loans as on September 30, 2023, is Rs. 290.76 Lakh.



8. 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 half year ended September 30, 2023*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	30,727.14
ii.	Aggregate consideration received (Rs. in Lakh)	30,727.14
iii.	Weighted average Maturity of Loans (in years)	6.25
iv.	Weighted average Holding period of Loans (in years)	0.94
v.	Retention of Beneficial economic interest (in %)	12.10%
vi.	Coverage of Tangible security Coverage (in %) **	236.93%
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 half year ended September 30, 2023, under the said Notification.

c. The Company has neither transferred nor acquired any stressed loans during the half year ended September 30, 2023, under the said Notification.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on September 30, 2023 is given below:

Ratings	Recovery Rating*	Rating Agency	Amount (in INR Lakh)
IVR RR1	100-150%	Infomerics Valuation and Ratings Private Limited	910.36
IVR RR2	75-100%	Infomerics Valuation and Ratings Private Limited	804.99

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

9. During the half year ended September 30, 2023, the Company has transferred loans amounting to Rs. 81,812.03 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.

UGRO CAPITAL LIMITED

term sheet and debenture trust deed (together referred to as "transaction documents"). Further the Company has maintained asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

11. An Employee Benefit Trust viz. "UGRO Employee Benefit Trust" ("Trust") has been constituted pursuant to the "UGRO Capital Employee Stock Option Scheme-2022" ("the Scheme"), who holds the shares of the Company for the purpose of extending benefits of the Scheme to the Employees. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this scheme. 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. During the half year ended September 30, 2023, there has been no secondary market acquisition by the trust.

12. During the half year ended September 30, 2023, the Company has issued and allotted total 89,743 equity shares of face value of Rs. 10 per share at a premium of Rs. 120 per share pursuant to the exercise of options by the employees of the Company under the CSL Employee Stock Option Scheme 2017.

13. The Company had successfully raised equity share capital through Qualified Institutions Placement (QIP) in April 2023. The issue opened on April 10, 2023, closed on 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.

14. The Company had also successfully raised equity share capital through Preferential Issue to the tune of Rs. 24,000 lakh from Danish Sustainable Development Goals Investment Fund K/S represented by Investment Fund for Developing Countries. The said issue had been approved by the Board on April 11, 2023, and the shareholders through postal ballot on May 11, 2023. The Company issued and allotted 1,52,38,095 equity shares (face value of Rs. 10 per share) at a premium of Rs. 147.50 per share. These shares were allotted on May 17, 2023.

15. The figures for the quarter ended September 30, 2023, and September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2023 and September 30, 2022 and the reviewed figures for the quarter ended June 30, 2023 and June 30, 2022 respectively.

16. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

17. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
October 26, 2023

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 at and for the half year ended September 30, 2023:

Sr. No	Particulars	Ratios
1	Debt - Equity Ratio [1]	2.77
2	Debt Service Coverage Ratio [2]	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) [3]	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) [3]	Not Applicable
7	Net worth [4] (Rs. in Lakh)	1,37,103.15
8	Net profit after Tax (Rs. in Lakh)	5,412.86
9	Current ratio [2]	Not Applicable
10	Long term debt to working capital [2]	Not Applicable
11	Bad debts to Account receivable ratio [2]	Not Applicable
12	Current liability ratio [2]	Not Applicable
13	Total debts to total assets [5]	0.71
14	Debtors turnover [2]	Not Applicable
15	Inventory turnover [2]	Not Applicable
16	Operating margin (%)[2]	Not Applicable
17	Net profit margin (%) [6]	11.47%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 [7]	2.85%
	b. Net Stage 3 [8]	1.52%
	c. Capital to risk-weighted assets [9]	24.84%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / 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)) / 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.

