



(Please scan this QR code to view the Prospectus)



UGRO Capital Limited

UGRO Capital Limited (“Company” or the “Issuer”) was incorporated as “Chokhani Securities Private Limited” under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from “Chokhani Securities Limited” to “UGRO Capital Limited” and a fresh Certificate of Incorporation was issued by Registrar of Companies, Maharashtra at Mumbai (“RoC”) on September 26, 2018. Our Company is also registered with RBI as Systematically Important non-deposit taking Non-Banking Finance Company with registration no. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits. For further details about our Company, see “General Information” and “History and Certain Other Corporate Matters” on pages 44 and 123.

Registered and Corporate Office: Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India; **Tel.:** +91 22 4182 1600;

CIN: L67120MH1993PLC070739; **PAN:** AAACC2069E **Website:** www.ugrocapital.com; **Email:** cs@ugrocapital.com;

Company Secretary & Compliance Officer: Satish Chelladurai Kumar, **Tel.:** +91 22 4182 1600; **Email:** cs@ugrocapital.com;

Chief Financial Officer: Kishore Kumar Lodha; **Tel.:** +91 22 4182 1600; **Email:** kishore.lodha@ugrocapital.com

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

OUR PROMOTER

Our Promoter is Poshika Advisory Services LLP; **Tel.:** +91 124 4091777; **Email:** snath@poshika.com. For further details, see “Our Promoter” on page 147.

GENERAL RISKS

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under “Risk Factors” and “Material Developments” on page 17 and 176 respectively of this Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDS or investor’s decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated “IND A+/STABLE” for an amount of ₹ 20,000 lakh by India Rating & Research Private Limited vide their rating letter dated September 06, 2024 and press release dated September 06, 2024. The rating provided by India Rating & Research Private Limited is valid as on the date of this Prospectus and shall remain valid on date of the Issue and Allotment of NCDs and the listing of the NCDs on Stock Exchanges. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The ratings provided by India Rating & Research Private Limited may be suspended, withdrawn or revised at any time on the basis of factors such as new information by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement will be given. For the rationale, rating letters and press release for these ratings, see “Annexure A” of this Prospectus, on page 349. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). NSE shall be the Designated Stock Exchange. Our Company has received an ‘in-principle’ approval from BSE vide their letter bearing reference number DCS/BM.PI-BOND/21/24-25, dated September 26, 2024 and NSE vide their letter bearing reference number NSE/LIST/D/2024/0303, dated September 26, 2024.

PUBLIC COMMENTS

The Draft Prospectus dated September 24, 2024 was filed with BSE and NSE, pursuant to Regulation 27(2) of the SEBI NCS Regulations and was kept open for public comments for a period of one Working Day (i.e., until 5 p.m.) on the date of filing of the Draft Prospectus with the Stock Exchanges. No Comments were received on the Draft Prospectus until 5 p.m. on September 25, 2024.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount, please refer to “Terms of the Issue” on page 180. For details relating to Eligible Investors, please refer to “Issue Structure” on page 198.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

 <p>Tip Sons Creating Value Since 1993</p>	
<p>Tipsons Consultancy Services Private Limited 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat, India Tel.: +91 79 66828064 / 66828127 Email: tipsons.projectpragati@tipsons.com Investor Grievance Email: igr@tipsons.com Contact person: Nagesh Chauhan Website: www.tipsons.com SEBI registration number: INM000011849</p>	<p>Link Intime India Private Limited C 101, 247 Park, L B S Marg Vikhroli West, Mumbai - 400 083 Tel.: +91 810 811 4949 Fax: +91 22 49186160 Email: ugrocapital.ncd2024@linkintime.co.in Investor Grievance Email: ugrocapital.ncd2024@linkintime.co.in Contact person: Shanti Gopalkrishnan Website: www.linkintime.co.in/ SEBI registration number: INR000004058</p>

Credit Rating Agency

Debenture Trustee**

Statutory Auditor

 <p>India Ratings & Research A Fitch Group Company</p>	 <p>MITCON CREDENTIA PARTNER WITH TRUSTED CREDITORS</p>	<p>M/s Sharp & Tannan Associates Chartered Accountants 87, Nariman Bhavan, 227 Nariman Point, Mumbai 400021 Tel.: +91 22 6153 7500, 2202 2224/8857; Email: mumbai.office@sharpandannan.com, Contact Person: Tirtharaj Khot</p>
<p>India Ratings and Research Private Limited Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India Tel: +91 22 40001700 Fax: +91 22 40001701 Email: infogrp@indiaratings.co.in Website: www.indiaratings.co.in Contact Person: Karan Gupta SEBI Registration No.: IN/CRA/002/1999</p>	<p>MITCON Credentia Trusteeship Services Limited Registered Address: Kubera Chambers, 1st Floor, Shivajinagar, Pune 411005, Maharashtra, India Corporate Address: 1402/03, B-Wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211, Nariman Point, Mumbai- 400021, India Tel.: +91 22828200 Fax: +91 22024553 Email: contact@mitconcredentia.in Investor Grievance Email: investorgrievances@mitconcredentia.in Contact person: Vaishali Urkude Website: www.mitconcredentia.com</p>	

SEBI registration number: IND000000596

ISSUE PROGRAMME *

Issue Opens on

Thursday, October 10, 2024

Issue Closes on

Wednesday, October 23, 2024

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Board of Directors of the Company or the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to "Issue Related Information" on page 180.*

*** MITCON Credentia Trusteeship Services Limited under Regulation 8 of SEBI NCS Regulations has vide its letter dated September 24, 2024 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

A copy of this Prospectus has been filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to "Material Contracts and Documents for Inspection" on page 345 and "Issue Related Information" on page 180.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms defined as part of “General Information”, “Risk Factors”, “Industry Overview”, “Key Regulations and Policies”, “Statement of Possible Tax Benefits”, “Provisions of Articles of Association”, “Financial Information” and “Other Regulatory and Statutory Disclosures” on pages 44, 17, 90, 308, 78, 325, 151 and 275, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors”, “Industry Overview” and “Key Regulations and Policies”, on pages 108, 17, 90 and 308, respectively, shall have the meaning ascribed to them hereunder.

General Terms

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

Company related terms:

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

Term	Description
Director(s)	Director(s) of our Company
CSL Employee Stock Option Scheme 2017	The Employee Stock Option Scheme of our Company approved by board of directors on December 31, 2017 and by the shareholders through postal ballot on May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballot on May 5, 2022 (Results of which were declared on May 6, 2022)
UGRO Capital Employee Stock Option Scheme 2022	The Employee Stock Option Scheme of our Company approved by board of directors on July 22, 2022, and by the shareholders through postal ballot on September 04, 2022
Equity Shares	Equity shares of our Company
Group Companies	As on the date of this Prospectus, we do not have any identifiable group companies
Independent Directors(s)	Independent director(s) of our Company, as disclosed under “ <i>Our Management</i> ”, on page 126
Investment and Borrowing Committee / IB Committee	The Investment and Borrowing Committee of Board of Directors of our Company, constituted in accordance with applicable laws
IT Strategy Committee	The IT Strategy Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Key Managerial Personnel(s) / KMP(s)	The Key managerial personnel(s) of our Company as disclosed under “ <i>Our Management</i> ”, on page 126 and appointed in accordance with Section 203 of the Companies Act, 2013 and defined under regulation 2(1) (sa) of SEBI NCS Regulations and Section 2(51) of the Companies Act, 2013
“Memorandum” / “Memorandum of Association” / “MoA”	Memorandum of association of our Company
Nomination and Remuneration Committee/ NRC	Nomination and remuneration committee of Board of Directors of our Company, constituted in accordance with applicable laws
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under “ <i>Our Management</i> ”, on page 126
Previous Statutory Auditors	The previous statutory auditors of our Company. Please see “ <i>Change in Statutory Auditors for preceding three financial years and current financial year as on date of this Prospectus</i> ” on page 48
Promoter	The promoter of our Company namely, Poshika Advisory Services LLP
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
Registered and Corporate Office	Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai
Risk Management Committee	The Risk Management Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Securities Allotment and Transfer Committee	The Securities Allotment and Transfer Committee of Board of Directors of our Company, constituted in accordance with applicable laws
“Senior Management Personnel” or “SMP”	Senior Management of our Company in accordance with Regulation 2(1)(iia) of the SEBI NCS Regulations
Shareholders	Equity Shareholders of our Company from time to time
Statutory Auditor/ Auditor	The current statutory auditors of our Company, M/s Sharp & Tannan Associates, Chartered Accountants
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Unaudited Financial Results	Our unaudited financial results for the three months ended June 30, 2024, along with the limited review report, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the SEBI LODR Regulations

Issue related terms:

Term	Description
Abridged Prospectus	The memorandum containing the salient features of this Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot/ Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue
Applicant / Investor / ASBA Applicant	The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Prospectus, this Prospectus, the Abridged Prospectus and Application Form
Application/ASBA Application/Application Supported by Blocked Amount/ASBA	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorized an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of this Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank.
Base Issue Size/ Base Issue	₹ 10,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in “ <i>Issue Procedure- Basis of Allotment</i> ” on page 253
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
Category I Investor - Institutional Investors	<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.

Term	Description
Category II Investor - Non-Institutional Investors	<ul style="list-style-type: none"> • Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III Investor-High Net-Worth Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all options of NCDs in this Issue
Category IV Investor-Retail Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10 lakh across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	Consortium Agreement dated October 03, 2024 entered into amongst the Company, Lead Manager and Consortium Member to the Issue
Consortium Member	Tipsons Stock Brokers Private Limited
Consortium/Members of the Consortium/Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and Consortium Member
Corrigendum	The Corrigendum dated September 27, 2024 filed with the Stock Exchanges
Coupon/ Interest Rate	The aggregate rate of interest payable in connection with the NCDs as specified in “ <i>Issue Structure</i> ” on page 198
Credit Rating Agency	India Rating & Research Private Limited
Debenture Holder(s) / NCD Holder(s)	The holders of the Secured NCDs pursuant to the Issue whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law
Debenture Trustee Agreement	Agreement dated September 24, 2024 entered into between our Company and the Debenture Trustee wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure at least 110% security cover of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time
Debenture Trustee / Trustee	Trustee for the NCD holders in this case being MITCON Credentia Trusteeship Services Limited
Deemed Date of Allotment	The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of

Term	Description
	Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, email, bank account details, MICR Code, UPI ID (as applicable), category, PAN etc
Depositories Act	The Depositories Act 1996
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other weblink as may be prescribed by SEBI from time to time
Designated Locations	CDP Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds blocked from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, after finalisation of Basis of Allotment, in terms of this Prospectus and the Public Issue Account and Sponsor Bank Agreement
Designated Intermediaries	The Members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI Master Circular
Designated Locations	RTA Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the website of the Stock Exchange at www.bseindia.com and www.nseindia.com
Designated Exchange	Stock The designated stock exchange for the Issue, being National Stock Exchange of India Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Prospectus	The draft prospectus dated September 24, 2024, filed by our Company with the Stock Exchanges for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations read along with the Corrigendum
Final Settlement Date	The date on which all secured obligations (including all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the NCD Holders or the debenture trustee under the Transaction Documents in respect of the debentures, including without limitation, the making of payment of any coupon, interest, redemption of principal amounts, the default interest, additional interest, liquidated damages, indemnity payments and all costs, charges, expenses and other amounts payable by the company in respect of the debentures) have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the NCD Holders
Interest/Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment as specified in this Prospectus. Please see the section titled “ <i>Issue Related Information</i> ” on page 180
Issue	Public Issue by our Company of up to 20,00,000 secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- Each (“NCDs”) for an amount Up To ₹ 10,000 lakh (“ Base Issue Size ”) with an option to retain oversubscription up to ₹ 10,000 lakh (“ Green Shoe Option ”), for an aggregate amount of up to ₹ 20,000 lakh (“ Issue Size ” or “ Issue Limit ”)

Term	Description
Issue Agreement	Agreement dated September 24, 2024 entered into by our Company and the Lead Manager
Issue Closing Date	Wednesday, October 23, 2024
Issue Document	The Draft Prospectus, this Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Issue Opening Date	Thursday, October 10, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Lead Manager	Tipsons Consultancy Services Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
NCDs / Debentures	Non-convertible debentures of face value of ₹ 1,000 each for an amount up to ₹ 10,000 lakh (“ Base Issue Size ”) with an option to retain oversubscription up to ₹ 10,000 lakh (“ Green Shoe Option ”), cumulatively aggregating up to 20,00,000 NCDs for an aggregate amount of up to ₹ 20,000 lakh to be issued through this Issue
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Prospectus	The Prospectus dated October 04, 2024 filed with the RoC and submitted with SEBI, NSE and BSE in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date
Public Issue Account and Sponsor Bank Agreement	Agreement dated October 04, 2024 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Public Issue Account Bank, Refund Bank and Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants
Public Issue Account Bank	Kotak Mahindra Bank Limited
Record Date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Management Committee or such other Committee (as may be authorised by the Board in this regard from time to time) in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case the Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date</p>
Recovery Expense Fund	An amount deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs, in the manner as specified by SEBI in the DT Master Circular and Regulation 11 of SEBI NCS Regulations
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date as specified in “ <i>Issue Related Information</i> ” on page 180
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in “ <i>Issue Structure</i> ” on page 198

Term	Description
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the Prospectus
Register of Debenture Holders	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013
Registrar Agreement	Agreement dated September 24, 2024 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchange having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ RTA/ Share Transfer Agent	Link Intime India Private Limited
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
SEBI LODR IV Amendment	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021
Security	As specifically disclosed in “ <i>Issue Structure</i> ” on page 198 of this Prospectus and detailed in the Debenture Trust Deed
Series / Option	As specified in “ <i>Issue Structure</i> ” on Page 198
Specified Cities/ Specified Locations	Bidding Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank(s)	Kotak Mahindra Bank Limited, a Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹5,00,000 and carry out any other responsibilities in terms of the SEBI Master Circular and as specified in this Prospectus
Stock Exchanges	BSE and NSE
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in “ <i>Issue Structure</i> ” on Page 198
Total Equity	Total Equity shall mean total equity mentioned herein as per the Audited Financial Statements.
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Transaction Registration Slip or TRS	The acknowledgement slips or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Transaction Documents/ Issue Documents/ Offer Documents	Shall mean Draft Prospectus, Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form, the Debenture Trust Deed and Security Documents to be executed between our Company and the Debenture Trustee. For further details see, “ <i>Material Contracts and Documents for Inspection</i> ” on page 345

Term	Description
Tripartite Agreements	Tripartite Agreement dated March 20, 2019 entered into between our Company, Registrar to the Issue and NSDL and Tripartite Agreement dated March 20, 2019 entered into between our Company, Registrar to the Issue and CDSL for offering demat option to the NCD Holders
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹5 lakh for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
UPI Mandate Request / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment
UPI Mechanism / UPI	Unified Payments Interface mechanism in accordance with SEBI Master Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI

Technical/Industry Related Terms/Abbreviations:

Term	Description
AAN	Account Aggregation Network
AI	Artificial Intelligence
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ALM	Asset liability management
Anchors	Entities which aides and facilitate our Company financing to vendors/ dealers
AUM	Assets under management
Average ticket size	Average amount of the loans given in a certain category
BRE	Business Rule Engine
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result
CareEdge Research	CARE Analytics & Advisory Private Limited.
CareEdge Research Report	CareEdge Research as the agency issuing the industry report titled “ <i>Research Report on NBFC Industry</i> ” dated September 19, 2024 for part of Industry Overview chapter
CIN	Corporate Identification Number
CRAR	Capital to risk (weighted) assets ratio, or capital risk adequacy ratio
CRR	Cash reserve ratio
CSR	Corporate social responsibility
DIN	Director Identification Number
DRR	Debenture redemption reserve

Term	Description
ECB	External Commercial Borrowings
ECGC	Export Credit Guarantee Corporation
EPS	Earnings per share
EGM	Extraordinary general meeting
ESG	Environmental, Social and Governance
FMCG	Fast Moving Consumer Goods
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended
KYC	Know Your Customer
LAP	Loan Against Property
LMS	Loan Management Solution
ML	Machine Learning
MSME	Micro, small and medium enterprises
NBFC	Non-banking financial company registered with the RBI
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial company
NCDs	Non-convertible Debentures
Net NPA	Closing balance of the gross carrying amount – stage 3 – Loans less impairment loss allowance – stage 3 loans
Net Worth	Equivalent to Total Equity, and is the sum of Equity share capital, convertible preference share capital and other equity as contained in our Audited Financial Statements.
NPA	Non-performing asset/ Stage 3 loans
OCEN	Open Credit Enablement Network
OCR	Optical Character Recognition
OEMs	Original Equipment Manufacturer
QIP	Qualified Institutional Placement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SME	Small and medium-sized enterprises
TAT	Turnaround time
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital

Conventional and general terms:

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting

AS	Accounting standard
AY	Assessment year
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CGST Act, 2017	The Central Goods and Services Tax Act, 2017, as amended
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consolidated FDI Policy	The Consolidated FDI policy, issued by the DPIIT and any Modifications thereto or substitutions thereof, issued from time to time
Consumer Protection Act	Consumer Protection Act, 1986
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
CRISIL	CRISIL Ratings Limited
DT Master Circular	Master circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 issued by SEBI on May 16, 2024, as amended from time to time
ESOP	Employee Stock Option Plan
FDI	Foreign Direct Investment
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999
Fiscal / Financial Year / FY	Financial year ending March 31
FIR	First Information Report
GOI	Government of India
HNI	High Net worth Individual
HUF	Hindu undivided family
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles in India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC-ND-SI Directions	Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, updated as on March 21, 2024
NEFT	National electronic funds transfer
NSDL	National Securities Depository Limited
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Scale Based Regulation	Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, updated as on March 21, 2024
RTA Master Circular	Master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 issued by SEBI on May 07, 2024, as amended from time to time
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

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

FORWARD LOOKING STATEMENTS

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

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

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

1. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.
2. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition.
3. Our AUM comprises of unsecured loans. Our inability to recover the amounts due from customers in connection with such loans in a timely manner could adversely affect our operations and profitability.
4. Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.
5. Our business operations involve transactions with borrowers with limited access to credit whose risk profile is relatively high risk. Any default from our customers could adversely affect our business, results of operations and financial condition.
6. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.
7. We have limited operating history and evolving business make it difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.
8. Our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business, results of operations and financial condition.
9. We are subject to supervision and regulation by the RBI as a systemically important non - deposit accepting NBFC, and changes in RBI’s regulations governing us could adversely affect our business.
10. We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.

For further discussion of factors that could cause our actual results to differ, see section titled “*Risk Factors*” on page 17.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” and on pages 17, 90 and 108.

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

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

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

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

Certain Conventions

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

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

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

Presentation of Financial Information

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

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

Our Company publishes its financial statements in Rupees in lakh. Our Company’s financial statements as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2021 have been prepared in accordance with Ind AS. The Audited Financial Statements for the Financial Year ended March 31, 2024 have been audited by our Statutory Auditors and the Audited Financial Statements for the Financial Year ended March 31, 2022 and March 31, 2023 have been audited by our Previous Statutory Auditors.

The Audited Financial Statements and the respective reports on the Audited Financial Statements, as issued by our Company’s Statutory Auditors and Previous Statutory Auditors, for Fiscal 2024, Fiscal 2023 and Fiscal 2022 are included in this Prospectus in “*Annexure C – Financial Statements*” beginning at page 351.

The Unaudited Financial Results of our Company for the quarter ended June 30, 2024 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on July 31, 2024 and subjected to limited review by Statutory Auditor, pursuant to Regulation 33 and Regulation 52 of the SEBI LODR Regulations. Our Company’s Unaudited Financial Results for the quarter ended June 30, 2024 are included in this Prospectus and are referred to hereinafter as “Unaudited Financial Results”. For further details see chapter titled “*Annexure C – Financial Statements*” on page 351.

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

Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from the Research Report on NBFC Industry, prepared by CARE Analytics and Advisory Private Limited for us. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although the Company believes that industry data used in this Prospectus is reliable, it has not been independently

verified. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

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

Currency and Unit of Presentation

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

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

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

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

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

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

Industry and Market Data

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

Disclaimer of CareEdge Research

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

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

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

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General Risk

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

Specific attention of investors is invited to statement of risk factors contained under section “Risk Factors” on page 17. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor’s decision to purchase such securities.

Exchange Rates

The exchange rates for INR (₹) vis-à-vis of USD, as of September 30, 2024, June 30 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are provided below:

Currency	September 30, 2024	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.79	83.45	83.37	82.22	75.81

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

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

SECTION II: RISK FACTORS

This Prospectus contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further information, see section titled “Forward-Looking Statements” on page 12.

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, and the information provided in “Our Business” on page 108 and “Financial Information” on page 151, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

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

INTERNAL RISKS

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

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

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

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 stands at ₹16,670.94 lakh, ₹ 17,147.91 lakh, ₹

9,569.05 lakh and ₹ 5,641.15 lakh, respectively representing 2.90 %, 3.09%, 2.46% and 2.28%, respectively of the book loans and advances and our Net NPAs stands at ₹ 9,016.19 lakh, ₹ 8,921.66 lakh, ₹ 4,988.98 lakh and ₹ 4,152.32 lakh, respectively representing 1.59 %, 1.64 %, 1.31 % and 1.70 % of the book loans and advances.

We have previously faced certain instances of customers defaulting or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from such customers. For further information in relation to litigation, see “*Outstanding Litigations and Defaults*” beginning on page 258.

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

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

Out of our Company’s AUM of ₹ 9,21,772.71 lakh as at June 30, 2024, 55.01% of the aggregate value of our AUM i.e., ₹5,07,031.02 lakh is secured by collaterals, 4.77% of the aggregate value of our AUM i.e., ₹43,940.56 lakh is secured by receivables, 6.01% of the aggregate value of our AUM i.e., ₹55,438.75 lakh is secured by FLDG and ₹3,15,362.37 lakh representing 34.21% of the aggregate value of our AUM is unsecured loans. The value of collaterals is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of other sectors in which we operate, (iv) any change in statutory and / or regulatory requirements, and (v) the credit profile of our customers.

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

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

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

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

As of June 30, 2024, our AUM of unsecured loans was ₹3,15,362.37 lakh constituting 34.21% of total AUM of our Company. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

As on June 30, 2024, our Gross NPAs for unsecured loans stands at ₹8,788.42 lakh representing 2.79% of the AUM of unsecured loans and our Net NPAs for unsecured loans stands at ₹3,906.77 lakh representing

1.24% of the AUM of unsecured loans. Because of the unsecured nature, it is essential that such loans are appropriately priced, taking into account a possible high rate of interest and all other relevant factors. In making a decision whether to extend credit to prospective customers, and the terms on which we are willing to provide credit, including the price, we rely heavily on our credit scoring models, and our credit experience gained through monitoring the performance of customers over time. Our credit scoring models are based on previous historical experience. If our credit scoring models are not redeveloped as required or if they do not perform up to target standards, we may experience increasing defaults or higher customer acquisition costs.

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

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

We are engaged in the lending business, primarily dealing in SME and MSME sector. Our results of operations are substantially dependent upon the level of our total income (which includes interest income from financing activities and net gain on derecognition of financial instrument). Interest income from our financing activities is the largest component of our total income and constituted 62.48 % and 73.09%, of our total income for the Fiscal 2024 and for the quarter ended June 30, 2024, respectively. Net gain on derecognition of financial instrument constituted 28.42% and 16.71 % for FY 23 and 3M FY 24. As March 31, 2024, March 31, 2023 and March 31, 2022, our on-book loans and advances were ₹5,54,970.39 lakh, ₹3,89,436.20 lakh and ₹2,49,112.74 lakh respectively. We borrow and lend funds on both fixed and floating rates.

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

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

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

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

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

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

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

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

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

As at three months period ended June 30, 2024 and Financial Years ended 2024, 2023 and 2022, the capital adequacy ratio (Tier I and Tier II) of our Company was 27.94%, 20.75 %, 20.23% % and 34.37%, respectively. Further, our total borrowing as at June 30, 2024 and as at the Financial Years ended 2024, 2023 and 2022 was ₹ 4,52,914.61 lakh, ₹ 4,65,324.52 lakh, ₹ 3,14,893.45 lakh and ₹ 1,80,183.86 lakh respectively.

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

Further, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms, at competitive rates and timely manner continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, macro and micro economic conditions, lack of liquidity in the market, investors' and/or lenders'

perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. Our long-term debt is presently rated “Ind A+ / Stable”, “CRISIL -A/ Stable”, “Acuite A/ Stable” from India Ratings and Research Private Limited, CRISIL Ratings Limited and Acuité Ratings & Research Limited respectively. Further, our short-term credit rating is presently rated “IND A 1 +”, “CRISIL A1” from India Ratings and Research Private Limited and CRISIL Ratings Limited respectively.

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

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

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

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

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

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

As at June 30, 2024, the aggregate value of our total outstanding borrowings stands at ₹ 4,52,914.61 lakh. Our ability to meet our obligations under our financing arrangements and repay our outstanding borrowings will also depend on the cash generated by our business, which depends on the timely repayment by our customers. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see “Disclosures on Existing Financial Indebtedness” on page 151.

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

- change in promoter directors or in the core management team without prior approval of the lender;
- undertake any merger / acquisition / amalgamation without prior approval of the lender;
- undertake any scheme of expansion / modernization / diversification / renovation (except normal capex) or sell any fixed assets during any accounting year without prior approval of the lender;
- effect any change to or alter our capital structure without prior approval of the lender; and

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

Our failure to meet our obligations under our financing agreements, including inter alia creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, default in payment of penal interest wherever applicable could have an adverse effect on our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see “*Disclosures on Existing Financial Indebtedness*” on page 151.

Our future borrowings may also contain similar or more stringent restrictive provisions. In the event that we fail to meet our financial obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements and we may be immediately required to repay our borrowings, either in whole or in part, together with any related costs. We cannot assure you that, in such an event, we will have sufficient resources to repay the borrowings. Further, we are required to obtain no-objection certificates from certain existing lenders and debenture holders of the Company for the proposed Issue and listing of the NCDs. In case, any of the lender or debenture holder decides to withdraw their consent before the listing of the NCDs, the Company may be considered to have defaulted under the terms of our agreements. The negative covenants as mentioned in this risk factor and in the section “*Disclosures on Existing Financial Indebtedness*” on page 151, and other clause/covenants of a similar nature under the financing arrangements entered into by us with our lenders are in the ordinary course of business and will continue post listing of the NCDs, as is customary for such borrowing arrangements for listed and unlisted companies. Any inability to meet our obligations under such financing arrangements could adversely affect our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

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

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)*
Company						
<i>By the Company</i>	4,543 ⁽¹⁾	Nil	Nil	Nil	2923 ⁽²⁾	36,102.39
<i>Against the Company</i>	5	Nil	Nil	Nil	Nil	Nil
Directors						
<i>By the Directors</i>	Nil	Nil	Nil	Nil	Nil	Nil
<i>Against the Directors</i>	Nil	Nil	Nil	Nil	Nil	Nil

Promoters						
<i>By the Promoters</i>	Nil	Nil	Nil	Nil	Nil	Nil
<i>Against the Promoters</i>	Nil	Nil	Nil	Nil	Nil	Nil

*Amount to the extent quantifiable

(1) This includes 4,518 complaints under Section 138 of Negotiable Instruments Act, 1881, as amended involving an aggregate amount of ₹ 443,59,40,094 (to the extent quantifiable).

(2) This comprises 2,910 arbitration proceedings at different stages before arbitrator, involving an aggregate amount of ₹ 361,02,38,729.

For further details of the legal proceedings that we are subject to, please refer to “*Outstanding Litigations and Defaults*” on page 258.

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

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 currently require NBFCs to comply with a capital to risk (weighted) assets ratio (“**CRAR**”) consisting of Tier I and Tier II capital. Under these requirements, Tier I and Tier II capital should not be less than 15% of the sum of the NBFC’s aggregate risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, as applicable. Additionally, our Tier I capital, at any point in time, shall not be less than 10%. For details, see “*Key Regulations and Policies*” on page 308. We are categorized as a ‘Middle layer’ NBFC under the SBR Framework.

As of June 30, 2024, our CRAR was 27.94 %. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable CRARs. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital.

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

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

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

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

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

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

timely manner.

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

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

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements imposed by the RBI from time to time. In future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as a systemically important non-deposit taking NBFC and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations, GST registrations and trade licenses of the particular state in which we operate. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see “*Key Regulations and Policies*” on page 308.

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

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

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

Our Company is subject to the obligations and reporting requirements under SEBI LODR Regulations, SEBI Insider Trading Regulations and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other Regulations. Though our Company endeavours to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company/our Promoters to prosecution and/or penalties. Any non-compliance with the applicable laws, rules and regulations in the future may subject us to regulatory action, including penalties, suspension of trading of Equity Shares or even compulsory delisting of our Equity

Shares, which may not only materially and adversely affect our business, prospects and reputation but also the shareholders. Our inability to comply with or any delay in compliance with such rules and regulations may have an adverse effect on our business, results of operations, financial condition and cash flows. In the past, stock exchanges have had levied certain penalties, see “*Outstanding Litigations and Defaults*” on page 258, for details of such listed non-convertible securities, see “*Disclosures on Existing Financial Indebtedness*” on page 151.

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

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

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

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

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

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

We may infrequently engage in cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Even if such instances of misconduct may not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. For details related to our insurance policies, see “*Our Business - Insurance*” on page 122. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We have experienced instances of fraud by our borrowers, in Fiscals 2022, 2023 and 2024. There can be no

assurance that such instances will not occur in future. Any failure to mitigate such risks may adversely affect our business and results of operations. For details related to material frauds against the Company, see “*Outstanding Litigations and Defaults*” on page 258. Furthermore, some of the collateral provided for the loans may not be adequately insured and this may expose us to a loss of value of the collateral. As a result, we may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our profitability and business operations.

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

We commenced our lending business to MSMEs in the financial year 2019. As June 30, 2024, we were operating from 23 prime branches and 141 micro branches with an AUM of ₹9,21,772.71 lakh and catering more than 83,500 customers. Our AUM has grown from ₹2,96,890.60 lakh as at March 31, 2022 to ₹9,04,705.74 lakh as at March 31, 2024. Further, there can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our AUM too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our AUM may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

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

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

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

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

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby and inherent in the “U GRO” brand name is essential to our business. The reputation of our Company and/or the “U GRO” brand could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company or the “U GRO” brand. As such, any damage to our reputation, or that of the “U GRO” brand name, could

substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

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

There were instances of delayed compliance with certain statutory provisions under the IT Act. For further information please refer to the chapter “*Outstanding litigation and defaults*” on page 258.

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

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

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

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

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

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

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

The cost and availability of debt capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance,

strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our long-term debt is presently rated “Ind A + / Stable”, “CRISIL A/ Stable”, “Acuite A/ Stable” from India Ratings and Research Private Limited, CRISIL Ratings Limited and Acuite Ratings & Research Limited respectively. Further, our short-term credit rating is presently rated “IND A1 +”, “CRISIL A1” from India Ratings and Research Private Limited and CRISIL Ratings Limited respectively. Securities with this rating are considered to have an adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.

The NCDs proposed to be issued under the Issue have been rated “IND A +/ Stable”) for an amount of ₹ 2,000 million by India Ratings and Research Private Limited vide their rating letter dated September 06, 2024 with rating rationale dated September 06, 2024. For rating letter, rationale and press release including the risk and key drivers mentioned therein, please refer to “Annexure A” of this Prospectus.

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

The rating provided by India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. For details in relation to rating letters and rationale for the above rating, please see “Annexure A” on page 349.

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

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

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

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain

representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

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

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, co-lending risk, talent risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details of our strategy on risk management policies, see “*Our Business - Continue to maintain prudent risk management policies for our assets under management*” on page 116. Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

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

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

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

If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. In addition, we will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset

valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

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

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

Particulars	FY 2024	FY 2023	FY 2022
Net cash used in operating activities	(1,53,494.53)	(1,22,042.82)	(1,13,181.67)
Net cash generated from/ (used in) investing activities	(23,045.03)	(8,454.20)	4,137.95
Net cash generated from financing activities	1,81,359.94	1,27,936.85	1,03,253.11

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, see “Financial Statements” on page 351.

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

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

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

The industry and market information contained in this Prospectus includes information that is derived from the report entitled “Research Report on NBFs” – September 19, 2024 by CareEdge Research, which has been exclusively commissioned and paid for by our Company only for the purposes of confirming our understanding of the industry in connection with the Issue.

The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to us that differ from those we record internally. While we believe such information to be true, we cannot assure you that such information is complete or reliable. Given the scope and extent of the reports, disclosures herein are limited to certain excerpts and the reports have not been reproduced in their entirety in this Prospectus. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Accordingly, investors should read the industry-related disclosure in this Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market

practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Statements from third parties that involve estimates are subject to change, and actual amounts may differ from those included in this Prospectus. While these industry sources and publications may take care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

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

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

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

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

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

There are many events, other than the ones covered in the insurance policies specified in “*Our Business – Insurance*” on page 122, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition and cash flows could be adversely affected. For details in relation to our insurance coverage, see “*Our Business – Insurance*” on page 122.

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

This Prospectus includes certain non-GAAP measures, including, inter alia, Gross NPA%, Net NPA%, Net Worth, Return on Total Assets, Return on Equity, AUM, Gross Loan Book, Total Debts to total assets, etc, for further details, please see “*Our Business - Key Operational and Financial Parameters*” on page 116 which are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

We consider these non-GAAP measures useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or

construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies in the industry for computing such measures, and those non-GAAP measures we included in this Prospectus may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure

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

As of June 30, 2024 all of our offices including our Registered and Corporate Office and branches are located in leased premises. As on date, we have 164 branches out of which lease / rent agreement for 9 branches have expired and are under renewal. Further, 1 of our lease / rent agreement has recorded incorrect address of the leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement or we are unable to rectify such agreements, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

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

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

We have entered into certain transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details of the related party transaction for each of the Financial Years ended March 31, 2024, 2023 and 2022, as per the requirements under the applicable accounting standards, see Note 44 of Audited Financial Statements for Fiscal 2024, Note 43 of Audited Financial Statements for Fiscal 2023, and Note 40 of Audited Financial Statements of Fiscal 2022, under "*Financial Statements*" beginning on page F-66, F-162 and F-255.

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

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

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

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

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

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

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

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

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

We employ 1846 full-time employees as of June 30, 2024, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

Further, we are subject to several labour laws and regulations that change periodically, and we cannot assure you that we will continue to be able to comply with such laws and regulations in the future. Any non-compliance by us in the future may adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

Our name and trademarks are significant to our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance. Our current logo “”, is registered under Class 35 and 36 under the Trade Marks

Act, 1999 in the name of our Company. Further, our logo  , is registered under Class 35, 36 and 42 under Trade Marks Act, 1999 in the name of our Company. Also, we have filed application for

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

We have also developed various technology platforms to enhance our quality of our services and operations, such as (i) GRO Plus module; (ii) GRO Chain; (iii) GRO Xstream platform for co-lending and; (iv) GRO X application to deliver embedded financing option to MSMEs. For further details please see, “Our Business - UGRO Capital Founding Philosophy (DataTech Approach)” on page 110. For this, our

logo  , is registered under class 9 and 36 and we have filed application for registration of



under Class 35 and 42 under the Trade Marks Act, 1999.

Furthermore, we had made a patent application for invention titled ‘*Method and System for Modelling Credit ScoreCards*’ published on May 13, 2022. The Company has filed hearing submission to the Controller of Patents thereby submitting the responses to objections in the hearing notice. For further details in relation to our intellectual property, see “*Our Business- Intellectual Property*” on page 122.

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

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

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

- protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage, fraudulent behaviour or improper use by our employees;
- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among our own businesses, with business partners, vendors or regulators), and other factors that may arise from our existing businesses or new businesses and new technology; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants, loss of confidence or trust, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have an adverse effect on our business, financial condition, results of operations and cash flows. Moreover, we share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We do PAN verification with the National Securities Depository Limited (“NSDL”), and Aadhaar XML download from the Unique Identification Authority of India, wherever deemed necessary (“UIDAI”). During the course of providing such services, customer data may be accessed. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of our systems, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. While no regulatory or legal action has been taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

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

The reputation of the non-banking financial industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the non-banking finance industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive

widespread adverse mainstream and social media publicity, or attract regulatory investigations. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

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

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

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

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

Risks relating to the Issue and NCDs

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

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, see “*Objects of the Issue*” at page 74. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

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

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

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

winding-up, there may not be sufficient assets remaining to pay amounts, due on the NCDs.

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

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

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

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

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

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

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

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

Substantially all of our Company’s current assets represented by the receivables are being used to secure our Company’s debt. As of June 30, 2024, our Company’s secured borrowings was ₹ 4,22,232.92 lakh. While the security on our NCDs is exclusive as of the date of this Prospectus, the terms of the NCDs do not prevent our Company from incurring additional debt subject to maintenance of minimum-security cover.

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

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

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

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

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

The proceeds of this Issue will be used by the Issuer in accordance with applicable laws and not for any specified projects. For further details, see “*Objects of the Issue*” on page 74.

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

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

56. *The Issuer being a NBFC is not required to maintain a debenture redemption reserve (“DRR”).*

We are a registered NBFC in terms of the NBFC-ND-SI Directions. Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 450IA of the RBI Act, 1934 that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of the NCDs. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

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

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

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

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

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

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs. Further, tax deductible at source is applicable on interest. For details, see section titled “*Statement of Possible Tax Benefits*” on page 78. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

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

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

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

Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss. Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 110% asset cover for the NCDs, which shall be free from any encumbrance, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

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

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

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

EXTERNAL RISKS

Risks relating to India

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

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

SEBI Circular and the Draft Prospectus Guidance Note.

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

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

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

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

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets;
- changing regulatory landscape in relation to NBFCs and factoring business; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

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

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

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

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

The Indian market and economy are influenced by economic and market conditions in other countries, including conditions in the U.S., Europe and particularly in emerging market countries located in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

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

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

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

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

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

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

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. Any future outbreaks of COVID-19

virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares. Any of the above factors may adversely affect our business, results of operation and financial condition.

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

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

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

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

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

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

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

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

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as “Chokhani Securities Private Limited” under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from “Chokhani Securities Limited” to “UGRO Capital Limited” and a fresh Certificate of Incorporation was issued by Registrar of Companies, Maharashtra at Mumbai on September 26, 2018. Our Company is also registered with RBI as Systematically Important non-deposit taking Non-Banking Finance Company with registration no. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits. For further details about our Company, see “*General Information*” and “*History and Certain Other Corporate Matters*” on pages 44 and 123.

NBFC Registration

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

Registered and Corporate Office

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

For further details regarding changes to our Registered Office, see section titled “*History and Certain Corporate Matters*” on page 123.

Registrar of Companies

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

Registration Details

Company registration number with RoC	070739
Corporate Identification Number	L67120MH1993PLC070739
NBFC Registration Certificate Number under Section 45 IA of the RBI Act	13.00325
Liability of the members of the Company	Limited by Shares
Legal Entity Identifier Number (LEI)	335800701S315QAAY388
PAN	AAACC2069E
GST	27AAACC2069E1ZZ

Chief Financial Officer and Company Secretary

Chief Financial Officer

Kishore Kumar Lodha

Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India

Tel No: +91 22 41821600

Email: kishore.lodha@ugrocapital.com

Company Secretary and Compliance Officer

Satish Chelladurai Kumar

Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India

Tel No: +91 22 4182 1600

Email: cs@ugrocapital.com

Lead Manager to the Issue



Tipsons Consultancy Services Private Limited

1st Floor, Sheraton House, Opposite Ketav Petrol Pump,
Polytechnic Road, Ambawadi,
Ahmedabad – 380015 Gujarat

Tel.: +91 79 66828064 / 66828127

Email: tipsons.projectpragati@tipsons.com

Investor Grievance Email: igr@tipsons.com

Website: www.tipsons.com

Contact Person: Nagesh Chauhan

Compliance Officer: Divyani Koshta

SEBI Registration No.: INM000011849

CIN: U74140GJ2010PTC062799

Debenture Trustee to the Issue



MITCON Credentia Trusteeship Services Limited

Registered Address: Kubera Chambers, 1st Floor, Shivajinagar,
Pune 411005, Maharashtra, India

Corporate Address: 1402/03, B-Wing, Dalamal Tower,
14th Floor, Free Press Journal Marg,
211, Nariman Point, Mumbai- 400021, India

Tel.: +91 22- 22828200

Fax: +91 22- 22024553

Email: contact@mitconcredentia.in

Investor Grievance Email: investorgrievances@mitconcredentia.in

Website: www.mitconcredentia.com
Contact Person: Vaishali Urkude
Compliance Officer: Yogesh Limbachiya
SEBI Registration No: IND000000596
CIN: U93000PN2018PLC180330

MITCON Credentia Trusteeship Services Limited, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated September 24, 2024 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus, the Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see “Annexure B” on page 350 of this Prospectus for the consent letter of the Debenture Trustee.

Except as included in this Prospectus, all the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see, “Issue Procedure” on page 220 of this Prospectus.

Legal Counsel to the Issue



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

Credit Rating Agency



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

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated “IND A +/- Stable” for an amount of ₹20,000 lakh by India Ratings and Research Private Limited vide their rating letter dated September 06, 2024 and press release dated September 06, 2024. The rating provided by India Ratings and Research Private Limited is valid as on the date of this Prospectus and shall remain valid on date of the Issue and Allotment of NCDs and the listing of the NCDs on Stock Exchanges. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The ratings provided by

India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time on the basis of factors such as new information by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rationale, rating letters and press release for these ratings, see “Annexure A” of this Prospectus, on page 349. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

Disclaimer Clause of India Ratings and Research Private Limited

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

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

Registrar to the Issue



Link Intime India Private Limited

C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083

Tel.: +91 810 811 4949

Fax: +91-22-4918 6160

Email: ugrocapital.ncd2024@linkintime.co.in

Investor Grievance Email: ugrocapital.ncd2024@linkintime.co.in

Website: www.linkintime.co.in/

Contact Person: Shanti Gopalkrishnan

Compliance Officer: B. N. Ramakrishnan

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

Link Intime India Private Limited has vide its letter dated September 24, 2024 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Prospectus, the Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers etc.

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

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

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

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

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

Statutory Auditor

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

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

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

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

	Vile Parle (E) Mumbai - 400099			
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Consortium Member(s) to the Issue



Tipsons Stock Brokers Private Limited

Sheraton House, 5th Floor, Opposite Ketav Petrol Pump
Polytechnic Road, Ambawadi, Ahmedabad, 380015

Tel.: +91 7801929715

Fax: +91 79 66828001

Email: project.shikhar2@tipsons.com

Investor Grievance Email: compliance@tipsons.com

Website: www.tipsons.com

Contact Person: Manan Panchal

SEBI Registration No.: INZ000217531

CIN: U65910GJ1995PTC028486

Banker to the Issue

Public Issue Account Bank, Refund Bank and Sponsor Bank



Kotak Mahindra Bank Limited

Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097

Maharashtra, India.

Tel.: +91 022 - 66056603

Email: cmsipo@kotak.com

Website: www.kotak.com

Contact Person: Siddhesh Shirodkar

SEBI Registration No.: INBI00000927

CIN: L65110MH1985PLC038137

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Recovery Expense Fund

The recovery expense fund has been created by our Company in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled “Master Circular for Debenture Trustees” dated May 16, 2024, as amended from time to time, SEBI Master Circular and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of

such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

Syndicate SCSB Branches

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

Broker Centres / Designated RTAs Locations / Designated CDPs Locations

In accordance with SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

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

Impersonation

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

“Any person who –

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

shall be liable for action under Section 447.”

Explanation — For the purposes of this section —

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

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

Minimum subscription

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

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

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please see “Objects of the Issue” and “Terms of the Issue” on page 74 and 180. respectively.

Issue Schedule

Issue opens on	Thursday, October 10, 2024
Issue closes on*	Wednesday, October 23, 2024
Pay in date	Application Date. The entire Application Amount is payable on Application

Deemed date of allotment	The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
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*Note: * This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see section titled “Issue Related Information” on page 180.*

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular, except on the day of oversubscription, if any, where the Allotment will be proportionate. For further details please see section titled “Issue Related Information” on page 180.

Responsibilities of the Lead Manager:

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

S. No.	Activities
1.	Due diligence of Company’s operations/ management/ business plans/ legal etc. <ul style="list-style-type: none"> • Drafting of the offering document. • Coordination with Stock Exchanges for in-principle approval.
2.	Structuring of various issuance options with relative components and formalities etc.

S. No.	Activities
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion.
4.	Drafting and approval of statutory advertisement.
5.	Appointment of other intermediaries i.e., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.
6.	Coordination with the printer for designing and finalization of Issue Documents, Application Form including memorandum containing salient features of the Issue Documents.
7.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 4 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.
8.	Preparation of road show presentation, FAQs.
9.	Marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Issue Documents, posters, banners, etc. • Finalize collection centers; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalization of list and allocation of institutional investors for one on one meetings.
10.	Domestic institutions/banks/mutual funds marketing strategy: <ul style="list-style-type: none"> • Finalize the list and division of investors for one on one meetings, institutional allocation
11.	Non-institutional marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.
12.	Coordination with the Stock Exchanges for use of the bidding software
13.	Coordination for security creation by way of execution of Debenture Trust Deed
14.	Post-issue activities including: <ul style="list-style-type: none"> • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution
15.	<ul style="list-style-type: none"> • Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on September 30, 2024:

Particulars	Amount in (₹)
AUTHORISED SHARE CAPITAL	
15,45,00,000 Equity Shares of face value of ₹ 10 each	1,54,50,00,000
2,05,00,000 preference shares of face value of ₹ 10 each	20,50,00,000
TOTAL	175,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
9,29,94,201* Equity Shares of face value of ₹ 10 each	92,99,42,010*
Nil preference shares of face value of ₹ 10 each	Nil
TOTAL	92,99,42,010
Securities Premium Account*^	10,72,24,74,302

(In ₹, except for share data)

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

**Pursuant to the allotment of 37,878 Equity Shares of face value of ₹ 10 each post conversion of compulsory convertible debentures vide resolution dated September 11, 2024, the issued, subscribed and paid-up share capital, pending corporate action, as at September 30, 2024, stands at ₹ 92,99,42,010.*

^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, 2024. The amount reported is provisional and is subject to the limited review by the Current Statutory Auditor.

1.Changes in capital structure of our company as at September 30, 2024 and for the preceding three financial years:

S. No.	Date of Change (Annual Meeting/ Extraordinary Meeting)	Particulars
1.	May 11, 2023 (Postal Ballot)	Increase the authorized Share Capital of the Company, from the existing ₹ 102,00,00,000 divided into 8,15,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each to ₹ 125,00,00,000 divided into 10,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each.
2.	March 22, 2024	Increase the authorized Share Capital of the Company, from the existing ₹ 125,00,00,000 divided into 10,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each to ₹ 175,00,00,000 divided into 15,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each

**Apart from the particulars mentioned herein, there has been no change in the authorised share capital of our Company for the last three financial years and as at September 30, 2024.*

2.Equity Share capital history of our Company for the preceding three financial years and current financial year as on September 30, 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:

Equity Shares having a face value of ₹ 10 each

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)
Opening Balance as on April 1, 2021						7,05,28,550	70,52,85,500	7,76,73,44,826
January 06, 2022	30,769	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽¹⁾	7,05,59,319	70,55,93,190	7,77,10,37,106
April 13, 2023	66,11,325	10	152	Cash	Allotment pursuant to Qualified Institutional Placement	7,71,70,644	77,17,06,440	8,70,98,45,256
May 17, 2023	1,52,38,095	10	157.50	Cash	Allotment pursuant to Preferential Allotment	9,24,08,739	92,40,87,390	10,95,74,64,306
May 26, 2023	24,615	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽²⁾	9,24,33,354	92,43,33,540	10,96,04,18,106
August 03, 2023	60,000	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽³⁾	9,24,93,354	92,49,33,540	10,96,76,18,106
September 22, 2023	5,128	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽⁴⁾	9,24,98,482	92,49,84,820	10,96,82,33,466
November 23, 2023	6,700	10	173.85	Cash	Allotment pursuant to ESOP 2017 ⁽⁵⁾	9,25,48,532	92,54,85,320	10,97,45,58,051
	3,350	10	137.40	Cash				
	20,000	10	130	Cash				
	20,000	10	130	Cash				
December 22, 2023	51,307	10	130	Cash	Allotment pursuant	9,25,99,839	92,59,98,390	10,98,07,14,891

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 ₹)
					to ESOP 2017 ⁽⁶⁾			
January 24, 2024	1,50,207	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽⁷⁾	9,27,50,046	92,75,00,460	10,99,87,39,731
February 22, 2024	15,000	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽⁸⁾	9,27,65,046	92,76,50,460	11,00,05,39,731
March 22, 2024	64,775	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽⁹⁾	9,28,29,821	92,82,98,210	11,00,83,12,731
May 03, 2024	65,635	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽¹⁰⁾	9,28,95,456	92,89,54,560	11,01,61,88,931
July 04, 2024	13,400	10	221.45	Cash	Allotment pursuant to ESOP 2017 ⁽¹¹⁾	9,29,08,856	92,90,88,560	11,01,90,22,361
July 29, 2024	19,262	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽¹²⁾	9,29,28,118	92,92,81,180	11,02,13,33,801
August 24, 2024	28,205	10	130	Cash	Allotment pursuant to ESOP 2017 ⁽¹³⁾	9,29,56,323	92,95,63,230	11,02,47,18,401
September 11, 2024	37,878	10	264	Cash	Allotment pursuant to conversion of compulsory convertible debentures ⁽¹⁴⁾	9,29,94,201	92,99,42,010	11,03,43,39,413

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)
Closing Balance as on September 30, 2024[#]						9,29,94,201	92,99,42,010	11,03,43,39,413

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[#] The closing balance as on September 30, 2024 is not adjusted with share issue expense and other adjustments.

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

The table below presents the shareholding pattern of our Company as on September 30, 2024:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C 2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	2	20740 09	0	0	20740 09	2.23	20740 09	0	20740 09	2.23	227272	1.63	4630 0	2.23	0	0.00	2074009
(B)	Public	38993	89644 062	0	0	89644 062	96.44	89644 062	0	89644 062	96.44	4767595 9	97.49	7800 541	8.70	NA	NA	89601062
(C)	Non Promoter - Non Public	1	12382 52	0	0	12382 52	1.33	12382 52	0	12382 52	1.33	0	0.88	0	0	NA	NA	1238252

(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0		0	0	N A	NA	0
(C2)	Shares Held By Employee Trust	1	12382 52	0	0	12382 52	1.33	12382 52	0	12382 52	1.33	0	0.88	0	0	N A	NA	1238252
	Total	38996	92956 323	0	0	92956 323	100.00	92956 323	0	92956 323	100.00	4790323 1	100.00	7846 841	8.44	0	0.00 00	92913323

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

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

							(V)+ (VI)	(A+B+ C2)						% of (A+B+ C2)						
1	Indian																			
(a)	Individuals / Hindu Undivided Family			0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	
(b)	Central Government / State Government(s)			0	0	0	0	0.0000	0	0	0	0.00 00	0	0.00	0	0.00	0	0.00	0	
(c)	Financial Institutions / Banks			0	0	0	0	0.0000	0	0	0	0.00 00	0	0.00	0	0.00	0	0.00	0	
(d)	Any Other (Specify)			2	2074 009	0	0	20740 09	2.23	2074 009	0	2074 009	2.23	227272	1.63	463 00	2.23	0	0	2074009
	Persons Acting In Concert			1	4630 0	0	0	46300	0.05	4630 0	0	4630 0	0.05	227272	0.19	463 00	100. 00	0	0.00	46300
	Shachindra Nath	Promoter Group	ABOPN 3798F	1	4630 0	0	0	46300	0.05	4630 0	0	4630 0	0.05	227272	0.19	463 00	100. 00	0	0.00	46300
	Bodies Corporate			1	2027 709	0	0	20277 09	2.18	2027 709	0	2027 709	2.18	0	1.44	0	0.00	0	0.00	2027709
	Poshika Advisory Services Llp	Promoter Group	AAVFP 0398R	1	2027 709	0	0	20277 09	2.18	2027 709	0	2027 709	2.18	0	1.44	0	0.00	0	0.00	2027709
	Sub Total (A)(1)			2	2074 009	0	0	20740 09	2.23	2074 009	0	2074 009	2.23	227272	1.63	463 00	2.23	0	0.00	2074009
2	Foreign																			

(a)	Individuals (Non-Resident Individuals / Foreign Individuals)																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (Specify)																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (A)(2)																		
			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)																		
			2	2074009	0	0	2074009	2.23	2074009	0	2074009	2.23	227272	1.63	46300	2.23	0	0.00	2074009

5. Statement showing shareholding pattern of public Shareholders:

(a)	Mutual Fund		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(c)	Alternate Investment Funds		2	499	0	0	4992	0.54	229	0	499	0.5	0	0.35	0	0.0	N	N	49922	0	0	0
				229			29				229	4				0	A	A	9			
(d)	Banks		0	0	0	0	0	0.00	0	0	0	0.0	0	0.000	0	0.0	N	N	0			
(e)	Insurance Companies		3	206	0	0	2061	2.22	185	0	206	2.2	0	1.46	0	0.0	N	N	20618	0	0	0
				185			857				185	2				0	A	A	57			
	Go Digit General Insurance Limited	AACC O4128 Q	1	142	0	0	1429	1.54	999	0	142	1.5	0	1.02	0	0.0	N	N	14299			
				999			997				999	4				0	A	A	97			
(f)	Provident Funds/ Pension Funds		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(g)	Asset Reconstruction Companies		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(h)	Sovereign Wealth Funds		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(i)	NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(j)	Other Financial Institutions		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			
(k)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.0	0	0.00	0	0.0	N	N	0			

			256 108 6	0	0	2561 086	2.76	256 108 6	0	256 108 6	2.7 6	0	2.76	0	1.8 2	N A	N A	25610 86	0	0	0
2	Institutions (Foreign)																				
(a)	Foreign Direct Investment		152 380 95	0	0	1523 8095	16.39	152 380 95	0	152 380 95	16. 39	0	10.82	0	0.0 0	N A	N A	15238 095	1523 8095	0	0
	Danish Sustainable Development Goals Investment Fund K S	AAPF D8521 L	152 380 95	0	0	1523 8095	16.39	152 380 95	0	152 380 95	16. 39	0	10.82	0	0.0 0	N A	N A	15238 095	1523 8095	0	0
(b)	Foreign Venture Capital Investors		0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0.0 0	N A	N A	0			
(c)	Sovereign Wealth Funds		0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0.0 0	N A	N A	0			
(d)	Foreign Portfolio Investors Category I		331 112 9	0	0	3311 129	3.56	331 112 9	0	331 112 9	3.5 6	7575 6	2.40	0	0.0 0	N A	N A	33111 29	0	0	0
	Societe Generale - Odi	AABC S7484 C	104 932 2	0	0	1049 322	1.13	104 932 2	0	104 932 2	1.1 3	0	0.74	0	0.0 0	N A	N A	10493 22			
	Samena Special Situations Mauritius Iii	AAYC S5641 Q	102 337 6	0	0	1023 376	1.10	102 337 6	0	102 337 6	1.1 0	0	0.73	0	0.0 0	N A	N A	10233 76			
(e)	Foreign Portfolio Investors Category II		457 244	0	0	4572 44	0.49	457 244	0	457 244	0.4 9	0	0.32	0	0.0 0	N A	N A	45724 4	0	0	0
(f)	Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0.0 0	N A	N A	0			

(g)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
	Sub Total (B)(2)	32	190 064 68	0	0	1900 6468	20.45	190 064 68	0	190 064 68	20.45	7575 6	13.55	0	0.00	N	N	19006 468	1523 8095	0	0
3	Central Government/ State Government(s)																				
(a)	Central Government / President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(b)	State Government / Governor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(C)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
	Sub Total (B)(3)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
4	Non-Institutions		0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	1	148 076	0	0	1480 76	0.16	148 076	0	148 076	0.16	0	0.11	0	0.00	N	N	14807 6	0	0	0

(C)	Key Managerial Personnel		2	30001	0	0	30001	0.03	30001	0	30001	0.03	15151	0.03	30000	10.00	N	N	30001	0	0	0
(D)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	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	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(f)	Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	N	0			
(g)	i. Resident Individual holding nominal share capital up to Rs. 2 lakhs.		37091	11560910	0	0	11560910	12.44	11560910	0	11560910	12.44	1691225	9.41	18716	0.16	N	N	11518710	0	0	0
(h)	ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.		116	11027954	0	0	11027954	11.86	11027954	0	11027954	11.86	8606009	13.94	1758568	15.95	N	N	12266206	0	0	0
	Suresh Kumar Agarwal	AAGFR0822H		1135597	0	0	1135597	1.22	1135597	0	1135597	1.22	0	0.81	0	0.00	N	N	1135597			
(i)	Non Resident Indians (NRIs)		903	1964696	0	0	1964696	2.11	1964696	0	1964696	2.11	723474	1.91	25000	1.27	N	N	1964696	0	0	0

(j)	Foreign Nationals		0	0	0	0	0	0.00	0	0	0	0	0	0.0	0	0.00	0	0	N	N	0				
(k)	Foreign Companies		3	361 893 15	0	0	3618 9315	38.93	361 893 15	0	361 893 15	38. 93	2689 3937	44.78	595 675 7	16. 46	N	N	36189 315	2107 3036	0	0			
	Clearsky Investment Holdings Pte Limited	AAHC C3694 C	1	151 162 79	0	0	1511 6279	16.26	151 162 79	0	151 162 79	16. 26	1511 6279	21.46	0	0.0 0	N	N	15116 279	1511 6279	0	0			
	Newquest Asia Investments III Limited	AAFC N5269 G	1	151 162 79	0	0	1511 6279	16.26	151 162 79	0	151 162 79	16. 26	1511 6279	21.46	0	0.0 0	N	N	15116 279	0	0	0			
	Samena Fidem Holdings	ABAC S5075 P	1	595 675 7	0	0	5956 757	6.41	595 675 7	0	595 675 7	6.4 1	5956 757	8.46	595 675 7	10 0.0 0	N	N	59567 57	5956 757	0	0			
(l)	Bodies Corporate		231	611 389 1	0	0	6113 891	6.58	611 389 1	0	611 389 1	6.5 8	8837 079	10.61	800 0	0.1 3	N	N	61130 91	0	0	0			
	Gkk Capital Markets Private Limited	AAAC G9906 E	1	100 000 0	0	0	1000 000	1.08	100 000 0	0	100 000 0	1.0 8	1000 000	1.42	0	0.0 0	N	N	10000 00						
(m)	Any Other (Specify)		609	104 166 5	0	0	1041 665	1.12	104 166 5	0	104 166 5	1.1 2	0	0.74	350 0	0.3 4	N	N	10416 65	0	0	0			
	Body Corp-Ltd Liability Partnership		24	259 152	0	0	2591 52	0.28	259 152	0	259 152	0.2 8	8333 28	0.78	350 0	1.3 5	N	N	25915 2	0	0	0			
	Hindu Undivided Family		585	782 513	0	0	7825 13	0.84	782 513	0	782 513	0.8 4	0	0.56	0	0.0 0	N	N	78251 3	0	0	0			

Sub Total (B)(4)		38956	68076508	0	0	68076508	73.23	68076508	0	68076508	73.23	47600203	82.86	7800541	11.46	N	N	68033508	21073036	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)		38993	89644062	0	0	89644062	96.44	89644062	0	89644062	96.44	47675959	97.49	7800541	11.46	N	N	89601062	36311131	0	0

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

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

1	Custodian/ DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulation s, 2021		1	12382 52	0	0	123825 2	1.33	12382 52	0	12382 52	1.33	0	1.33	0	0.88	NA	NA	1238252
	Saurabh Sharma	AABTU2 484R	1	12382 52	0	0	123825 2	1.33	12382 52	0	12382 52	1.33	0	1.33	0	0.88	NA	NA	1238252
	Total Non- Promoter- Non Public Sharehold ing (C)= (C)(1)+(C) (2)		1	12382 52	0	0	123825 2	1.33	12382 52	0	12382 52	1.33	0	1.33	0	0.88	NA	NA	1238252

7. List of top ten holders of Equity Shares as on September 30, 2024:

S. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Number of Equity Shares underlying outstanding convertible securities	Total shareholding as a % of total number of Equity Shares*
1.	Danish Sustainable Development Goals Investment Fund K S	15238095	15238095	0	10.82
2.	Clearsky Investment Holdings Pte Limited	15116279	15116279	0	10.73
3.	Newquest Asia Investments III Limited	15116279	15116279	0	10.73
4.	Samena Fidem Holdings	5956757	5956757	9469696	10.95
5.	Poshika Advisory Services LLP	2027709	2027709	0	1.44
6.	Go Digit General Insurance Limited	1429997	1429997	0	1.02
7.	Saurabh Sharma – ESOS Trust	1238252	1238252	0	0.88
8.	Suresh Kumar Agarwal	1135597	1135597	0	0.81
9.	Societe Generale - ODI	1049322	1049322	0	0.74
10.	Samena Special Situations Mauritius III	1023376	1023376	0	0.73
TOTAL		59331663	59331663	9469696	48.85

* Assuming full conversion of convertible securities

Note: As on September 30, 2024, the Company has 9,29,56,323 full paid-up Equity Shares and 4,79,03,231 Equity Shares underlying outstanding convertible securities.

8. List of top ten holders of non-convertible securities as on September 30, 2024 (on cumulative basis):

S. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	% of Total Non Convertible Securities outstanding
1	Asian Development Bank	Foreign Portfolio Investor	24,990.00	17.83%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	Foreign Portfolio Investor	24,960.00	17.80%
3	Uti International Wealth Creator 4	Foreign Portfolio Investor	10,700.00	7.63%
4	Hinduja Leyland Finance Limited	Corporate	7,500.00	5.35%
5	Vivriti Alpha Debt Fund	Institution	6,900.00	4.92%
6	GMO-Z.Com Payment Gateway India Credit Fund	Foreign Portfolio Investor	5,833.32	4.16%
7	Northern Arc Capital Limited	Corporate	4,244.63	3.03%
8	Raymond Limited	Corporate	2,372.96	1.69%

9	Vivriti Emerging Corporate Bond Fund	Institution	1,900.00	1.36%
10	Mas Financial Services Ltd	Corporate	1,900.00	1.36%

9. Shareholding of the Promoter and Promoter Group in our Company as on September 30, 2024:

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

* Assuming full conversion of convertible securities

Note: As on September 30, 2024, the Company has 9,29,56,323 full paid-up Equity Shares and 4,79,03,231 Equity Shares underlying outstanding convertible securities.

10. Details of the Directors' shareholding in our Company, as on September 30, 2024:

Except as disclosed below, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company as on September 30, 2024:

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

* Assuming full conversion of convertible securities

Note: As on September 30, 2024, the Company has 9,29,56,323 full paid-up Equity Shares and 4,79,03,231 Equity Shares underlying outstanding convertible securities.

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

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

- The Company has allotted Shachindra Nath, member of Promoter Group and Vice Chairman & Managing Director, 2,27,272 warrants on June 06, 2024 through preferential issue.
- The Company has allotted 9,469 and 18,939 warrants to Hemant Bhargava, Independent Director and Tabassum Abdulla Inamdar, Independent Director respectively on June 06, 2024 through preferential issue.

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

(in ₹ lakh)

Particulars	Pre Issue as at June 30, 2024	Post-issue (as adjusted for the issue)*
Debt		

Debt Securities (including interest accrued)*	1,50,205.15	1,70,205.15
Borrowings (other than debt securities)	2,99,357.10	2,99,357.10
Subordinated debt	3,352.36	3,352.36
Total Debt (i)	4,52,914.61	4,72,914.61
Equity		
Equity Share Capital	9,165.72	9,165.72
Other Equity	1,82,550.53	1,82,550.53
Total Equity (ii)	1,91,716.25	1,91,716.25
Debt/Equity (iii= (i) / (ii))	2.36	2.47

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

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

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

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

Except as set out in “Disclosures on Existing Financial Indebtedness” on page 151 of this Prospectus, our Company does not have any existing debt securities issued at a premium or discount.

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

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

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

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

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

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

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

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

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

20. Employee Stock Option Plans.

As on September 30, 2024, our Company has two Employee Stock Option Plans which are:

‘CSL Employee Stock Option Scheme 2017’: The said scheme was approved by board of directors on December 31, 2017 and by the shareholders through postal ballot on May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballot on May 5, 2022 (Results of which declared on May 6, 2022). The number of options outstanding under ‘CSL Employee Stock Option Scheme 2017’ as on September 30, 2024 is 19,25,434.

‘Ugro Capital Employee Stock Option Scheme – 2022’: The said scheme was approved by board of directors on July 22, 2022, and by the shareholders through postal ballot on September 04, 2022. The number of options outstanding under the ‘Ugro Capital Employee Stock Option Scheme – 2022’ as on June 30, 2024 is 9,15,929.

OBJECTS OF THE ISSUE

Issue proceeds

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

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

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

Particulars	Estimated amount (in ₹ lakh)
Gross proceeds of the Issue	20,000
Less: Issue related expenses*	601.10
Net Proceeds	19,398.90

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

Requirement of funds and Utilisation of Net Proceeds

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

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

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

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

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

Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Manager and selling commission to the Lead Manager/Consortium Member, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs’ commission / fees, listing fees, commission and fees payable to the intermediaries as provided for in the SEBI Master Circular, and any other expense directly related to Issue. The Issue expenses and listing fees will be paid by our Company.

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

Particulars	Amount (₹ in lakh)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Issue (in %)
Lead manager(s) fees	15.00	0.10%	2.50%
Underwriting commission	-	-	-
Brokerage, selling commission and upload fees	300.00	1.50%	49.90%
Fees payable to the registrars to the issue	3.50	0.00%	0.60%
Fees payable to the legal Advisors	25.00	0.10%	4.20%
Advertising and marketing expenses	195.00	1.00%	32.40%
Fees payable to the regulators including stock exchanges	22.00	0.10%	3.70%
Expenses incurred on printing and distribution of issue stationary	-	-	-
Any other fees, commission or payments under whatever nomenclature	40.60	0.20%	6.70%
Grand Total	601.10	3.00%	100.00%

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

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

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

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

Summary of the project appraisal report

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

Schedule of implementation of the project

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

Interim use of proceeds

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

Monitoring of Utilisation of funds

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

Other Confirmation

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

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

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

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

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

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

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

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

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

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

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

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Prospectus in the section titled "*Issue Related Information*" on page 180.

General Corporate Purposes

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

Variation in terms of contract or objects

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

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

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

STATEMENT OF POSSIBLE TAX BENEFITS

Date: October 04, 2024

To,

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

And

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House, Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi, Polytechnic (Ahmedabad),
Ahmedabad, Gujarat – 380 015, India

(Tipsons Consultancy Services Private Limited is hereinafter referred to as the “**Lead Manager**”)

Dear Sirs,

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

1. We, Maheswari and Co, Chartered Accountants, (Firm Registration Number: **105834W**), have been requested by the Company to provide this report, issued in accordance with the terms of our engagement letter dated September 3, 2024 in context of the Issue in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the “**SEBI NCS Regulations**”) and applicable provisions of the Companies Act, by the Company.
2. The accompanying ‘Statement of Possible Tax Benefits available to Debenture Holders’, attached herewith (the “**Statement**”), prepared by the Company, initialed by us for identification purpose, proposed to be included in the Draft Prospectus and Prospectus (the “**Offer Documents**”) of the Company, states the possible tax benefits available to the Debenture Holders, as per the provisions of the direct tax laws, i.e., the Income-Tax Act, 1961, read with Income Tax Rules, 1962 including amendments made by Finance Act (No. 2) Bill, 2024, other relevant circulars and notifications, as applicable for the financial year 2024-25, relevant to the assessment year 2025-26, presently in force in India as on the signing date as well as any tax benefit (“**Direct Tax Laws**”). These possible tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the debenture holders to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly the debenture holders may or may not choose to fulfill.

Management’s Responsibility:

3. The preparation of this Statement is the responsibility of the management of the Company. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring compliance with the requirements of SEBI NCS Regulations, and other applicable rules and regulations, for the purpose of furnishing this Statement and for providing all relevant information to the Lead Manager and Stock Exchanges.

Auditor's Responsibility:

5. Pursuant to the SEBI NCS Regulations, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the current position of possible tax benefits available to the debenture holders of the Company, under the Direct Tax Laws as at the date of our certificate.
6. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.
7. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**Guidance Note**) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the Statement are dependent on the debenture holders of the Company fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws. Hence, the ability of the debenture holders of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.
9. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
10. Further, we give no assurance that the tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible tax benefits available as of the date of this certificate, to the debenture holders of the Company, under the Direct Tax Laws.
12. Considering the matters referred to in paragraph 3 above, we are unable to express any opinion or provide any assurance as to whether: (i) The debenture holders of the Company will continue to obtain the benefits as per the Statement in future; or (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

13. This certificate has been issued solely at the request of the Company's management for use in connection with the Issue and may accordingly be relied upon by the Lead Manager, intermediaries and legal counsel appointed for the Issue. This certificate may be furnished as required to the Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Mumbai or any other regulatory authorities as required and shared with and relied on as necessary by the advisors and intermediaries duly appointed in this regard. We further consent to the aforementioned details being included for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable laws. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
14. We confirm that we will immediately inform the Issuer and Lead Manager to the Issue of any change, additions or deletions in respect of the matters covered in this certificate, informed to us by the management of the Company or if we become aware of the same till the date when the NCDs commence trading on the National Stock Exchange of India Limited and BSE Limited ("**Stock Exchanges**"). In the absence of any

such communication from us, until commencement of trading of the NCDs on Stock Exchanges, you may assume that there is no change, which has come to our notice, in respect to the matters covered in this certificate.

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

For Maheshwari & Co.

Chartered Accountants

Firm Registration No: 105834W

Peer Review Certificate Number: 014967

Sd/-

Mr. Anurag Kothari

(Partner)

Membership No: 114644

Date: October 04, 2024

Place: Mumbai

UDIN: 24114644BKYHPI8274

ANNEXURE I

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

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

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

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

Taxability under the Income Tax Act

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

Determination of head of income for the purpose of assessability:

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

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources (IFOS).

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

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

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

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

II. TO THE RESIDENT DEBENTURE HOLDER

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act in both cases i.e income shown under the head PGBP or IFOS. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the IT Act.
2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases

- a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;
- b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197 A(IA) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, as per section 197A(IB) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if income in the nature referred to in sections 194, 194EE, 192A, 193, 194A, 194D, 194DA, 194I or 194K as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197 A(I C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and
- d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

SL No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1.	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, 1961	Form No.15G with PAN/ Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more, (ii) Form 15G which can be given by all applicants (other than individuals of the age of 60 years or more, companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2.	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
3.	a. General Insurance Corporation of India, b. companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC has full	Clause vii of Proviso to Section 193	a. Copy of Registration certificate b. Copy of shareholding pattern

	beneficial interest (100% shareholding)		
4.	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
5.	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6.	Government, RBI and corporation established under Central/ State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7.	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that there income is exempt u/s 10(25) and 10(25A)
8.	New Pension System Trust	Section 197 A(IE)	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
9.	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10.	Alternative Investment Funds (Category I and II)	Section 197 A(IF)	Copy of Registration certificate issued by SEBI

3. In respect of Capital Gains

Long Term Capital Gains

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

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

Short Term Capital Gain

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

Capital Loss on transfer of Debentures.

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

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

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

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

However, the said exemption shall not be available, if the debenture holder:

- a. Owns more than one residential house, other than the new asset, on the date of transfer of the NCDs; or
- b. Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the NCDs; or
- c. Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the NCDs; and
- d. The income from such residential house, other than the one residential house owned on the date of transfer of the NCDs is chargeable under the head 'Income from house property'.

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

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

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

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

5. In respect of Business Income

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and

unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

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

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

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

III. TO THE NON-RESIDENT DEBENTURE HOLDER

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

- a. As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such Debentures will be taxable at 12.50% (plus applicable surcharge and cess) of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
- b. As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.
- c. As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of investment income of a non-resident Indian under Chapter XII- A of the IT Act.
- d. In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII A of the IT Act. In such a case, long term capital gains on transfer of listed debentures would be subject to tax at the rate of 20%
- e. Interest income and Short term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.
- f. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.
- g. Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non Resident Indian.

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

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

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

- i. Alternatively, to avail lower deduction or non deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.
- j. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- k. As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.
- l. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

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

- 1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
- 2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.
4. the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DT AA or 20%, subject to the conditions prescribed therein.
5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Given that there has not been any extension beyond July, 2023, interest paid on or after 1 July 2023 shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.
6. The income tax deducted shall be increased by applicable surcharge and health and education cess.
7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.
8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

IV. MUTUAL FUNDS

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

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

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

- a) The interest income earned are chargeable to tax at the rate of 10%;
- b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and
- c) Short-term capital gains are taxable at 30%.

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

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

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

1. SEC. 139A (5A):

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

2. SEC.139AA:

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

3. SEC. 206AA:

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

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

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

(iii) at the rate of twenty per cent.

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

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

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

4. SEC. 206AB

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

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2025-2026 (Financial year 2024-25) and taking into account the amendments made by the Finance Act, 2024.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.
5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act. Further, the issuer company may decide on practices to be followed with respect to TDS exemptions, thresholds for accepting documents for lower / nil deduction of tax at source or with respect to such other matters, based on Income Tax law and practice.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

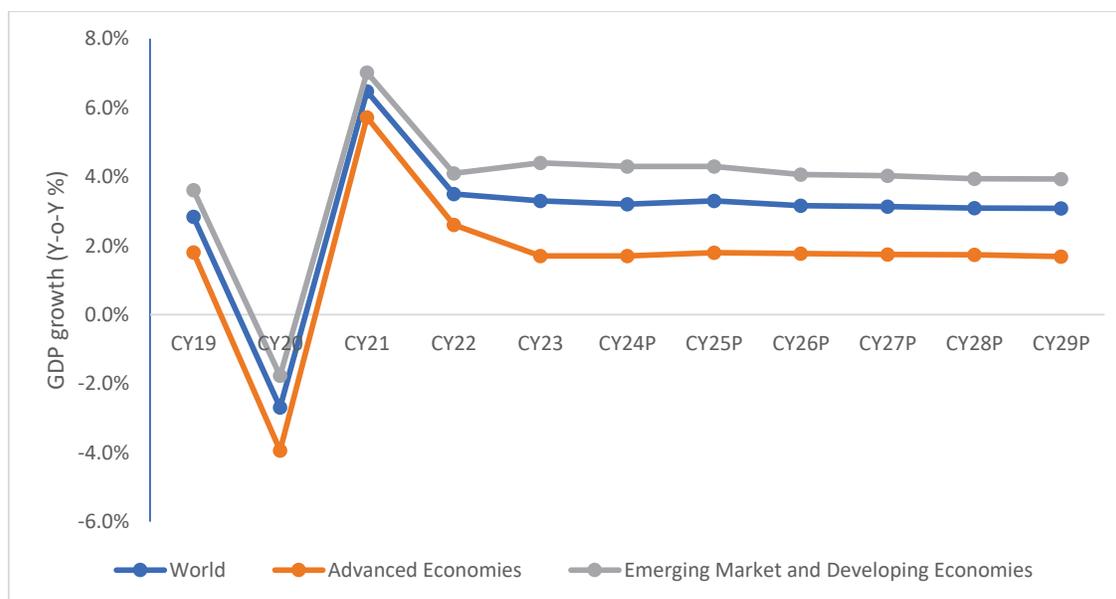
The information contained in this section is derived and extracted from the industry report titled “Research Report on NBFCs” dated September 19, 2024 (the “CareEdge Report”) which has been commissioned and paid for by us for agreed fees exclusively in connection with the Issue and exclusively prepared and issued by CARE Analytics and Advisory Private Limited (“CareEdge Research”) in an “as is where is basis” and the industry and third party related information in this section has not been verified by us, Lead Manager or any of our respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Neither we nor any of our Directors and Lead Manager are related parties of CareEdge Research. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with sections titled “Risk Factors” and “Our Business” on pages 17 and 108.

1. ECONOMIC OUTLOOK

1.1 GLOBAL ECONOMY

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia’s Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation..

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)					Real GDP (Y-o-Y change in %)				
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	5.0	4.5	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.7	4.7	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.5	0.9	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, remaining same at 1.7% in CY23 and CY24 and increasing to 1.8% in CY25. The projection for CY24 and CY25 remains unchanged compared to the April 2024 WEO Update.

The **United States** is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised downward by 0.1 percentage points since the April CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.5% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth. But, countries like Germany are expected to have a sluggish recovery on account of weak manufacturing growth.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.3% in both CY24 and CY25. This forecast has been revised upwards by 0.1 percentage point as compared to the April 2024 WEO update on account of stronger activity in Asia, particularly China and India. Growth prospects in economies across the Middle East and Central Asia continue to be weighed down by oil production and regional conflicts. Growth forecast of sub-Saharan Africa has also been revised downward on account of weak economic activity. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 3.9% in CY23 and climbing to 4.4% in CY24 and 5.3% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.7% in CY23 to 5.4% in CY24 and 5.1% in CY25. China's trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 5.0% in CY24 and 4.5% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, India's growth remains robust, with anticipated rates of 7.0% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The Indonesian economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. Saudi Arabia's growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 1.7% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. The forecast for CY24 has been revised downward as compared to the April 2024 WEO update on account of extension of oil production cuts. Going forward, GDP is expected to grow at 4.7% and 4.0% in CY25 and CY26, respectively. On the other hand, Brazil's growth is projected to ease to 2.1% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector. There has been a downward revision in forecast for CY24 compared to April 2024 WEO

update on account of the near-term impact of flooding. Going forward, GDP is expected to grow at 2.4% in CY25 on account of reconstruction following the floods and supportive structural factors.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported by stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

1.2 INDIAN ECONOMIC OUTLOOK

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

India's GDP at constant prices surged to Rs. 47.24 trillion in Q4FY24 from Rs. 43.84 trillion in Q4FY23, marking a 7.8% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, utility services, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued.

Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. Moreover, the services sector-maintained buoyancy as could be observed by growth in high frequency indicators such as E-way bills, GST revenues, toll collections, aggregate, and a healthy growth in domestic air cargo and port cargo. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.

- Domestic economic activity remains strong. On the supply side, the south-west monsoon is progressing well, with higher cumulative kharif sowing and improving reservoir levels, which bodes well for kharif output. The potential development of La Niña conditions in the latter half of the monsoon season could impact agricultural production in 2024-25. On the demand side, household consumption is bolstered by a recovery in rural demand and consistent discretionary spending in urban areas. Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private corporate investment is picking up, driven by an increase in bank credit. Merchandise exports grew in June, albeit at a slower rate, while the growth in non-oil-non-gold imports accelerated, indicating resilience of domestic demand. Services exports saw double-digit growth in May 2024 before slowing down in June 2024.
- Improved agricultural activity would improve rural consumption, while urban consumption would be supported by buoyancy in services activity. Additionally, improvement in global trade prospects are expected to support external demand.

Persistent geopolitical tensions and volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its August 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

Table 2: RBI'S GDP Growth Outlook (Y-o-Y %)

FY 25P (complete year)	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P	Q1FY26P
7.2%	7.1%	7.2%	7.3%	7.2%	7.2%

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

1.2.2 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.
- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.7% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.7% in Q2FY24. Further, it experienced y-o-y growth of 0.4% in Q3 and 0.6% in Q4, leading to expectations of a modest 1.4% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy

development are to be formulated, alongside ramping up the Pradhan Mantri Matsya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 23.7 trillion and mark 1.4% y-o-y growth for complete FY24.

- From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities.

The industrial sector grew by 6.0% in Q1FY24, while Q2FY24 growth was up by 13.6% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13.6% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.5%. It further fell down to 8.4% in Q4FY24.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 9.5% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

The Services sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y.

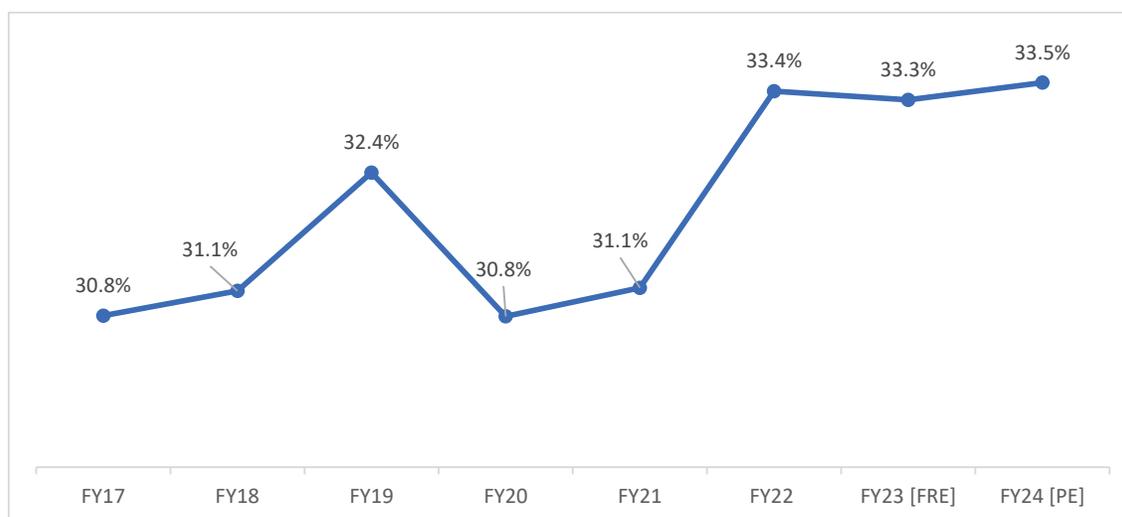
In Q1FY24, the services sector growth jumped to 10.7%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 6.0% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8.3% growth in H1FY24. In Q3FY24 growth increased to 7.1% compared to 7.2% last year in the same quarter. In Q4FY24, growth declined to 6.7% compared to 7.2% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall.

1.2.3 Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 33.4%, which is the highest level in 5 years (since FY17). In FY23, the ratio of investment (GFCF) to GDP remained flat at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24.

Chart 2: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.2.4 Industrial Growth

Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway. During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities.

During FY24, the industrial output recorded a growth of 5.9% y-o-y supported by growth in manufacturing and power generation sectors. The period April 2024 – June 2024, industrial output grew by 5.2% compared to the 4.7% growth in the corresponding period last year. For the month of June 2024, the IIP growth increased to 4.2% compared to the last year's 4.0%, on account of growth in mining. The manufacturing sector showed a decline in June 2024 from 3.5% in June 2023 to 2.6% in June 2024. Within the growth in manufacturing, the top three positive contributors were Manufacture of basic metals, Manufacture of electrical equipment, and Manufacture of motor vehicles, trailers, and semi-trailers.

1.2.5 Consumer Price Index

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

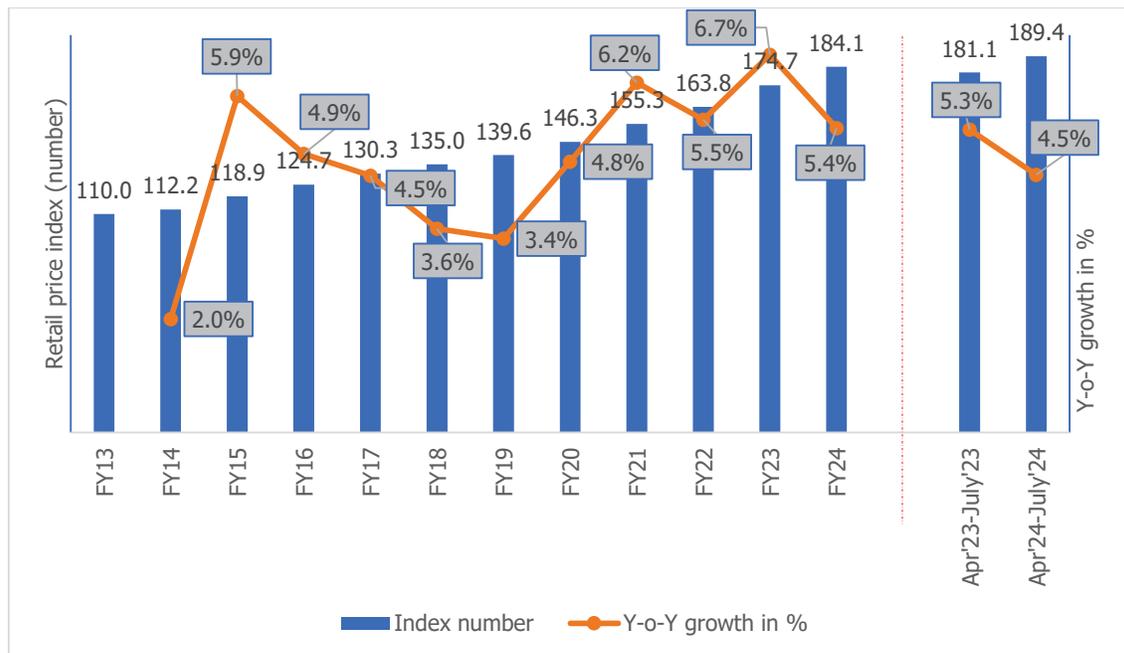
CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail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

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in

September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed further softening of prices registering 4.9% growth. For FY24 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

High inflation in specific food items poses inflation risk, even though an improvement in south-west monsoon and progress in sowing are improving the food inflation outlook. This makes it crucial to monitor monsoon distribution. Additionally, global food prices also show some softening in July, post increases in March 2024. While government initiatives are expected to mitigate upward price pressure, external risks from geopolitical tensions may affect supply chains and commodity prices. The numbers for April 2024-July 2024 show a decline in inflation growth y-o-y to 4.5% as compared to inflation growth y-o-y of 5.3% in April 2023-July 2023 period. For July 2024, CPI inflation stood at 3.5% which has been the lowest retail inflation in the last 5 years. There was a decline in inflation among all groups with significant decline in vegetables, spices, and fruits subgroup. Additionally, food inflation was also at the lowest in this month since June 2023.

Chart 3: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

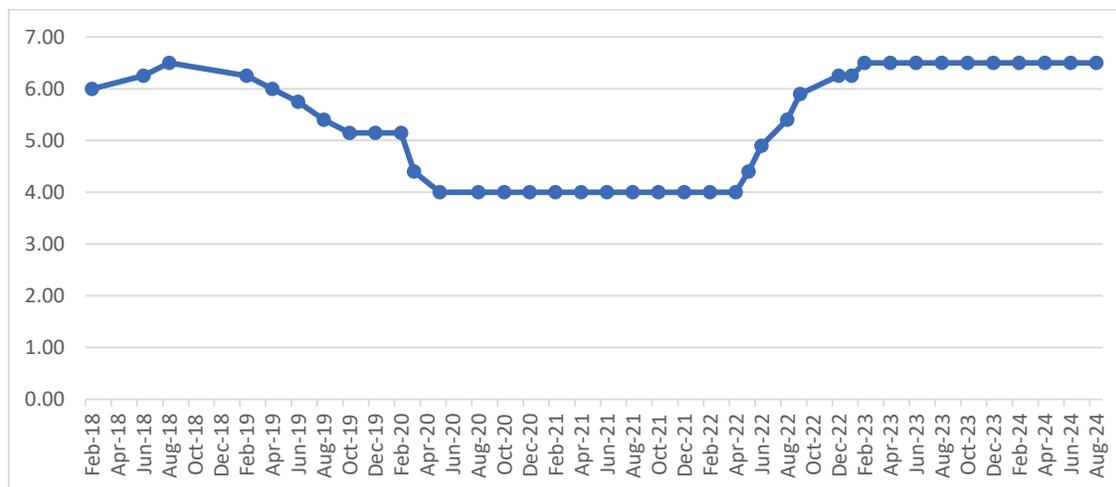


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in August 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.4%, Q3FY25 at 4.7%, Q4FY25 at 4.3%, and Q1FY26 at 4.4%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the August 2024 meeting of the Monetary Policy Committee.

Chart 4: RBI historical Repo Rate



Source: RBI

In a meeting held in August 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food prices due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainties in food prices that might derail the path to bring down inflation, the Central Bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved, while supporting growth.

1.2.6 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF’s forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF’s forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The expected development of La Nina conditions in the second half of the year (August-September) further adds to the positive outlook. La Nina is a climate pattern that tends to enhance rainfall

activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

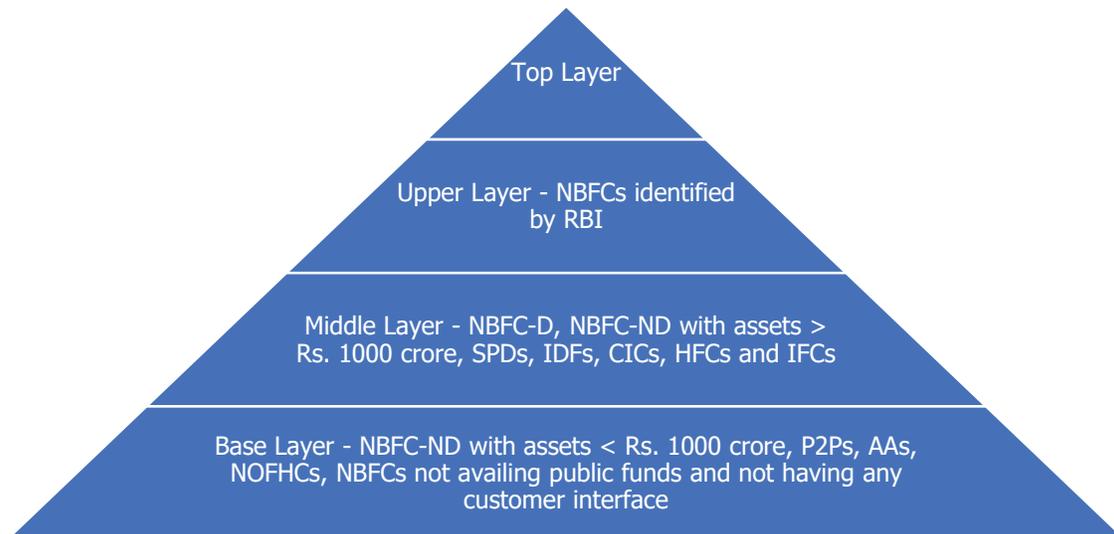
2. NON-BANKING FINANCIAL COMPANY (NBFC)

2.1 Introduction to Non-banking Financial Institutions (NBFIs)

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

- All-India Financial Institutions (AIFIs) that include the National Bank for Agriculture and Rural Development (NABARD), the Export-Import Bank of India (EXIM Bank), the Small Industries Development Bank of India (SIDBI), and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, housing finance companies (HFCs), NBFCs, Micro Finance Institutions (MFIs), and other specialised segments and institutions.
- Non-banking financial companies (NBFCs) are government/public/private limited companies that specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. Housing finance companies (HFCs) extend housing finance to individuals, cooperative societies, and corporate bodies and lease commercial and residential premises to support housing activity in the country.
- Primary dealers (PDs) came into existence in 1995 and act as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

Classification of NBFCs



Source: RBI, Xxx

Notes: 1. NBFCs-D, CICs, NBFC-IFCs and HFCs will be included in the middle or the upper layer.

2. The remaining NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC Factors and NBFC-MGC could lie in any of the layers depending on the parameters of SBR.

3. Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be.

And since NBFCs cater to niche areas, they are also categorized on the basis of the activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonized in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs), and investment companies (ICs) were merged into a new category called Investment and Credit Companies (NBFC-ICC). At present, there are 11 categories of NBFCs in the activity-based classification.

Table 3: Types of NBFCs

Classification	Activity
Investment and Credit Company (NBFC-ICC)	Lending which supports productive/economic activities and acquisition of securities for investment.
NBFC-Infrastructure Finance Company (NBFC-IFC)	Infrastructure loans.
Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans of group companies.
NBFC-Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory performance and finance toll operate transfer project as the direct lender.
NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups.
NBFC-Factors	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount.
NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.
Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business.
NBFC-Account Aggregator (NBFC-AAA)	Collecting and providing information about a customer's financial assets in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer.
NBFC-Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds.
Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/renovation/ repairs of residential dwelling units.

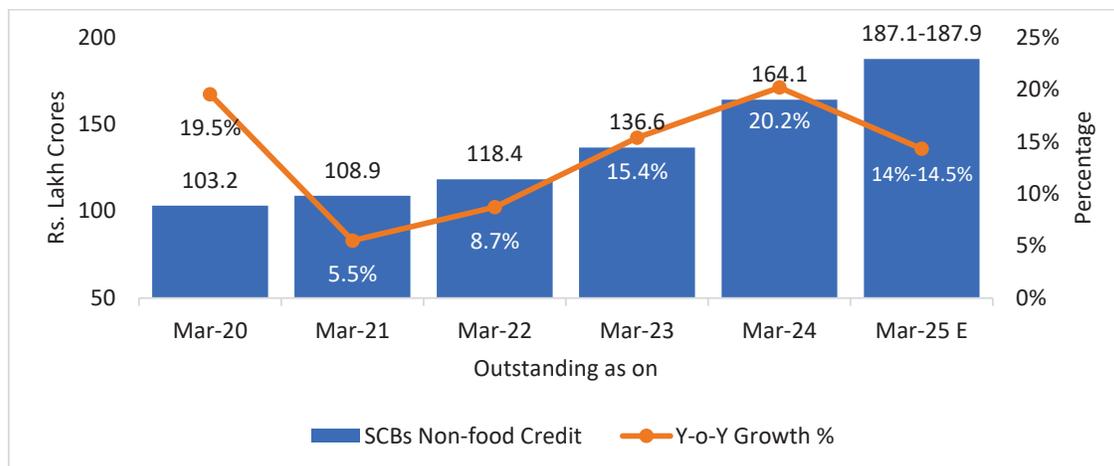
Source: RBI, xxx

2.2 Credit Growth of SCBs and NBFCs

- **Credit Growth of SCBs**

SCBs Credit growth to witness marginal decline as HDFCs merger impact dissipates

Chart 5: Trend in SCBs' Non-Food Credit

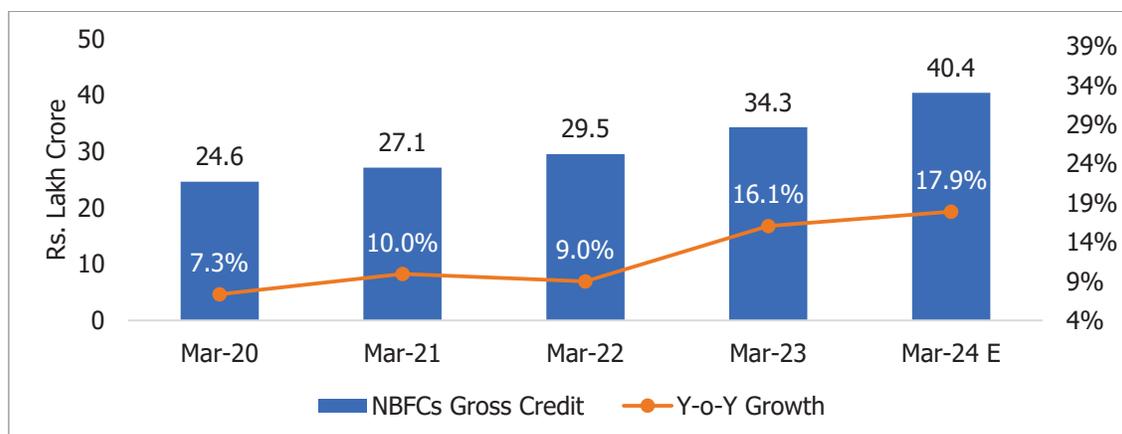


Source: RBI, xxx

Note: Data are provisional

- **Credit Growth Deployed by NBFCs**

Chart 6: Gross Credit deployed by NBFCs



Source: RBI, Xxx

Note: Data are provisional

2.3 Growth Drivers

Last-Mile Financing and Unbanked Population

NBFCs have a strong presence in unorganized and under-served areas where banks may not have a strong foothold. This is attributed to the absence of the necessary infrastructure of banks in these areas and an aversion on the part of banks to disburse loans to smaller companies. At the same time, the ease of internet access and affordable data packs have contributed to increased expenditure. As a result, the demand for retail credit from these areas has increased the potential consumer base of NBFCs.

Growing Focus on the Informal Customer Base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, as compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFCs have created a niche segment by having customized credit assessment methods based on cash flow assessment and field verification. This gives NBFCs

an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment, further opening up avenues for NBFCs' growth.

Technological Adoption and Co-Lending Arrangements

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape as compared to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.

Additionally, NBFCs partner with various alternative financiers and commercial banks, enabling them to diversify their income avenues and reach their targeted customer base through different channels. Accordingly, bank collaborations with other NBFCs help make credit accessible to the under-banked and un-banked population.

Shifting Buying Behaviour

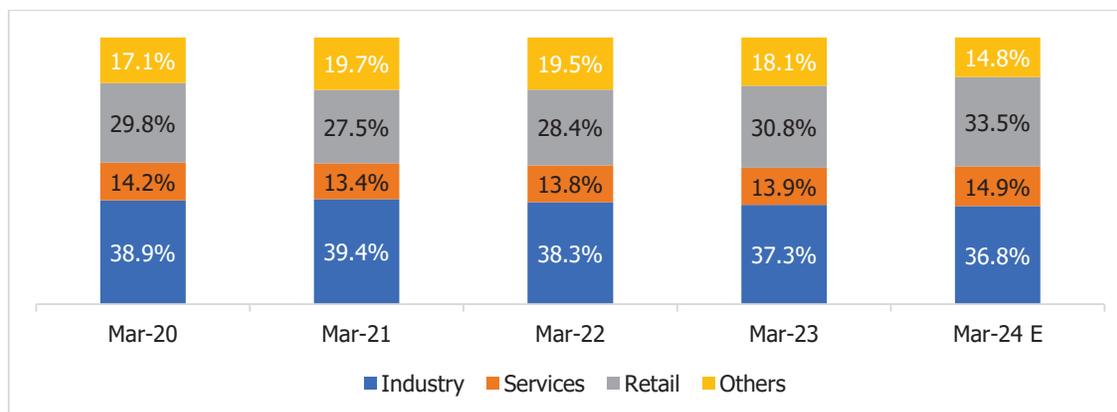
Over the years, there have been significant changes in the perception of consumers toward borrowing. With the need to improve lifestyle, there is an increasing inclination toward borrowing to attain a certain standard of living people. This is prominent among the younger population. Accordingly, banks and NBFCs have seen significant traction in demand for personal loans over the last decade, indicating increased awareness about credit and shift in perception towards borrowing.

Rising Demand from Retail Customers

Retail loans are expected to have accounted for around 33% of total credit disbursed by NBFCs as of Mar-24, according to the data published by the RBI. The retail segment has shown consistent growth in credit demand throughout the pandemic alongside being a significant chunk of the customer base of NBFCs. Going forward, CareEdge Research believes that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.

2.4 Distribution Between Segments

Chart 7: Sectoral Distribution of NBFCs' Credit



Source: RBI, xxx

Note: Industry includes credit to micro, small, medium and large enterprises;

Retail loans are personal loans for housing loans, consumer durables, auto loans, and other personal loans;

Services include credit towards commercial real-estate, retail trade and other such loans

Others include credit deployed towards agriculture and allied activities and other non-food credit

2.5 Outlook

CareEdge Research expects NBFCs credit to grow between 12%-15% y-o-y in FY25. This growth is expected to be driven by continued demand for retail loans, particularly vehicle loans, home loans, credit towards MSMEs, and microfinance loans.

In the near term, while NBFCs can draw comfort from strong balance sheet, improved provisioning and asset quality in the coming year. FY25 is likely to bode-well for NBFCs as credit off-take is expected to remain healthy owing to strong public capex as well as anticipated revival of private expenditure, on-set of festive season and robust demand from retail and MSME segments.

As per the guidelines, the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold and microfinance/SHG loans will attract risk weight of 125% from an earlier 100%. While NBFCs are well capitalized, the risk weights are also applicable to banks and this can impact NBFCs. As NBFCs rely on banks for funds and borrowing from banks will become costly with banks charging high interest rate to meet the rise in risk weights.

3. MSME FINANCE

3.1 Introduction

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

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

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

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

3.2 Estimated Number of MSMEs (Activity Wise)

4. Activity Category	Estimated Number of Enterprises (in crores)			Share (%)
	Rural	Urban	Total	
Manufacturing	1.14	0.83	1.97	31
Electricity*	0.00	0.00	0.00	0
Trade	1.09	1.22	2.30	36
Other Services	1.02	1.05	2.07	33
All	3.25	3.09	6.34	100

Source: MSME Annual Report 2023-24, xxx

Note: *Non-captive electricity generation and transmission

4.1 Number of MSMEs registered in Udyam portal in India

5. Category	Number of MSMEs
Micro	4,83,86,924
Small	7,16,480

Medium	67,955
Total	3,91,34,675

Source: Udyam portal (includes Udyam assist platform (UAP) registrations), Data as of 26th August 2024

5.1 Distribution of Enterprises Category Wise

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.1	0.8	0	324.9	51
Urban	306.4	2.5	0	309	49
Total	630.5	3.3	0.1	633.9	100

Source: MSME Annual Report 2023-24, CareEdge Research

MSME sector has created about 11.10 crore jobs in the country as per National Sample Survey 73rd Round (2015-16). (Source MSME Annual Report 2023-24)

5.2 State-Wise Distribution of Estimated MSMEs

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

Source: MSME Annual Report 2023-24, Xxx

5.3 Credit Growth in MSME Lending

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

Table 4: SCBs and NBFCs Credit Exposure to MSMEs

(Figures in Rs. crores)

	NBFCs	SCBs
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Outstanding as on	Micro and Small Enterprise	Medium Enterprise	Total	Micro and Small Enterprise	Medium Enterprise	Total
Mar-19	37,360	16,020	53,380	3,75,508	1,06,392	4,81,900
Mar-20	36,441	14,077	50,518	3,92,265	1,05,095	4,97,360
Mar-21	44,235	14,910	59,145	4,33,192	1,38,599	5,71,791
Mar-22	46,967	17,186	64,153	5,32,179	2,13,996	7,46,175
Sep-22	49,966	15,103	65,069	5,72,958	2,25,083	7,98,041
Mar-23	71,638	20,068	91,706	5,98,390	2,56,023	8,54,413
Sep-23	83,879	18,546	1,02,425	6,29,682	2,61,695	8,91,377
Mar-24	NA	NA	NA	7,26,315	3,03,998	10,30,313

Source: RBI, xxx

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

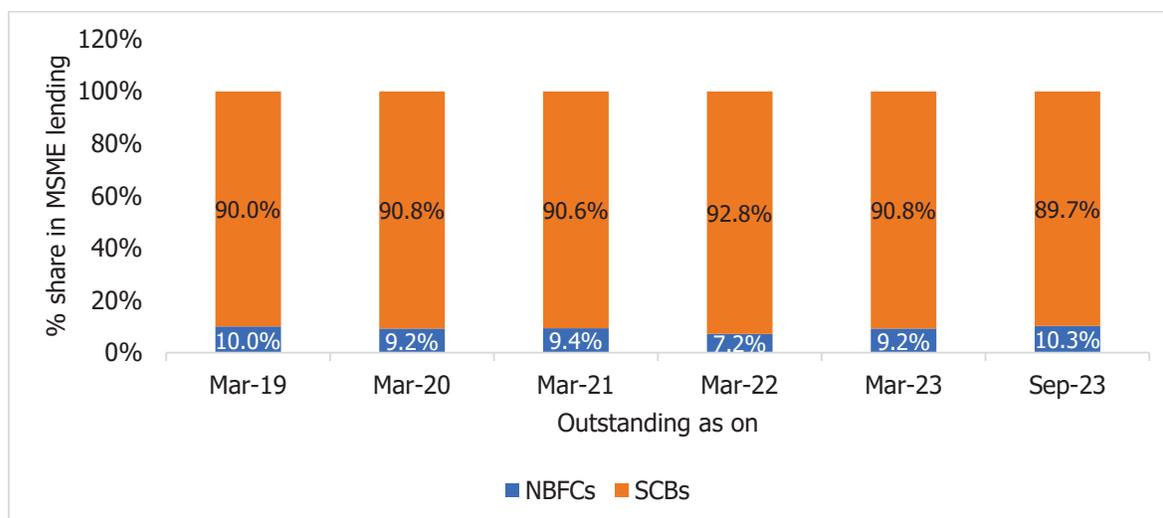
NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed a consistent growth. Bank credit deployed to MSMEs witnessed an improvement in FY21 and strengthened further in the FY22 on account of a resurgence in demand from MSMEs as well as support from the Central Government by way of credit guarantee. The ECLGS scheme launched in May 2020 after the pandemic hit the country in March 2020 revived credit offtake by MSMEs. The scheme was introduced to help mitigate the economic distress faced by MSMEs by providing them additional funding in the form of a fully guaranteed emergency credit line.

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

5.4 Share of Banks & Non-Banks in MSME Lending

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

Chart 8: Share of Banks & NBFCs in MSME lending



Source: RBI, Xxx

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

5.5 NPA Rates in MSME Segment

MSMEs have poor financial muscle and were severely impacted by the coronavirus pandemic. Since most MSMEs operate in the manufacturing sector, the nationwide lockdown which impacted production as well as demand caused increased stress to MSMEs. Additionally, MSMEs likely witnessed delayed payments on orders serviced and the inability to adopt digitization or accommodate higher costs on social distancing and limited workforce impaired MSMEs' operations. Many went out of business and some struggled to tide over the crisis with cash flow issues which translated into a strain on their ability to repay banks.

Table 5: Bank-wise SMA distribution of MSME Portfolio

Period ended	Public sector banks + Private sector banks				
	0 days past due	SMA-0	SMA-1	SMA-2	GNPA
Mar-22	79.70%	6.40%	3.50%	1.10%	9.30%
Jun-22	79.60%	6.40%	3.50%	2.20%	9.80%
Sep-22	81.60%	6.70%	1.90%	2.10%	7.70%
Dec-22	82.20%	6.30%	2.00%	2.00%	7.40%
Mar-23	84.60%	5.10%	2.60%	0.90%	6.80%

Source: RBI, xxx

MSMEs seeking loans from banks also struggled to meet their obligations due to uncertainty and the second wave of the pandemic. As per data published by the RBI, GNPA's from the MSME segment seemed to decline at the start of Sep-21 as operations returned back to normalcy. GNPA's have further improved and declined from 9.3% in FY22 to 6.80% in FY23. CareEdge Research estimates GNPA levels to ease gradually over the next financial year.

5.6 Government Policies

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

- Revamp of the credit guarantee scheme for MSMEs w.e.f April 2023 through fund infusion of Rs 9,000 crore in the corpus. This will facilitate additional collateral-free guaranteed credit of Rs 2 lakh crore and reduce the cost of the credit by 1%.
- Announcement on introducing an Entity DigiLocker for MSMEs in order to store and share documents securely in an online mode.

- Under Vivad se VishwasI, 95% of the forfeited amount relating to bid or performance security is to be returned by the government in case of failure by MSMEs to execute contracts during Covid period.
- PM Vishwakarma Kaushal Samman (PM VIKAS) for traditional artisans to integrate them with the MSME value chain and assist them in improving the quality, scale, and reach of their products.

5.7 Recent Developments in the Sector

- The government has revised the definition of micro, small and medium enterprises (MSMEs). The government will now accord MSME status to retailers and wholesale traders. The decision will benefit 2.5 crores of retail and wholesale traders in the country. This is a positive move to provide easier access to credit and loans to millions of retailers and wholesalers to modernise and expand their businesses. It will also aid in boosting the informal retail sector's contribution toward GDP and overall economic growth.
- In April 2021, the Non-Banking Finance Companies (NBFCs) requested the Reserve Bank of India to extend the onetime restructuring scheme of MSME advances till March 31, 2022, as these players were unable to revive their businesses.
- In March 2021, the Ministry of MSME, through the Development Commissioner (DC-MSME) implemented the Technology Centre Systems Program (TCSP) to establish 15 new Technology Centres (TC). The centres assisted the industry predominantly MSMEs in general engineering, automotive, fragrance & flavour, and ESDM sectors.
- In March 2021, the Finance Ministry allowed private retirement funds to invest up to 5% in Category I & II AIFs regulated by SEBI. This will help widen the fundraising options for MSMEs and expand the domestic pool of capital.
- Category I AIFs consist of infrastructure, venture capital, angel, and social venture funds. Category II AIFs cover funds where at least 51% of the size can be invested in infrastructure, SMEs, venture capital or social welfare entities.
- In March 2021, the MSME support and development organisation, National Small Industries Corporation Limited (NSIC) announced that they will assist MSMEs working with the Agricultural and Processed Food Products Export Development Authority (APEDA) across multiple areas.
- The relationship will also support the promotion of green and sustainable manufacturing technologies for MSME clusters, enabling units to switch to sustainable and green production processes and products.
- In February 2021, Walmart's Vriddhi programme was extended to Uttar Pradesh, with the launch of an e-institute to facilitate small businesses in granting access to skills and competencies across the online and offline platforms such as Flipkart's marketplace and Walmart's global supply chain. The company stated that this new e-institute will benefit 50,000 MSMEs across the country to expand domestically and globally.
- In February 2021, the Indian Bank signed a memorandum of understanding (MOU) with the Society for Innovation and Development (SID), a project of the Indian Institute of Science, to provide exclusive credit to start-ups and MSMEs.
- In February 2021, the Small Industries Development Bank of India (SIDBI), a financial institution dedicated to the promotion, financing, and development of micro, small, and medium enterprises (MSMEs), signed an agreement with the government of Andhra Pradesh to help expand the state's MSME ecosystem.
- Udyam Registration: In 2020, the Ministry classified MSMEs based on investment in plant and machinery/equipment and turnover of MSMEs as composite criteria for classification. Initially, the process was filed by Udyog Aadhaar Memorandum which is now replaced by 'Udyam' registration on a portal developed by this Ministry.
- Exemption from requirement of having GSTIN: The Ministry has exempted the requirement of having GSTIN as per the provisions of the Central Goods and Services Tax Act, 2017, which will lead to an increase in the registration on the Udyam Registration portal.

- Also, the government has included Retail and Wholesale Trade as MSMEs from 2nd July 2021 and are allowed to be registered on Udyam Registration Portal. The Government has also included Street Vendors as Retail Trades as MSMEs from 2nd August 2021.

5.8 Conclusion

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

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

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

OUR BUSINESS

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

Some of the information contained in the following discussion, including information with respect to our strengths and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 12 for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

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

This Prospectus contains certain Non-GAAP Financial Measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry. You should consult your own advisors and evaluate such information in the context of the Unaudited Financial Results and the Audited Financial Statements. For details pertaining to the same, please refer to the risk factor titled “Risk Factor - We have included certain Non-GAAP measures related to our operations and financial performance in this Prospectus. Such Non-GAAP measures may vary from any standard methodology that is applicable across the financial services industry and may not be comparable with the financial or operational information of similar nomenclature computed and represented by other companies” on page 32.

The industry-related information contained in this section is derived from the Care Edge Research Report, which has been exclusively commissioned and paid for by our Company only for the purposes of confirming our understanding of the industry in connection with the Issue. We officially engaged Care Analytics & Advisory Private Limited, in connection with the Care Edge Research Report pursuant to an engagement letter dated September 03, 2024. For further details and risks in relation to the Care Edge Research Report, see “Risk Factor- This Prospectus contains information from third parties including reports prepared by independent third-party research agencies, which we have commissioned and paid for purposes of confirming our understanding of the industry” on page 31.

Overview

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

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

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

- Secured Business Loans;
- Business Loans;
- Micro Enterprise Loans;
- Machinery Loans;
- Supplier Chain Finance;

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

As per Care Edge Research Report, NBFCs have steadily expanded their MSME portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. As of March 2024, industry credit contributed ₹14.9 lakh crore, indicating an approximate 16.2% Y-o-Y growth in NBFCs' credit to the industry, according to the RBI. Furthermore, our Company has a dedicated program for both secured and unsecured loans aimed at MSMEs and has partnered with DSAs, Anchors, large OEMs, other NBFCs and FinTechs to provide an end-to-end solution. We also lend to customers in the prime segment as well as to micro enterprises. While we have maintained a keen focus on the initial prime/near-prime target segment, we have also worked towards addressing a broader demographic as part of our efforts to close India's MSME credit gap.

We serve a diverse range of customers by addressing credit needs of MSME business with our extensive loan offerings. Currently as on June 30, 2024, our network of 164 branches is segregated into two verticals: Prime branches, located in metro, tier 1, and tier 2 cities with customer turnovers ranging from ₹1 crore to ₹15 crores, and Micro branches, based in tier 3 to tier 6 cities with customer turnovers of less than ₹1 crore. This structure ensures a PAN India presence for our Company.

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

(₹ in lakh)

Particulars	For three months period ended June 30, 2024	FY 2024	FY 2023	FY 2022
Total AUM	9,21,772.71	9,04,705.74	6,08,070.69	2,96,890.60
Total Disbursement	1,84,138.15	10,21,712.74	7,19,967.14	3,13,800.00
Total Income	30,157.88	1,08,168.12	68,376.28	31,341.59
Total Expenditure	25,875.16	90,291.87	59,993.44	29,323.81
Profit after tax	3,035.59	11,934.48	3,977.64	1,455.06
Net worth**	1,91,716.25	1,43,836.17	98,404.31	96,656.32
Debt to Equity ratio***	2.36	3.23	3.20	1.86
CRAR (%)	27.94%	20.75%	20.23%	34.37%
Gross Stage 3 Assets (%)	2.90%	3.09%	2.46%	2.28%
Net Stage 3 Assets (%)	1.59%	1.64%	1.31%	1.70%
Return on Assets (%)#	1.88%*	2.25%	1.11%	0.63%
Return on Net worth (%)****	7.24%*	9.85%	4.08%	1.52%

*Annualised

**Net worth = Equity Share Capital + Other Equity

***Debt = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities and Equity = Equity share capital + Other equity

****Return on Net Worth = Profit after tax/Average Net worth.

#Return on Assets = Profit after tax/ Average Total Assets

Our AUM has exponentially grown at a CAGR of ~75% from ₹2,96,890.60 lakh as at March 31, 2022 to ₹9,04,705.74 lakh as at March 31, 2024. As of June 30, 2024, our AUM stands at ₹9,21,772.71 lakh. Across our offered products, as on June 30, 2024, our average ticket size stood at ₹13.66 lakh and our portfolio yield stood at 16.66%.

Our Total Income has grown from ₹ 31,341.59 lakh for the year ended March 31, 2022 and ₹ 68,376.28 lakh for the year ended March 31, 2023 to ₹ 1,08,168.12 lakh for the year ended March 31, 2024. For the three months period ended June 30, 2024, our Total Income is at ₹ 30,157.88 lakh.

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

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

Our total borrowings as at June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹ 4,52,914.61 lakh, ₹ 4,65,324.53 lakh, ₹ 3,14,893.45 lakh and ₹ 1,80,183.86 lakh respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings, private banks, mutual funds and others.

UGRO Capital Founding Philosophy (DataTech Approach)

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

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

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

Our Company’s credit scoring underwriting model GRO Score 3.0 (“**GRO Score**”) has helped in growth of our business and as on June 30, 2024 the Company is in collaboration with 15 co-lending partners, 55+ lenders, 45+ fintechs, 65+ Anchors, 70+ OEMs and 650+ GRO partners to provide databacked customized finance solutions to over 83,000 MSMEs across India.

Our Differentiated Underwriting Approach

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

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

GRO Score reduces dependency on any specific bureau data and provides higher approval rates for similar or lesser risk cases. Being an AI / ML based model, as the pool of loans grow and our Company gathers more data about customers, we will be able to seamlessly integrate the same into our systems to improve our credit decisions.

The scorecards were developed through the big data analysis of small business borrower profiles and are re-calibrated at designated intervals to maintain their accuracy. It takes into consideration 25,000+ parameters from banking and bureau records to categorize a particular customer across 5 bands of “A” to “E” with “A” being the least risky and “E” being the riskiest.

The results of our scoring model have tested positive for both sets of customers i.e. the ones to whom we have lent money and ones to whom we have not. It has also withstood two waves of Covid-19 pandemic, thereby establishing its robustness. As at June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our Gross NPA amounted to ₹ 16,670.94 lakh, ₹ 17,147.91 lakh, ₹ 9,569.05 lakh and ₹ 5,641.15 lakh respectively constituting 2.90%, 3.09 %, 2.46 % and 2.28 % of our loan book.

We have adopted the data tripod underwriting methodology. We have developed our credit scoring model, GRO Score which used the data of GST, banking and bureau and our underwriters use our sector and sub sector based templated underwriting scorecard. Today when a customer approaches us, we only seek information relating to GST number, GST statement, and his bank statement along with the KYC documents and post that the system takes over and extracts various kinds of parameters, viz. such as the borrowing mix, the frequency and magnitude of defaults, history of high-cost debt, obligation as a percentage of turnover, etc. which have all been customized to our kind of target segment and this has been back tested and is administered on a real time basis.

Our Company’s underwriting is specialized while maintaining standardization of the credit process across its branches. All processes in the underwriting process until in-principle decisioning are fully automated. In addition to the scorecards and the policy statements, the underwriting process also follows the traditional ‘touch and feel’ based checking processes including legal verification, fraud control unit check, field investigation and valuation, which is done by a combination of internal teams and outsourced agencies to ensure the sanctity of the loan portfolio is maintained.

Use of Technology

Our Company’s lending related aspects and process is supported by technology which spans across all stages of the customer’s journey including origination, distribution, credit, analytics, operations and collections. We have (a) 25+ API integrations (b) bank, CIBIL and GST statement analyzers (c) automated policy approvals (d) machine learning OCR technology (e) in house Business Rule Engine (BRE) (f) customized sourcing modules and (g) data pool for 360-degree customer view all of which facilitate us to deliver a loan in-principle approval in 60 minutes to the customer.

We have developed proprietary technology platform for each distribution channel which are customized to support various business needs, such as:

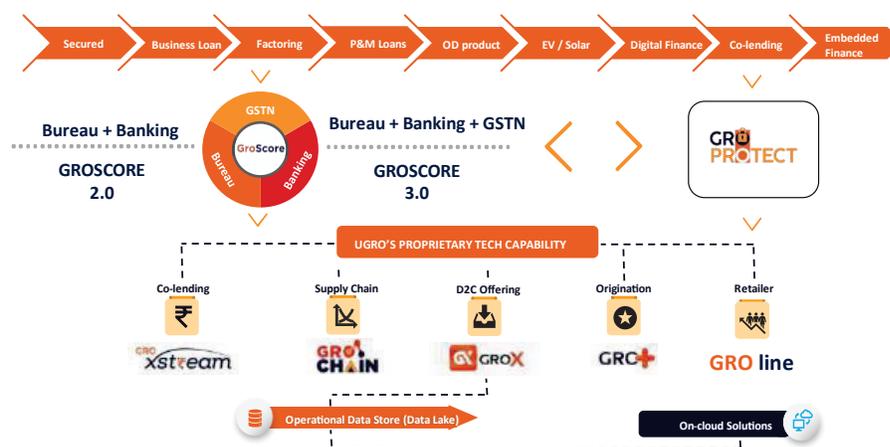
GRO Plus: Supports our branch-based business and is designed to support customers onboarded in metro cities through intermediaries. It has completely integrated every element of underwriting digitally (using all conventional parameters).

GRO Chain: Specifically designed for catering to supply chain business and supports real time disbursement. Suppliers can upload invoice on this module which can be in turn approved by the anchor on the module itself, real time disbursement can be made available against the invoices approved by anchors.

GRO X: Platform built to allow non-intermediated loan applications from eligible MSMEs. Our GRO X app allows MSMEs to directly apply for loans through their mobile phones.

GRO Xstream: It is currently being used for onward co-lending with Banks and NBFCs. It is intended to evolve into a marketplace powered by our BRE, connecting asset originators with liability partners. It currently allows seamless API integration with our co-lenders, allowing the company to reduce turnaround time and bring in efficiencies in the entire process.

We have a system architecture to fully support our SME lending. Please see the following:



Our Business Model

We have a system architecture to fully support our goal of MSME lending. Our Company operates across 4 broad distribution channels to originate loans which are as follows:

- 1) **Branch Channel:** We provide quick in-principle approval for MSMEs to get much faster access to credit. We have a network of 164 branches as on June 30, 2024. Sourcing in prime branches is through intermediaries whereas sourcing in micro branches is carried out through feet on street model. Through these branches our Company caters to the entire spectrum of MSME borrowers.
- 2) **Eco-system Channel:** Ecosystem channel leverages our industry-specific Anchor and OEM partners, each of which adds a pool of potential borrowers within their respective ecosystems. This is further subdivided into supply chain finance and machinery finance. In supply chain financing – we provide working capital financing to abovementioned potential borrowers and also other supply chain dealers through sales & purchase invoice discounting. In machinery finance, we offer secured loans to machine buyers with a charge on machines.
- 3) **Partnership & Alliances Channel:** We are partnered with 45+ fintechs / Smaller NBFCs under a co-lending model wherein the loan is originated by partner NBFC and we take a part of the loan exposure on our books.
- 4) **Direct Digital Channel:** Our digital lending platform, the digital platform applies the full suite of our Company’s technological innovations in order to expand our credit access for Indian MSMEs- maximizing our impact on financial inclusion. We have launched GRO X application which provide us with the ability to offer digital credit.

Our portfolio is well diversified across geographies with exposure to no single state exceeding 20% of our AUM as on June 30, 2024.

Product Profile

As on June 30, 2024, a brief overview of our product profile is as under:

Products	Secured Business Loans	Business Loans	Micro Enterprise Loans	Supply Chain Financing	Machinery Financing	Partnership & Alliances
AUM (Rs. In lakh)	2,45,052.27	3,07,273.91	89,471.17	43,940.56	1,25,279.15	1,10,755.64
AUM (% of total AUM)	26.58%	33.34%	9.71%	4.77%	13.59%	12.02%
Yield (%)	14.23	19.31	21.00	14.71	13.99	14.94
Average Ticket Size (in lakh)	68.32	17.13	8.39	20.23	35.55	4.14

Average Tenor (No. of years)	11.33	3.13	7.41	0.22	4.03	3.79
Collateral	Prime Property	Prime Property	Standard Property	Receivables	Machinery	Receivables and FLDG from partner
Cashflow Underwriting	GST, Banking & Liquid income assessment	GST, Banking & Liquid income assessment	Liquid income assessment	GST and Banking	GST and Banking	Banking & Liquid income assessment
Targeted customer turnover	₹1 Cr – ₹15 Cr	₹1 Cr – ₹15 Cr	<₹1 Cr	< 50 lakh	₹1 Cr – ₹10 Cr	< ₹50 lakh

1. *Prime Property: These properties are located in metros and tier-one cities. These are technically perfect in nature. Owners of these properties may have multiple collaterals to offer that are also legally perfect in nature.*

2. *Standard Property: These properties are in tier 3 cities and beyond. Single collateral is available.*

3. *Machinery: These are located in metros and tier-one/tier-two cities. These are machinery that can be used across various industries and are not industry-specific. These are standard types of machinery like injection moulding, lathe machinery, etc*

The following table sets forth the mix of AUM as on June 30, 2024 and as on March 31, 2024, 2023 and 2022:

Products	AUM (₹ in lakh), as on June 30, 2024	AUM (₹ in lakh), as on March 31,		
		2024	2023	2022
Secured Business Loans	2,45,052.27	2,38,524.31	1,72,704.94	1,02,251.15
Business Loans	3,07,273.91	2,93,592.89	1,89,878.60	76,518.68
Micro Enterprise Loans	89,471.17	81,310.10	47,173.67	10,644.54
Machinery Loans	1,25,279.15	1,16,804.17	70,114.13	25,246.57
Supply Chain Finance	43,940.56	63,243.19	56,694.39	28,737.81
Partnership and Alliances	1,10,755.64	1,11,231.08	71,504.97	53,491.86
Total	9,21,772.71	9,04,705.74	6,08,070.69	2,96,890.60

Our Strengths

Technologically advanced operating model and Credit Approach

Technology is at the core of our operations and we have adopted a well-defined IT strategy since our inception. We have adopted a sectoral lending approach to identify homogeneity among the heterogeneous MSME segment. We juxtaposed cash flow-based banking analysis and repayment behavior of MSMEs to the sector in which they operate to develop our proprietary AI / ML based scoring model GRO Score. GRO score is built on the tripod of data i.e., banking, bureau and GST to analyze 25,000+ data points and deliver < 60 mins credit decisioning.

Diversified borrowing profile and Effective asset-liability management

Over the years, we have developed a diversified funding profile, maintained long-term relationships with our lenders and established a track record of timely servicing our debt obligations. As an NBFC-ND-SI, we have access to diverse sources of liquidity, such as term loans from banks, financial institutions and non-banking financial companies, and proceeds from the issuance of NCDs to meet our funding requirements. This enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As on June 30, 2024, our borrowings from Banks, Capital market instruments, Development Finance Institutions, NBFC and FIIs constituted ~40%, 19%, 23%, 10% and 8%, respectively.

Further, our source of funding as on June 30, 2024 is as under:

Source of funds		Amount (₹ in lakh)	%
Loan from Banks / Financial Institutions	:	2,59,740.44	57.35%
Bank Overdraft	:	508.24	0.11%
Non-Convertible Debentures	:	1,31,189.23	28.97%
Commercial Papers	:	13,485.00	2.98%
Liabilities arising out of securitization transactions	:	1,848.20	0.41%
External Commercial borrowings	:	39,108.42	8.63%
Liability component of Compound Financial instruments	:	3,682.72	0.81%
Subordinated liabilities	:	3,352.36	0.74%
Total	:	4,52,914.61	100%
	:		
Net worth	:	1,91,716.25	
Debt Equity Ratio	:	2.36	

Formidable Distribution Strength with focus on customised solution

Our Company offers multiple products namely secured LAP, micro enterprises loans, machinery loans, unsecured business loans and supply chain financing to address various credit needs of MSMEs. It operates through four broad distribution channels to service entire MSME segment right from prime customers to micro customers. Its distribution channels are (a) Branch Led Channel (b) Ecosystem Channel (c) Partnerships and Alliances Channel (d) Direct Digital Channel. As of June 30, 2024 we have 164 branches across 15 states and union territories in India. We have leveraged our branch network along with our technology driven approach and partnerships to strategically design product offerings basis the customer segment, market and ease of accessibility. We believe that our wide network of branches combined with our customised lending products and a technology driven approach enables an increased ease of access to credit for our customers

Robust Technology Framework

UGRO has developed proprietary technology sourcing platforms which are customized for each distribution channel at the heart of which lies its BRE which is product agnostic and distribution channel agnostic and is purely based on behavior of end customers. All customer data is stored in data lake which can be used for any kind of machine learning model.

Data First Approach

Our Company has imbibed data backed approach not only in our underwriting but across all facets of our business. We identified various other business aspects where data analytics could be leveraged to build in efficiencies and today it is widely used across our organization.

Major business decisions today are based on data analytics. For instance, in order to select locations for opening micro enterprise branches we carried out state wise, pin code wise analysis on the size of business and portfolio performance and picked the top results of our analysis.

Data analytics has helped us address an age-old bank reconciliation problem faced by NBFCs and today we can automatically assign money paid by our customers through RTGS / digital system against respective loan accounts in LMS system.

We have developed analytics-led, early warning systems by capitalizing data across macro (industry level consumption, regulatory/policy changes, social/demographic changes) and micro/customer indicators (Credit score movement, defaults in loans with other lenders, customer enquiries/new loans taken) to drive collection efforts.

Strong Corporate Governance Standards

Creating an institution that is built to last requires strong corporate governance standards. Our Board comprises majorly of Independent Directors. Being a listed entity, we are also required to follow a higher degree of regulatory compliance and transparency. We have suo moto separated the functions of Vice Chairman and Managing Director and appointed Non-Executive Director as Chairman with effect from July 5, 2018, in line with the same.

Experienced Leadership Team

Our Company has hired experienced professionals that have a proven track record of delivering results and possess the right acumen necessary in the build out phase of any organization. Business operations are independently managed by the professionally managed team.

Large Institutional Capital

Our Company raised institutional equity capital aggregating around ₹92,000 lakh from a diverse group of institutional investors in financial year 2019 and around ₹34,000 lakh in financial year 2024. Our Company has also successfully raised capital via combination of CCDs and Warrants amounting to ~₹ 1,26,464.53 lakh during quarter ended June 30, 2024. Having a large institutional capital is also perceived positively by lenders and our Company has been able to solidify its position in terms of the liability book.

As on June 30, 2024, 56.46% of the paid up share capital of our Company is held by 4 of our largest shareholders which are institutions / private equity funds ie IFU, ADV Partners, New Quest, Samena Capital.

The growth of our capital base in the last three Fiscals and the three months period ended June 30, 2024 is depicted below:

Particulars	(₹ in lakh)			
	For three months period ended June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net worth*	1,91,716.25	1,43,836.17	98,404.31	96,656.32
CRAR (%)	27.94%	20.75%	20.23%	34.37%

*Net worth = Equity Share Capital + Other Equity

Reach across a varied MSME base and customer sourcing models

Our lending business is sourced digitally as well as through partners, direct selling agents and sales team. We also conduct site verification visits and interviews with the applicant. We have centralized credit hubs, where our underwriting processes are carried out by our credit team. We have also entered into arrangements with certain verification agencies supervised by our internal management to conduct site visits to verify identity and other information of applicants in certain cases. On the sanction of a loan amount, repayment terms are set out up on completion of all documentation requirements by the applicant. With our presence across India we have established a diverse customer base situated across India across 164 branches spread in 15 states and union territories in India.

Our Growth Strategies

Focus on growing Co-lending/ Co-origination

Our Company is successfully harnessing and operationalizing co-lending partnerships with multiples Banks and NBFCs. Currently, we have operationalized 15 co-lending partnerships across large public sector banks and NBFCs. As of June 30, 2024, our AUM through co-lending partnerships stand at ₹4,114 lakh, representing approximately 45% of our total AUM. This reflects a significant increase from ₹2,442 lakh as of March 31, 2023

Leveraging technology and digital platforms such as operationalizing GRO Xstream Platform to grow our off book portfolio and improve efficiency

We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. Our Company aims to operationalize GRO Xstream platform to ultimately connect providers of capital with originators of loans and facilitate multiple liability partnerships in the form of co-lending, co-origination, direct assignment and others. GRO Xstream would be powered by GRO Score and would support multi rule engine basis requirements of various lenders.

Further we will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

Customised, innovative and customer friendly lending

As part of our strategy to focus on our lending business, we intend to customize and introduce new loan products and evaluate other financing opportunities. Our Company also intends to improve our lending processes and distribution channels. We focus on providing a seamless customer experience and differentiated solutions to meet the specific needs of particular customer,

Our Company believes that our customer service initiatives coupled with the use of technology will allow us to maintain our presence in the lending market and secure both new and repeat business in our lending operations.

Continue to diversify our loan book mix and product suite with an exclusive focus on MSME funding

We continue to diversify our loan book by increasing the share of MSME loans with a balance amongst the nine niche sectors identified by us. We believe there is a significant untapped potential in the MSME industry, offering long-term growth opportunities. We target to serve consumers and small businesses which we believe are systemically underserved and require differentiated products. We are also looking to build strategic partnerships with other digital lending platforms / large players for our MSME business.

Continue to maintain prudent risk management policies for our assets under management

We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As we focus on building a large loan portfolio, we will continue to maintain strict risk management standards to manage credit risks and promote a robust recovery process.

Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs

Leveraged funding, with timely repayment of the loans, will help us to improve our credit rating which in turn will also help in reduction of the cost of capital of our Company. We intend to continue to make our efforts on reducing the cost of borrowing and boost liquidity that include issuance of non-convertible debentures with a focus on generating higher ROEs.

Our Company has adopted a conservative approach to ALM management and focused on conserving liquidity. Our efforts are reflected in the ALM profile with higher positive gaps. We continue to focus on having multiple and diversified sources of funding in order to support our business functions to grow value investment opportunities.

Commencement of factoring business to further our mission to cater to the credit needs of the MSMEs in India

Pursuant to our Company receiving the Certificate of Registration dated January 09, 2024 bearing no. N-13.02475 from RBI to commence/carry on the business of factoring without accepting public deposits. This registration to carry on the factoring business will enable our company to walk further towards its mission, to cater to the credit needs of the MSMEs in India, by exploring various business opportunities including seeking empanelment as financier with the trade receivables discounting system platforms for facilitating the financing/discounting of trade receivables for MSMEs. Such empanelment shall help our Company to leverage our reach and expertise into the MSME sector with an institutionalized and secured approach.

Key operational and financial parameters

Our key operational and financial parameters for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is as under:

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
BALANCE SHEET			
Assets			
Property, Plant and Equipment	449.60	379.30	430.43

Financial Assets	5,96,648.88	4,10,359.04	2,71,639.43
Non-financial Assets excluding property, plant and equipment	30,899.47	19,820.34	13,352.70
Total Assets	6,27,997.95	4,30,558.68	2,85,422.56
Liabilities			
Financial Liabilities			
- Derivative financial instruments	65.00	9.27	-
- Trade Payables	1,360.07	1,411.55	682.05
- Debt Securities	1,39,483.13	1,14,434.45	70,376.77
- Borrowings (other than Debt Securities)	3,22,322.27	2,00,459.00	1,09,807.09
- Subordinated liabilities	3,519.13	-	-
- Other financial liabilities	7,654.85	7,734.85	4,722.81
Non-Financial Liabilities			
- Current tax liabilities (net)	2,895.67	1,567.77	126.07
- Provisions	5,987.17	5,776.71	2,687.22
- Deferred tax liabilities (net)	-	-	-
- Other non-financial liabilities	874.49	760.77	364.23
Equity (Equity Share Capital and Other Equity)	1,43,836.17	98,404.31	96,656.32
Total Liabilities and Equity	6,27,997.95	4,30,558.68	2,85,422.56
PROFIT AND LOSS			
Revenue from operations	1,04,796.18	65,645.37	30,727.46
Other Income	3,371.94	2,730.91	614.13
Total Income	1,08,168.12	68,376.28	31,341.59
Total Expense	90,291.87	59,993.44	29,323.81
Profit before tax for the year	17,876.25	8,382.84	2,017.78
Profit after tax for the year	11,934.48	3,977.64	1,455.06
Other Comprehensive income	(549.53)	15.10	24.58
Total Comprehensive Income	11,384.95	3,992.74	1,479.64
Earnings per equity share (Basic) (₹)	13.39	5.69	2.06

Earnings per equity share (Diluted)(₹)	13.20	5.66	2.05
Cash Flow			
Net cash from / used in(-) operating activities	(1,53,494.53)	(1,22,042.82)	(1,13,181.67)
Net cash from / used in (-) investing activities	(23,045.03)	(8,454.20)	4,137.95
Net cash from / used in (-) financing activities	1,81,359.94	1,27,936.85	1,03,253.11
Net increase/decrease (-) in cash and cash equivalents	4,820.38	(2,560.17)	(5,790.61)
Cash and cash equivalents as per Cash Flow Statement as at end of period / Year	8,835.15	4,014.77	6,574.94
Additional Information			
Net worth (Note 3.1)	1,43,836.17	98,404.31	96,656.32
Cash and cash equivalents	8,835.15	4,014.77	6,574.94
Loans	5,43,221.03	3,80,636.21	2,45,048.34
Total Debts to Total Assets (Note 3.2)			
	0.74	0.73	0.63
Interest Income	70,794.38	48,291.34	27,215.28
Interest Expense	44,292.40	29,327.40	13,738.92
Impairment on Financial Instruments	11,627.96	5,679.99	2,941.54
% Stage 3 Loans on Loans (Principal Amount)	3.09%	2.46%	2.28%
% Net Stage 3 Loans on Loans (Principal Amount)	1.64%	1.31%	1.70%
Tier I Capital Adequacy Ratio (%)	19.50%	19.63%	33.61%
Tier II Capital Adequacy Ratio (%)	1.25%	0.60%	0.76%

Further, our key operational and financial parameters based on our Unaudited Financial Results, as on June 30, 2024 are as under:

(₹ in lakh, unless specified otherwise)

Particulars	As at June 30, 2024
PROFIT AND LOSS	
Revenue from operations	29,144.45
Other Income	1,013.43

Total Income	30,157.88
Total Expense	25,875.16
Profit before tax for the year	4,282.72
Profit after tax for the year	3,035.59
Other Comprehensive income	(20.99)
Total Comprehensive income	3,014.60
Earning per equity share (Basic) (₹)	3.31
Earning per equity share (Diluted) (₹)	3.22
Additional Information	
Net Worth	1,91,716.25
Total Debts to Total Assets	0.68
Interest Income	23,195.01
Interest Expense	13,614.88
Impairment on Financial Instruments	3,316.85
% Stage 3 Loans on Loans (Principal Amount)	2.90%
% Net Stage 3 Loans on Loans (Principal Amount)	1.59%
Tier I Capital Adequacy Ratio (%)	27.03%
Tier II Capital Adequacy Ratio (%)	0.91%

Debt Equity Ratio of the Company

Debt Equity Ratio before Issue of the Debt Securities (Refer Note 1,3,4)	2.36
Debt Equity Ratio after Issue of the Debt Securities (Refer Note 2,3,4)	2.47

Note 1: The debt equity ratio pre-issue is calculated based on the Financial Information for the period ended June 30, 2024.

Note 2: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 20,000 lakh from the proposed public issue with borrowings and total equity as on June 30, 2024

Note 3:

1. Net worth is the aggregate of paid-up share capital and other equity as appearing in the Financial Statement
2. Total Debts to Total assets = Short term borrowings + Long term borrowings including current maturity of long-term borrowings / Total Assets.
3. Bad debts to Account receivable ratio = Bad Debts written off / Gross Loans
4. Debt / Equity Ratio = Total Debt Borrowings (other than debt securities) + Debt securities + Subordinated liabilities / Net worth.

Asset Quality and Portfolio Provisioning

Particulars	June 30, 2024	March 2024	March 2023	March 2022
Gross NPA(%)	2.90%	3.09%	2.46%	2.28%
Net NPA (%)	1.59%	1.64%	1.31%	1.70%
Provision Coverage ratio (PCR)	46.83%	48.37%	48.64%	26.92%
Collection efficiency*	95.87%	96.60%	97.35%	97.69%

*Total Collections excluding foreclosures (including overdue) / Current Month Demand

Risk Management

Our Company has adopted robust and comprehensive risk management capabilities boosted by sectoral expertise, prowess on data analytics and superior technology infrastructure and powers our journey of accelerated growth with best-in-class governance and asset quality. Will the growing needs of the business, our Company has strengthened the requisite areas across lines of defence, by enhancing the team structures and headcount across analytics, credit, fraud control and collections strategy. Data analytics lies at the heart of credit assessment and has enabled a migration from traditional income document-based assessment to a cashflow-based underwriting using the tripod of credit bureau, banking and GST information. During the year, our Company has implemented its proprietary scoring model

– the Gro Score 3.0 which produces a borrower level rating based on credit bureau and bank statement information. We have also implemented a predictive modelling driven Early Warning Signals framework to generate trigger alerts for portfolio stage collections activity.

Along with continued growth, our Company is well placed to comply with RBI’s scale-based regulation for NBFCs and has put in place a supervisory risk evaluation and capital adequacy framework with comprehensive coverage of enterprise level risk elements as mentioned below, after taking into account their relative significance and impact in the context of our business model.

- Credit risk – risk of borrower or counterparty failing to meet its obligations in accordance with agreed terms leading to higher credit cost and provisions across multiple stress scenarios;
- Market risk – supervision of the risk of financial loss resulting from movements in market prices;
- Operational risk - risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- Liquidity risk - the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost;
- Credit concentration risk – risk of any single exposure or group of exposures with the potential to produce losses large enough (relative to capital, total assets, or overall risk level) to threaten the organization’s health or ability to maintain its core operations;
- Interest rate risk in banking book - the current or prospective risk to capital and earnings arising from adverse movements in interest rates that affect the banking book positions;
- Securitization risk – risks associated with pools of financial instruments held for brief periods for the purpose of facilitating activities such as trading or securitization;
- Strategic risk – risk borne out of the internal and external events that may make it difficult, or even impossible, for an organization to achieve their objectives and strategic goals;
- Reputation risk – damage that can occur to a business when it fails to meet the expectations of its stakeholders and is thus negatively perceived;
- Model risk - risk that occurs when a financial model is used to measure quantitative information such as a firm's market risks or value transactions, and the model fails or performs inadequately and leads to adverse outcomes for the firm;
- Technology risk - Technology risk arises from the use of computer systems in the day-to-day conduct of the bank's operations, reconciliation of books of accounts, and storage and retrieval of information and reports;
- Legal risk - Legal risk is the risk of financial or reputational loss that can result from lapses in the way law and regulation apply to the business, its relationships, processes, products and services.

Liability Strategy

Our Company follows a 3-pronged approach to liability. These include balance sheet-based borrowings from banks, financial institutions and capital markets, co-origination/co-lending partnerships with banks and financial institutions and loan securitisation to raise funding against our asset pool.

As on June 30, we have a lender base of 56 lenders. We have tapped in funds from the development finance institutions for raising long term capital. We have processes and policies to manage our ALM to enable us to better manage our assets and liability. A summary of our asset and liability maturity (ALM) profile as of June 30, 2024 is set out below:

(₹ in lakh)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Cash Inflows	32,919.03	54,435.06	36,033.00	28,962.08	19,272.75	77,636.41	92,744.85	1,83,355.25	1,26,962.82	87,028.24	7,39,349.49
Cash Outflows	13,576.65	6,741.83	9,524.17	23,911.70	17,904.33	42,159.18	96,634.17	2,16,192.07	67,148.23	2,01,292.30	6,95,084.63

Mismatch	19,342.38	47,693.23	26,508.83	5,050.38	1,368.42	35,477.23	-3,889.32	-32,836.82	59,814.59	-1,14,264.06	44,264.86
Cumulative mismatch	19,342.38	67,035.61	93,544.44	98,594.82	99,963.24	1,35,440.47	1,31,551.15	98,714.33	1,58,528.92	44,264.86	44,264.86

Corporate Social Responsibility (CSR)

Guided by our Corporate Social Responsibility (CSR) policy, we will continue to create value for the underprivileged in the country through well-structured programs and interventions. The 4 pillars U GRO is committed to are in the areas of education, health nutrition and WASH, women empowerment, and environmental sustainability. During the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 we have spent ₹35.44 lakh, ₹52.50 lakh and ₹39.12 lakh towards CSR activities. In our previous CSR initiative, we contributed towards renovation, construction and restoration of Prem Mahavidhyalaya Inter College in Vrindavan, Uttar Pradesh to support the underprivileged section of our society.

Our ESG Approach

Our Company has been on the forefront of ESG with a strong resolute towards sustainability. We carried out an industry first vendor impact assessment report by partnering with Sattva, an impact consulting firm in the development sector. The results of this study reaffirmed our strong resolve to promote sustainability and create an impact through our business operations. Our business has impacted thousands of MSMEs which makes us a significant contributor towards fulfilling the above Sustainable Development Goals (SDGs).

In addition, our sector focused approach makes it possible to put in place an appropriate monitoring framework for end use of funds and enables us to track and quantify various parameters of social impact. We are focused on lending to high impact sectors namely healthcare, education, food processing, electrical equipment & components, light engineering, hospitality, chemicals, auto components and micro enterprises. This sectoral approach of lending directly aligns with multiple SDGs.

Employees

We place emphasis and focus on recruitment and retention of our employees as personnel is the most valuable asset for a service industry such as ours. As of June 30, 2024 we employed 1,846 employees. We have also implemented an employees stock option plan, in addition to the normal rewards and recognition programmes, and learning and development programmes for our employees. For more details on Employee Stock Option Plan, please refer to Chapter “*Capital Structure*” on page 54 of this Prospectus.

Credit ratings

The following table sets forth details on the credit ratings of our Company as of the dates indicated:

Rating Agency	Instrument	Credit Ratings			
		As on date	June 30, 2024	March 31, 2024	March 31, 2023
Crisil Ratings Limited	Long term debt	Crisil A/Stable	Crisil A/Stable	Crisil A/Stable	Crisil A-/Positive
Crisil Ratings Limited	Short term debt	Crisil A1	Crisil A1	Crisil A1	Crisil A1
India Ratings and Research Private Limited	Long term debt	IND A +/Stable	IND A/Stable	IND A/Stable	IND A/Stable
India Ratings and Research Private Limited	Short term debt	IND A1+	IND A1	IND A1	NA

Acuité Ratings & Research Limited	Long term debt	Acuite A/Stable	Acuite A/Stable	Acuite A/Stable	Acuite A/Stable
Acuité Ratings & Research Limited	Short term debt	-	-	-	Acuite A1

Competition

The financial services industry is highly competitive and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs, fintech lending platforms and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Insurance

We maintain a director's and officers' liability policy covering our directors and officers against claims arising out of legal and regulatory proceedings and monetary demands for damages. We also maintain a group personal accident and business travel accident policy for our employees. These insurance policies are generally valid for a year and are renewed annually.

Intellectual Property

Poshika Financial Ecosystem Private Limited had, vide an assignment deed dated May 13, 2019, transferred the ownership of the logo "U GRO" / "CAPITAL" to our Company. Subsequently, vide an order dated September 22, 2020, the ownership of the said logo vest with our Company under Class 35 and 36 under the Trade Marks Act, 1999.

Our current logo "U GRO", is registered under Class 35 and 36 under the Trade Marks Act, 1999 in the name of our Company. Further, our logo , is registered under Class 35, 36 and 42 under Trade Marks Act, 1999 in the name of our Company. Furthermore, our logo , is registered under class 9 and 36 and we have filed application for registration of  under Class 35 and 42 under the Trade Marks Act, 1999, as well. Also,

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

As on the date of this Prospectus, our Company has filed for registration of 1 (one) patent vide application dated November 11, 2020 for our invention titled 'Method and System for Modelling Credit Scorecards'.

Properties

Our registered office is located at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India. In addition, as of June 30, 2024, our branch network comprises 23 prime branches and 141 micro branches, totalling 164 branches. Our registered office and all our branches are located at premises leased or licensed to us.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief background of our Company

Our Company was incorporated as “Chokhani Securities Private Limited” under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from “Chokhani Securities Limited” to “UGRO Capital Limited” and a fresh Certificate of Incorporation was issued by RoC on September 26, 2018. Our Company is also registered with RBI as Systematically Important non-deposit taking Non-Banking Finance Company with registration no. No. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits.

The Corporate Identification Number of our Company is L67120MH1993PLC070739.

Our Company is a non-deposit taking systemically important Non-Banking Financial Company (“NBFC”) as defined under Section 45-IA of the Reserve Bank of India Act, 1934 and registered with effect from March 11, 1998 and fresh registration was obtained pursuant to change of name bearing Registration No. 13.00325 from October 26, 2018. Our Company is currently engaged in the business of lending and primarily deals in financing SME and MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments and Micro Enterprises segments. Further, our Company has also entered into factoring business without accepting public deposits pursuant to obtaining certificate of registration dated January 09, 2024 bearing no. N-13.02475.

Change in Management and Control of our Company

On December 31, 2017, Poshika Advisory Services LLP & Shachindra Nath (collectively referred to as the “Acquirers”) made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. Consequently, Mr. Ramakant R Chokhani, Anand R Chokhani, Neelam R Chokhani and Ramakant R Chokhani HUF, the erstwhile Promoters of our Company, were reclassified from the Promoter category to Public category during the FY 2018-19 and Poshika Advisory Services LLP was classified as Promoter of our Company pursuant to the open offer.

Registered Office and changes to Registered Office

Our Registered Office is located at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India. Except as set forth, there has not been any change to the Registered Office since incorporation.

Effective Date of Change	Address Changed	
	From	To
June 12, 2007*	9-16-D Fort Mansion British Hotel Lane Off B S MG Fort, Mumbai – 400023	5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai – 400020
August 13, 2018	5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai – 400020	Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla Mumbai - 400070, Maharashtra, India

* Records w.r.t. information related to change in registered office prior to this date is not available. Also, see “Risk Factors - We do not have access to records and data pertaining to certain historical legal and secretarial information” on page 33.”

Corporate Office

Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai – 400070, Maharashtra, India.

Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is as follows:

1. *“To invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debenture, debenture stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and other securities, commissioners, Trust, Municipal or local Authority and to carry on the business of underwriters film financing, hire purchase financing, and to carry on business of financing industrial enterprises, trade and business financing.*
2. *To carry on the business of providing Fund/Non-fund-based activities, Venture Capital, Stock Broking, Factoring, Arbitrage, Badla Finance, Portfolio Management services, Mutual Fund, Debt Market Operations, Forex Management services, Merchant Banking Activities, Insurance, Reinsurance, Future and Options, Derivatives, Depository Participants, etc.*
3. *To manufacture, assemble, purchase, sell, export, import, alter, repair, transfer, lease, hire, licence, use, dispose of, operate, fabricate, construct, distribute, design, charter, acquire, market, recondition, work upon or advice otherwise deal in, whether as manufacturers, dealers, developers, distributors, agents of other manufacturers or otherwise all kinds of products and services pertaining to computer software and hardware industry, software, system development, application software for microprocessor based information system, web portals, web enabling, web super markets, kiosks for “e” commerce, web migration, web based training / education, Learning systems, Knowledge management, retail broking, e-tail broking, Internet broking, net dynamics, client server development, platform development, Information Technology, Software development, e-commerce conversion of data, internet, web site, e-commerce, e-business, e-tailing, e-trade, advertisements, sponsorships, gamesites, application system, computer peripherals and accessories, information technology, Mapping, Educational publications, computer aided design / computer aided manufacturing, workstations, scanners, scanner plotters, servers, digitizers, software procedures, and undertake turnkey projects, for developing computer software or hardware system, telephony, migration and reengineering, data warehousing, enterprise resource planning, product, development, and management and to provide all other allied services in India and abroad.*
4. *To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company).”*

Key events, milestones and achievements

The table below sets forth the key events, milestones and achievements in the history of our Company:

Financial Year	Particulars
1992-93	Incorporation of our Company.
1994 - 95	Our Company made an initial public issue of Equity Shares.
2017 - 18	<ul style="list-style-type: none"> • Change in Management Control of our Company was announced; and • Demerger of the Lending Business of Asia Pragati Capfin Private Limited into our Company, w.e.f. the Appointed Date being April 01, 2018.
2018 - 19	Raised capital from Institutional / PE Investors and HNI.
2021-22	Raised ₹ 5,000 lakh through Public Issue of Non-Convertible Debentures

2022-23	Raised ₹ 17,221.55 lakh through Public Issue of Non-Convertible Debentures
2023-24	Issued 66,11,325 Equity Shares of face value ₹ 10 per equity share aggregating to ₹ 10,049.21 lakh by way of qualified institutional placement Issued 1,52,38,095 Equity Shares of face value ₹ 10 per equity share aggregating to ₹ 24,000 lakh by way of preferential allotment Received Certificate of Registration dated January 09, 2024 bearing no. N-13.02475 from the RBI to commence/ carry on the business of factoring without accepting public deposits.
2024-25	Issued 97,70,757 compulsory convertible debentures of face value ₹ 10 per CCD aggregating to ₹ 25,795 lakh and 3,81,32,474 convertible warrants of face value ₹ 10 per share warrant aggregating to ₹ 1,00,670 lakh by way of preferential issuance.

Material Agreements

Other than the below-mentioned agreements, our Company has not entered into any other material agreements and material contracts which are not in the ordinary course of business, in the last two years:

Investment Agreement dated April 11, 2023 executed between Danish Sustainable Development Goals Investment Fund K/S (“Investor”), our Company, Poshika Advisory Services LLP, Sachindra Nath and Poshika Financial Ecosystem Private Limited (“Investment Agreement”)

Pursuant to the terms of Investment Agreement, the Investor is entitled to certain rights including pre-emptive right in case of any issuance of securities by the Issuer by way of preferential allotment provided that its shareholding does not fall below 5% of the share capital of the Issuer. The Investor is also entitled to appoint and nominate one non-executive director on the board of the Company provided that its shareholding in the Company does not fall below 10% of the share capital of the Issuer. The Investor further has a right to nominate one representative to attend all meetings of the board in a non-voting capacity provided that the its shareholding of the Investor does not fall below 5% of the shareholding of the Issue on fully diluted basis. Additionally, Poshika Advisory Services LLP is not allowed to transfer any shares or securities of the Issuer for a period of two years from the execution of the Investment Agreement.

Holding Company

As on the date of this Prospectus, our Company does not have any holding company.

Our subsidiaries, joint ventures and associate companies

As on the date of this Prospectus, our Company does not have any subsidiaries, joint ventures or associate companies.

Acquisition or Amalgamation in the preceding one year

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

Reorganization or Reconstruction undertaken by our Company in the preceding one year

There have been no reorganization or reconstruction undertaken by our Company in the preceding one year, preceding the date of this Prospectus.

Related Party Transactions based on Audited Financial Statements

For details in relation to the related party transaction entered by our Company during the last three financial years and current financial year, as per the requirements specified under the Companies Act, refer to “*Related Party Transactions*” on page 177.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations, affairs and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The Articles of Association of our Company provide that the number of directors shall not be more than fifteen (15).

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company, the relevant directions issued by the RBI, and the SEBI LODR Regulations.

As on the date of this Prospectus, we have ten (10) Directors on our Board of Directors. We have 6 (six) independent directors including one of them being Non- Executive Chairman, and 3 (three) Nominee directors and 1 (one) Managing Director. There is 1 (one) woman director on the Board.

The following table sets forth details regarding the Board as on the date of this Prospectus.

Details relating to Directors

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
<p>Satyananda Mishra</p> <p><i>Designation:</i> Non-Executive Chairman (Independent Director)</p> <p>DIN: 01807198</p>	75	D-138, Second Floor, Defence Colony, New Delhi - 110 024	July 05, 2023 ⁽¹⁾	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Invesco Trustee Private Limited; • Paradeep Phosphates Ltd; and • India International Depository IFSC Limited; • National Foundation for India; <p>Foreign Companies: NIL</p>
<p>Shachindra Nath</p> <p><i>Designation:</i> Vice Chairman & Managing Director</p> <p>DIN: 00510618</p>	52	GV-65, the Palm Springs, Golf Course Road, Sector 54, Sikanderpur Ghosi, Gurgaon 122 002	June 22, 2023 ⁽²⁾	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Livfin India Private Ltd; • Poshika Financial Ecosystem Private Limited; • Poshika Advisory Services LLP; and • Finance Industry Development Council <p>Foreign Companies: NIL</p>
<p>Karuppasamy Singam</p> <p><i>Designation:</i> Independent Director</p>	70	A-1301, Monarch Ashar Residency, Thane – 400 610, Maharashtra, India	July 05, 2023 ⁽³⁾	<p>Indian Companies: NIL</p> <ul style="list-style-type: none"> •

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
DIN: 03632212				Foreign Companies: NIL
Sekar Karnam <i>Designation:</i> Independent Director DIN: 07400094	64	House no. 72, Hi Rise KVR Paradise Bachupally Mallampet, Medchalmalkajgiri, Telangana - 500 090	February 08, 2022	Indian Companies: <ul style="list-style-type: none"> • INCRED Financial Services Limited; • INCRED Prime Finance Limited; • INCRED Holdings Limited; • Luras Labs Limited • Luras Bio Private Limited Foreign Companies: NIL
Hemant Bhargava <i>Designation:</i> Independent Director DIN: 01922717	65	C -1709, Satyen Nivaasa, Mangalam Radiance, Near Fern Hotel, Jaipur- 302 018	February 08, 2022	Indian Companies: <ul style="list-style-type: none"> • SMC Global Securities Limited; • ITC Limited. Foreign Companies: <ul style="list-style-type: none"> • Providence Life Limited PCC, Mauritius
Rajeev Krishnamuralilal Agarwal <i>Designation:</i> Independent Director DIN: 07984221	65	30, Punam, Hyderabad Estate, Nepeansea Road, PDP Park, Malabar Hill, Mumbai – 400 006	July 05, 2023 ⁽⁴⁾	Indian Companies: <ul style="list-style-type: none"> • ACC Limited; • Star Health and Allied Insurance Company Limited; • Trust Asset Management Private Limited; • MK Ventures Capital Limited; and • One 97 Communications Limited Foreign Companies: NIL
Chetan Kulbhushan Gupta	44	Flat - Gt.3-2404, Emirates Hill, Po Box 126 229, Dubai	November 02, 2018 ⁽⁵⁾	Indian Companies:

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
<p>Designation: Non-Executive (Nominee) Director</p> <p>DIN: 07704601</p>				<ul style="list-style-type: none"> • Imperativ Hospitality Private Limited; • SC India Manager Private Limited. <p>Foreign Companies:</p> <ul style="list-style-type: none"> • Samena Capital • Samena Capital Investments Limited • Samena Capital Mauritius Management • Aay Kay Global • Samena Keys Limited • Samena Ceylon Holdings Limited • Samena Fidem Holdings • Samena Special Situations Mauritius III) • Samena Special Situations Mauritius • Samena Keys General Partner Limited • Samena Breeze General Partner Limited • Samena General Partner II Limited • Samena General Partner III Limited • Samena Rail General Partner Limited • Samena SPV4 • Samena Phoenix Holdings Co • Samena Connect Holding Co • RAK Logistics Holdings Pte Ltd • RAK Logistics Holdings • Universal Shipping (China HK) Ltd • A-Link Freight Inc • RAK Logistics LLC (UAE) • SoftLogic Holdings PLC

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
				<ul style="list-style-type: none"> • Samena Ceylon Holdings • Samena Beats Holdings • Samena Healthcare Holdings • Samena Mandalay Holdings • Samena School Holdings • Memories (2022) PTE. LIMITED • Samena Grow General Partner Limited • Samena Green Ltd
Tabassum Abdulla Inamdar <i>Designation:</i> Independent Director DIN: 07637013	58	703, Tower B, Imperial Heights, Motilal Nagar – 1, BEST Nagar, Opp. Fire Station, Goregaon West, Mumbai – 400 104	August 01, 2023 ⁽⁷⁾	Indian Companies: <ul style="list-style-type: none"> • INDIFI Capital Private Limited; • Franklin Templeton Asset Management (India) Private Limited; • INDIFI Technologies Private Limited. Foreign Companies: NIL
Rohit Goyal <i>Designation:</i> Non-Executive Nominee Director DIN: 05285518	40	House N. 739, Sector -6, Huda, Sector-6 Police Station, Panipat, Haryana – 132 103	April 25, 2024 ⁽⁸⁾	Indian Companies: <ul style="list-style-type: none"> • DCDC Health Services Private Limited; • Suminter India Organics Private Limited; and • Melting Pot Crafts Private Limited
Suresh Eshwara Prabhala <i>Designation:</i> Additional Non-Executive Nominee Director DIN: 02130163	49	10 A, Boat Club Road, RA Puram, Chennai, Tamil Nadu, India - 600028	October 01, 2024 ⁽⁶⁾	Indian Companies: <ul style="list-style-type: none"> • Tarsons Products Limited; • Arjas Steel Private Limited; • Micro Plastics Private Limited • ADV Partners Investment Adviser India Private Limited

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
				Foreign Companies: <ul style="list-style-type: none"> • Q Collection Pte Ltd ADV Opportunities Fund I GP Limited • ADV Partners Capital Management Ltd • ADV Partners Holdings Ltd • ADV Opportunities Fund II GP Limited • ADV Partners Limited • ADV SLP II Limited

- (1) *Satyananda Mishra was originally appointed as a director on July 05, 2018.*
- (2) *Shachindra Nath was originally appointed as a director on June 22, 2018.*
- (3) *Karuppasamy Singam was originally appointed as a director on July 05, 2018.*
- (4) *Rajeev Krishnamuralilal Agarwal was originally appointed as a director on July 05, 2018.*
- (5) *Chetan Kulbhushan Gupta is a nominee director from Samena Fidem Holdings*
- (6) *Suresh Prabhala is a nominee director from Clearsky Investment Holding Pte. Ltd.*
- (7) *Tabassum Abdulla Inamdar is a Non-Executive & Independent Director of the Company.*
- (8) *Rohit Goyal is a nominee director from Danish Sustainable Development Goals Investment Fund K/S (IFU).*

Profile of Directors

1. **Satyananda Mishra**, aged 75 years, is the Non-Executive Chairman (Independent Director) of our Company. He holds a degree of M.A. in English literature from Utkal University. He has completed a course in leaders in development, Managing Political and Economic Change from Harvard University, John F. Kennedy, School of Government. He is the former Chief Information Commissioner of India. In 2013, UGC nominated him as a UGC nominee on the Board of Governors of Reva University. He has also served as a nominee director in M/s 63 Moons Technologies Limited and has served the Board of National Foundation for India as a trustee. His last posting in the Central Government was in the department of Personnel Training as the Secretary to the Government of India. He served as the Director of Small Industries Development Bank of India until 2016.
2. **Shachindra Nath**, aged 52 years, is the Vice Chairman & Managing Director of our Company. He holds a degree in bachelor of law from Banaras Hindu University and is a university rank holder. He also holds a degree of bachelor of commerce (honours) from Banaras Hindu University.
3. **Karuppasamy Singam**, aged 70 years, is the Independent Director of our Company. He is a M. A. in Economics, a Certified Associate of Indian Institute of Bankers (CAIIB); Honorary Fellow of Indian Institute of Banking & Finance and holds a Post Graduate Diploma in Bank Management (PGDBM) from National Institute of Bank Management (NIBM), Pune. He has served as the executive Director of Reserve Bank of India and as the RBI Nominee Director at Indian Bank.
4. **Sekar Karnam**, aged 64 years, is the Independent Director of our Company. He holds a degree B.Sc (Ag), CAIIB, Diploma in Management. He also holds dual Financial Services Diploma in Treasury & International Banking and Credit, from the Institute of Bankers in South Africa.
5. **Hemant Bhargava**, aged 65 years, is the Independent Director of our Company. He holds a degree in Masters of Arts (Economics). He was appointed as Managing Director of Life Insurance Corporation of India on January 11, 2019.

6. **Rajeev Krishnamuralilal Agarwal**, aged 65 years, is the Independent Director of our Company. He is an alumnus of the Indian Institute of Technology, Roorkee with a Bachelors in Technology.
7. **Chetan Kulbhushan Gupta**, aged 44 years, is the Nominee Director of our Company. He is the Senior Executive Officer (SEO) of Samena Capital Investments Limited in Dubai. He is also a designated member of the Board of Directors at RAK Logistics Holdings PTE (Singapore), Imperative Hospitality Private Limited (India), Softlogic Retail Holdings Limited (Sri Lanka) and various investment entities within the Samena Special Situation Funds. He holds a Masters in Management (Finance) from the University of Mumbai.
8. **Tabassum Abdulla Inamdar**, aged 58 years is the Independent Director of our Company. She is a Chartered Accountant. She has also held key positions in various organizations, notably, as the Managing Director and Co-head of the India Research team at Goldman Sachs (India) Securities Private Ltd, and other roles at UBS Securities and Kotak Securities etc. Her expertise includes serving on multiple boards as an Independent Director, including those of Equitas Small Finance Bank and Zipsure, along with current appointments at Franklin Templeton AMC India, Indifi Technologies Pvt. Ltd., and its 100% subsidiary, Indifi Capital Pvt. Ltd.
9. **Rohit Goyal**, aged 40 years is the Nominee Director of our Company. He holds a degree in Bachelor of Technology in mechanical engineering from Indian Institute of Technology, Delhi.
10. **Suresh Eshwara Prabhala**, aged 49 years is the Additional Non-Executive Nominee Director of our Company. He holds a post graduate diploma in management from the Indian Institute of Management, Calcutta and a Bachelor of Engineering (Mechanical) from University of Delhi.

Relationship between our Directors

None of our Directors are related to each other.

Remuneration and terms of employment of our Directors

Vice-Chairman and Managing Director

The details of remuneration and terms of appointment of Shachindra Nath, was approved by the member of the Company through postal ballot on May 11, 2023 details of which are as under:

Terms of Employment: He is appointed for a term of 3 (three) years with effect from 22nd June, 2023, and any re-appointment shall be subject to the approval of the Board and shareholders of the Company in accordance with the Act with a basic salary of ₹ 1,40,00,000/- per annum (i.e., ₹ 11,66,667 per month) and other allowances including house rent allowance and special allowance. Apart from the above, he will also be entitled to retiral benefits like provident fund and gratuity, insurance benefits for self and family and such other payments in the nature of perquisites as per the Company's policy in force from time to time or as may otherwise be decided by the Board.

The following table set forth the remuneration including the sitting fees and commission paid, as applicable by our Company to the Vice Chairman and Managing Director of our Company for the period ending on September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

<i>(₹ in lakh)</i>					
S. No.	Name of the Director	For the period ending on September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Shachindra Nath	446.76 *	585.63*	466.44*	295.60

*Remuneration includes performance bonus.

Remuneration of our non-executive Directors

The non-executive Directors, other than Independent Directors, are not entitled to receive sitting fees.

The Independent Directors are paid remuneration in the form of sitting fees within the limits prescribed under the Companies Act and as decided by the Board of Directors.

The following table sets forth the remuneration including the sitting fees and commission paid by our Company to our Independent Directors, for the period ending on September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

S. No.	Name of the Director	For the period ending on September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Satyananda Mishra	13.00	29.00	30.00	25.00
2.	Karuppasamy Singam	13.00	29.00	26.00	21.00
3.	Sekar Karnam ⁽¹⁾	10.00	21.00	29.00	N.A.
4.	Hemant Bhargava ⁽¹⁾	9.00	21.00	17.00	N.A.
5.	Rajeev Krishnamuralilal Agarwal	13.00	32.00	23.00	17
6.	Tabassum Abdulla Inamdar ⁽²⁾	7.00	10.00	N.A.	N.A.
7.	Abhijeet Sen ⁽⁴⁾	N.A.	6.00	39.00	40
8.	Smita Aggarwal ⁽¹⁾⁽⁵⁾	N.A.	5.00	25.00	N.A.
9.	Ranjana Agarwal ⁽³⁾	N.A.	N.A.	N.A.	22.00
10.	Navin Puri ⁽³⁾	N.A.	N.A.	N.A.	24.00
11.	Navin Kumar Maini ⁽³⁾	N.A.	N.A.	N.A.	22.00

(1) Karnam Sekar and Hemant Bhargava were appointed as Independent Directors w.e.f. February 08, 2022 Smita Aggarwal was appointed as Independent Director w.e.f. March 31, 2022.

(2) Tabassum Abdulla Inamdar was appointed as an Independent Director of the company on August 01, 2023.

(3) Navin Puri, Navin Kumar Maini and Ranjana Agarwal ceased to be Independent Director w.e.f. February 08, 2022.

(4) Abhijeet Sen ceased to be Independent Director w.e.f. July 04, 2023.

(5) Smita Aggarwal ceased to be Independent Director w.e.f. July 04, 2023.

Other confirmations

As on the date of this Prospectus, Our Company does not have any subsidiary or associate company.

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

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI. No Director in our Company is, or was, a director of any listed company, which has been or was compulsorily delisted from any recognised stock exchange within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the Permanent Account Number of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing the Prospectus.

Except for Shachindra Nath, who is the Ultimate Beneficial Owner of our Promoter, no other Director has any interest in the promotion of our Company. For details of the Promoter of the Company, please refer to “*Our Promoter*” on page 147.

Borrowing powers of our Board of Directors

Pursuant to a resolution passed by our Board dated May 02, 2024 and Shareholders at the AGM held on August 08, 2024, in accordance with provisions of 180(1)(c) of the Companies Act, 2013 and other applicable provisions and rules made thereunder, our Board has been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company’s aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 100,00,00,00,000/- (Indian Rupees Ten Lakh Lakh).

The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned.

Interest of our Directors

Our Managing Director may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to him. Our Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and/or to the extent of their shareholding including dividend, if any and profit linked incentives payable to them.

Except as stated in the chapter “*Related Party Transactions*” under the section “*Financial Information*” on page 177 and to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

Except as provided in the chapter “*Related Party Transactions*” under the section “*Financial Information*” on page 177, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them or are proposed to be made to them in respect of these contracts, agreements or arrangements.

There are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. As on the date of this Prospectus, none of our Directors have availed any loan from our Company. Further, our Company has not availed any loans from the Directors which are currently outstanding.

No contribution has been made by the directors as part of the Issue or separately in furtherance of the Objects of the Issue.

Except for Shachindra Nath, Vice Chairman and Managing Director, Karnam Sekar, Independent Director and Tabassum Abdulla Inamdar, Independent Director of our Company, none of our Directors have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in this section, “*Interest of our Directors*” none of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors have no interest in any immovable property acquired in the preceding two years of filing this Prospectus or proposed to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Issue.

Except for Shachindra Nath, Vice Chairman and Managing Director of our Company, no other Director has any interest in the promotion of our Company.

Shareholding of our Directors

Except as disclosed in the Chapter “*Capital Structure*” on page 54 none of the Directors hold Equity Shares of our Company as on the date of this Prospectus.

Further, Our Company does not have any subsidiary or associate company as defined under Companies Act, 2013, as of the date of this Prospectus.

Debentures/Subordinated Debt holding of our Directors

As on the date of this Prospectus, none of our Directors hold debentures or subordinated debt issued by our Company.

Changes in Directors of our Company during the preceding three financial years and as on date of this Prospectus

The changes in Board of Directors of our Company in the preceding three financial years and as on date of this Prospectus are as follows:

Name, Designation and DIN	Date of Appointment / reappointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Nisheeth Saran <i>Designation:</i> Alternate Director to Kanak Kamal Kapur DIN: 03037307	May 20, 2020	-	November 02, 2021	Resignation
Kanak Kamal Kapur <i>Designation:</i> Non-Executive Director DIN: 03299278	August 07, 2019	-	November 02, 2021	Resignation
Navin Puri <i>Designation:</i> Independent Director DIN: 08493643	August 07, 2019	-	February 08, 2022	Resignation
Ranjana Agarwal <i>Designation:</i> Independent Director DIN: 03340032	July 05, 2018	-	February 08, 2022	Resignation
Navin Kumar Maini <i>Designation:</i> Independent Director DIN: 00419921	July 05, 2018	-	February 08, 2022	Resignation
Sekar Karnam <i>Designation:</i> Independent Director DIN: 07400094	February 08, 2022	-	-	Appointment
Hemant Bhargava <i>Designation:</i> Independent Director DIN: 01922717	February 08, 2022	-	-	Appointment

Name, Designation and DIN	Date of Appointment / reappointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Smita Aggrawal <i>Designation:</i> Independent Director DIN: 01478327	March 31, 2022	-	July 04, 2023	Appointment and Resignation
Abhijit Sen <i>Designation:</i> Independent Director DIN: 00002593	July 05, 2018	July 04, 2023	-	Completion of Term as an Independent Director
Deepa Agar Hingorani <i>Designation:</i> Nominee Director DIN: 00206310	May 18, 2023	-	-	Appointment
Tabassum Abdulla Inamdar <i>Designation:</i> Independent Director DIN: 07637013	August 01, 2023	-	-	Appointment
Deepa Agar Hingorani <i>Designation:</i> Nominee Director DIN: 00206310	May 18, 2023	-	April 25, 2024	Resignation
Rohit Goyal <i>Designation:</i> Nominee Director DIN: 05285518	April 25, 2024	-	-	Appointment
Manoj Kumar Sehrawat <i>Designation:</i> Nominee Director DIN: 02224299	July 05, 2018	-	September 30, 2024	Resignation
Suresh Eshwara Prabhala <i>Designation:</i> Additional Non-Executive (Nominee) Director DIN: 02130163	October 01, 2024	-	-	Appointment

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

Appointment of any relatives of Directors to an Office or place of profit of Company, subsidiaries or associates companies during the preceding three financial years and as on date of this Prospectus

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Key Managerial Personnel of our Company

In addition to Shachindra Nath, Vice Chairman & Managing Director, our Company's Key Management Personnel are as follows:

(a) **Kishore Kumar Lodha** (*Chief Financial Officer*)

Kishore Kumar Lodha, is the Chief Financial Officer of our Company and a Chartered Accountant by qualification.

(b) **Satish Chelladurai Kumar** (*Company Secretary*)

Satish Chelladurai Kumar, is the Company Secretary and Compliance Officer of our Company.

Satish Chelladurai Kumar is a member of the Institute of Company Secretaries of India.

He has been associated with UGRO Capital for the past 3 years in the compliance function, focusing on NBFC compliances and regulatory matters. Prior to this, he was associated with Western Capital Advisors Private Limited as Company Secretary. His professional journey includes tenures at InCred and StarAgri Finance.

Senior Managerial Personnel of our Company

The Senior Managerial Personnel are permanent employees of our Company. Apart from the Chief Financial Officer and Company Secretary and Compliance Officer, the details of our Senior Managerial Personnel, as on the date of this Prospectus, are set out below:

Name of SMPs	Designation
Amit Mande	Chief Revenue Officer
Anuj Pandey	Chief Risk Officer
Sunil Lotke	Chief Legal & Compliance Officer
Sharad Agarwal	Chief Operations and Technology Officer
Rajni Khurana	Chief People Officer

Relationship with other Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and/or Senior Management Personnel are related to each other.

Interests of Key Managerial Personnel and Senior Management Personnels

Except to the extent of their remuneration or extent of their shareholding including convertible warrants along with vested, granted ESOS options or/and benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, the Key Managerial Personnel and Senior Management Personnel of the Company do not have any interest in the Company.

Our Directors, Promoter, Key Managerial Personnel or Senior Management have no financial or other material interest in the Issue.

Payment or Benefit to Officers of our Company

No benefit/interest will accrue to our Senior Management Personnel out of the objects of the Issue.

Shareholding of our Company's Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, none of the Key Managerial Personnel and Senior Managerial Personnel hold any Equity Shares in our Company as on the date of this Prospectus:

S. No.	Name of Key Managerial Personnel and Senior Management Personnel and their Designation	No. of Equity Shares of face value ₹10 each	No. of Equity Shares underlying outstanding convertible securities	% of total Equity Shares of our Company*
1.	Shachindra Nath Designation: Vice Chairman and Managing Director	46,300	2,27,272	0.19%
2.	Kishore Kumar Lodha Designation: Chief Financial Officer	30,000	15,151	0.03%
3.	Sunil Lotke Designation: Chief Legal and Compliance Officer	30,005	-	0.02%
4.	Amit Mande Designation: Chief Revenue Officer	-	15,151	0.01%
5.	Anuj Pandey Designation: Chief Risk Officer	1,06,186	15,151	0.09%
6.	Rajni Khurana	-	15,151	0.01%

	Designation: Chief People Officer			
7.	Sharad Agarwal Designation: Chief Operations and Technology Officer	1,500	30,303	0.02%
8.	Satish Chelladurai Kumar Designation: Company Secretary	1	-	0.00%

* Assuming full conversion of convertible securities

Note: As on September 30, 2024, the Company has 9,29,56,323 full paid-up Equity Shares and 4,79,03,231 Equity Shares underlying outstanding convertible securities

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the preceding three financial years and current financial year with regard to loans made or guarantees given or securities provided, as per the requirements specified under the Companies Act, refer to the Financial Year 2024, 2023 and 2022 under “Financial Statements” beginning on page 351 and for June 30, 2024, please see, chapter “Related Party Transactions” on page 177.

Corporate Governance

Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. The Board of our Company is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

1. Audit Committee

The members of Audit Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Hemant Bhargava	Chairman	Independent Director
Satyananda Mishra	Member	Independent Director
Rajeev Krishnamuralilal Agarwal	Member	Independent Director
Karuppasamy Singam	Member	Independent Director
Sekar Karnam	Member	Independent Director
Shachindra Nath	Member	Vice Chairman & Managing Director
Tabassum Abdulla Inamdar	Member	Independent Director

The Audit Committee was constituted by the Board of Directors at their meeting held on March 10, 2003 and was last reconstituted on August 01, 2023. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Audit Committee are as follows:

Role of the Audit Committee

- i. to ensure that an information system audit of the internal systems and processes of the Company is conducted at least once in 2 (two) years to assess the operational risks faced by the Company;
- ii. oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- iii. recommendation for appointment, remuneration and terms of appointment of auditors of
- iv. approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the

- Statutory Auditor and Internal Auditor, respectively;
- v. reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the Board's report;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by the Management Team;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any Related Party transactions; and
 - g) modified opinion(s) in the draft audit report.
 - vi. reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approval;
 - vii. reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - viii. reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
 - ix. approval or any subsequent modification of transactions of the Company with Related Parties;
 - x. scrutiny of inter-corporate loans and investments;
 - xi. valuation of undertakings or assets of the Company, wherever it is necessary;
 - xii. evaluation of internal financial controls and risk management systems;
 - xiii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiv. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xv. discussion with internal auditors of any significant findings and following up there on;
 - xvi. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - xvii. discussion with the Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xviii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xix. to review the functioning of the whistle blower mechanism;
 - xx. approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
 - xxi. to review the IT security/ data integrity/ data security policies and processes of the Company;
 - xxii. carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
 - xxiii. the Audit Committee shall mandatorily review the following information:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;
 - c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;
 - d) internal audit reports relating to internal control weaknesses;
 - e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
 - f) quarterly statement of deviation(s) including report of monitoring agency, if applicable,

- submitted to stock exchange(s); and
- g) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice.
- xxiv. The Company shall establish a vigil mechanism for Directors and Employees to report genuine concerns. If any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the other members on the Audit Committee shall deal with the matter in hand;
- xxv. The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

2. *Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Satyananda Mishra	Member	Independent Director
Hemant Bhargava	Member	Independent Director
Karuppasamy Singam	Member	Independent Director
Sekar Karnam	Member	Independent Director

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on August 01, 2023. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee are as follows:

The role of the Nomination and Remuneration Committee shall include the following:

- i. formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;
- ii. formulation of criteria for evaluation of the performance of Independent Directors and the Board;
- iii. devising a policy on diversity of the Board;
- iv. identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee, and recommending to the Board their appointment and removal;
- v. whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
- vi. formulating any employee stock option plan or sweat equity plan.

3. *Stakeholders' Relationship Committee*

The members of the Stakeholders' Relationship Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Karuppasamy Singam	Member	Independent Director
Satyananda Mishra	Member	Independent Director

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on June 18, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

4. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Satyananda Mishra	Chairman	Independent Director
Rajeev Krishnamuralilal Agarwal	Member	Independent Director
Shachindra Nath	Member	Managing Director

The Corporate Social Responsibility Committee was first constituted by a meeting of the Board of Directors held on August 12, 2014 and was reconstituted on March 31, 2022.

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- i. Formulating the Corporate Social Responsibility Policy in areas or subject, specified in Schedule VII of the Companies Act, which indicates the activities, projects, timelines and expenditure thereon;
- ii. Recommending the Corporate Social Responsibility Policy to the Board;
- iii. Recommending the expenditure to be incurred on the activities to be undertaken;
- iv. Monitoring the implementation of the Policy;
- v. Ensuring that the company in every financial year spends a minimum of two per cent of the average net profits of the company made during the three immediately preceding financial years. (Average net profit will be calculated in accordance with the Section 198 of the Companies Act, 2013 (including amendments as per the Companies (amendment) Act, 2017);
- vi. If the company fails to spend such amount as specified in the above point, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 (including amendments as per the Companies (amendment) Act, 2017), specify the reasons for not spending the amount;
- vii. The committee should ensure that the preference is given to the local areas around which it is operating.
- viii. Perform other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws;
- ix. Ensure that the Corporate Social Responsibility policy approved by the board has been placed on the company's website, if any. The contents of the policy shall also be disclosed in the annual reports.
- x. Ensure that the activities as included in the Corporate Social Responsibility Policy are undertaken by the Company;
- xi. Reviewing the Corporate Social Responsibility Policy annually and the relevant framework, processes and practices of the Company and make appropriate recommendations to the Board;
- xii. Disclose in the Company's annual report, the composition of the CSR Committee, the CSR policy and projects, the average net profits over the three last years, prescribed CSR spending, details of the CSR spending during the fiscal year, and a statement from CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy;
- xiii. Reviewing the periodic social responsibility reports as well as the annual report issued by the management on corporate social responsibility issues;
- xiv. Encourage, assist, support and counsel management in developing short- and long-term policies and standards to ensure that the principles set out in the Company's Corporate Social Responsibility policies are being adhered to and achieved;
- xv. The committee shall also review the results of Corporate Social Responsibility audits conducted and management's actions towards it; and
- xvi. Monitor the progress of Corporate Social Responsibility Programs under implementation and update the Board on the same.

5. Risk Management Committee

The members of the Risk Management Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Sekar Karnam	Chairman	Independent Director
Satyananda Mishra	Member	Independent Director
Karuppasamy Singam	Member	Independent Director
Hemant Bhargava	Member	Independent Director
Shachindra Nath	Member	Managing Director
Chetan Kulbhusan Gupta	Member	Nominee Director

The Risk Management Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on June 16, 2023.

The terms of reference of the Risk Management Committee are as follows:

- i. The Board shall define the role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit;
- ii. The Risk Management Committee shall annually review and approve the risk management framework of the Company. The risk management committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- iii. The Committee through its directions, will also strive to mitigate various risks which may arise due to non-compliance of laws and regulations. The Committee shall identify and prioritize these risks in conjunction with the Compliance Committee through implementation of the risk management system;
- iv. The Committee shall advise the Board on its risk appetite, tolerance and strategy for the company and its business units. It shall also review and discuss with the management, the Company's risk appetite and strategy relating to key risks;
- v. The Committee shall be responsible for evaluating and approving all types of recommended risk tolerances including portfolio credit tolerances, and operational risk parameters that includes business continuity; taking into consideration the overall risk appetite;
- vi. The Committee shall periodically review leading and lagging metrics on risk management to satisfy itself that the company's goals on risk management are being met;
- vii. The Risk Management Committee shall conduct evaluation of risk and materiality of outsourcing. The committee shall also review the outsourcing policy and provide inputs on the same;
- viii. The Committee shall recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite;
- ix. The Committee shall be responsible for carrying out a regular review of portfolio composition, quality, delinquencies and non-performing assets (NPAs);
- x. Review the enterprise risk management processes;
- xi. Review reports on selected risk topics as the committee deems appropriate from time to time, including a periodic analysis of sectoral performance. In addition, the RMC shall also review the half-yearly report by an external consultant/ rating agency comprising of an analysis of macro-economic trends and risk factors;
- xii. The Committee shall ensure that timely corrective actions are carried out whenever limits are breached;
- xiii. The Committee shall report the risk management performance and all risk management matters and measures to the Board, and to the Audit Committee for any improvements needed to ensure the effectiveness of the policy implementation;
- xiv. The Committee shall be responsible for approval of Credit delegation of authority;
- xv. The risk management committee shall also review the risks arising from IT security/ data integrity/ data security of the Company;

- xvi. The committee shall ensure that the Company's risk management framework is evaluated regularly by Internal Audit;
- xvii. The committee shall review issues raised by Internal and External Auditors regarding the Company's risk management framework;
- xviii. The committee shall review reports on selected risk topics as the committee deems appropriate from time to time;
- xix. The Company shall review all individual customer loans of ₹ 200 lakh and above. The RMC may, at its discretion, change this value of ₹ 200 lakh;
- xx. The committee shall report its actions and any recommendations to the board and shall conduct and present to the board an annual performance self-evaluation of the committee;
- xxi. The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate;
- xxii. The committee shall have authority to obtain advice and assistance from independent professional advisors. The committee shall have sole authority to approve related fees and retention terms; and
- xxiii. The committee shall review the fraud risk framework on an annual basis.

6. Asset Liability Committee

The members of the Asset Liability Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Shachindra Nath	Chairman	Managing Director
Satyananda Mishra	Member	Independent Director
Sekar Karnam	Member	Independent Director
Hemant Bhargava	Member	Independent Director
Chetan Kulbhushan Gupta	Member	Nominee Director
Tabassum Abdulla Inamdar	Member	Independent Director

The Asset Liability Committee was constituted by the Board of Directors at their meeting held on August 13, 2018 and was last reconstituted on August 01, 2023.

The terms of reference of the Asset Liability Committee are as follows:

- i. The Asset – Liability Committee shall be a decision-making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Board shall have to decide on the role of the Asset – Liability Committee, its responsibilities as also the decisions to be taken by it. The business and risk management strategy of the Company shall ensure that the Company operates within the limits/ parameters prescribed by SEBI and the Reserve Bank of India.
- ii. Successful implementation of the risk management process shall require strong commitment on the part of the senior management in the Company, to integrate basic operations and strategic decision making with risk management. The Board shall have overall responsibility for management of risks and shall decide the risk management policy of the Company and set limits for liquidity, interest rate and equity price risks.
- iii. The Asset – Liability Committee shall be responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.
- iv. Within 3 (three) months from the approval of the Articles, the Asset – Liability Committee shall formulate a policy for disbursement of loans including clear and identified guidelines and thresholds for granting of loans, disbursement of such loans (single asset, group exposure, guidelines for acceptance and rejection of proposals), and/or granting of commission to direct sales agents of the Company.
- v. The business issues that the Asset – Liability Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/ products, etc.

- vi. Any loan disbursed by the Company (i) exceeding 1% (one percent) of the net worth of the Company (or such enhanced threshold as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement); or (ii) to a Related Party of the Company or any of the Key Managerial Personnel, shall require the unanimous approval of the Asset – Liability Committee and be subject to the approval of the Board.
- vii. In addition to monitoring the risk levels of the Company, the Asset – Liability Committee shall review the results of and progress in implementation of the decisions made in the previous meetings of the committee.
- viii. The Asset – Liability Committee shall also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view.
- ix. In respect of the funding policy, for instance, its responsibility shall be to decide on source and mix of liabilities or sale of assets. Towards this end, it will have to develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s floating rate funds, wholesale v/s retail deposits, money market v/s capital market funding, domestic v/s foreign currency funding, etc.

7. Investment and Borrowing Committee

The members of the Investment and Borrowing Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Shachindra Nath	Chairman	Managing Director
Rajeev Krishnamuralilal Agarwal	Member	Independent Director

The Investment and Borrowing Committee was constituted by the Board of Directors at their meeting held on November 11, 2019 and was last reconstituted on June 16, 2023.

The terms of reference of the Investment and Borrowing Committee are as follows:

- i. To approve borrowing of monies (otherwise than by issue of debentures) by way of availing financial facilities from financial institution(s) / bank(s) or other entities in form of term loan(s), guarantee(s), line of credit or in any other forms (“Facilities”), within the overall limits approved by the Board / shareholders, including borrowings in foreign currency as regulatorily permissible in connection with our Company’s business requirement and taking necessary actions connected therewith;
- ii. To appoint security trustee(s) and/or create charge/mortgage in favour of the lenders of the company
- iii. To consider opening of bank accounts with various banks, apply and avail corporate internet banking, fax indemnity facility, email indemnity, online account statement viewing facility with respect to account maintained with various banks and to revise signatories for operating various bank accounts of the company as and when necessary;
- iv. To review and approve an Assignment/ Securitization transaction or a transaction relating to the transfer of Financial Assets or Cash Flows;
- v. To review and approve arrangements and tie-ups with the banks for various banking facilities and/ or cash management services;
- vi. To consider and approve availing of bank guarantees from various banks;
- vii. To consider availing of corporate credit cards including credit card facility in the name of employees / officials of the company and the terms of such facilities;
- viii. To approve investment of surplus funds of the Company, within the limits approved by the Board, in Mutual Funds, Fixed Deposits, Government Securities, securities of any Company/Body Corporate etc. and redemption thereof;
- ix. To review and recommend the Investment Policy to the Board;
- x. To review and approve the Demand and Call Loan Policy and other related policies relating to Finance and Treasury (except the policies on Asset Liability Management and Rate of Interest) of the Company;
- xi. To decide on matters relating to the finalization of the terms and conditions of non-convertible debentures (NCDs) to be issued on private placement basis and allotted from time to time within the

- aggregate limit as approved by the Board of Directors, decide the opening and closing Date for receiving application and date of allotment /deemed date of allotment, apply with stock exchanges for listing of the NCDs;
- xii. To appoint the debenture trustee, legal advisors, depositories, custodians, registrar and transfer agent and other intermediaries, in accordance with the provisions of the applicable Debt Regulations and the related formalities
 - xiii. To approve, authorize officials to sign and execute Offer Document (s), Offer Letter (s), Information Memorandum(s) as per the prescribed format, if any, including any declaration, confirmation, affirmation, indemnity and undertaking in respect of the NCDs to the potential investors, listing application(s), various agreements including but not limited to Deed of Hypothecation, Debenture Trust Deed, Debenture Trustee Agreement, Listing Agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all other documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the offering of NCDs on private placement basis including the post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such NCDs as may be deemed fit.
 - xiv. To delegate authorities from time to time to the executives/ authorized representatives to implement the decisions of the Committee from time to time.
 - xv. Any such other role/functions as may be specifically referred to the Committee by the Board of Directors

8. *IT Strategy Committee*

The members of the IT Strategy Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship / Designation
Karuppasamy Singam	Chairman	Independent Director
Shachindra Nath	Member	Managing Director
Tabassum Abdulla Inamdar	Member	Independent Director
Sekar Karnam	Member	Independent Director
Rohit Goyal	Member	Nominee Director

The IT Strategy Committee was constituted by the Board of Directors at their meeting held on November 2, 2018 and was last reconstituted on May 02, 2024.

The terms of reference of the IT Strategy Committee are as follows:

- i. To approve IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- ii. To ascertain that management has implemented processes and practices that ensures the IT delivers value to the business;
- iii. To ensure that IT investments represent a balance of risks and benefits and that budgets are acceptable;
- iv. To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- v. To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

9. *Compliance Committee*

The members of Compliance Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Karuppasamy Singam	Chairman	Independent Director
Satyananda Mishra	Member	Independent Director
Rajeev Krishnamuralilal Agarwal	Member	Independent Director

The Compliance Committee was constituted by the Board of Directors at their meeting held on August 13, 2018 and was last reconstituted on June 29, 2021.

The terms of reference of the Compliance Committee are as follows:

To review periodically compliance report of all laws applicable to the company and prepared by company as well as steps taken by the Company to rectify instances of non – compliances.

10. Securities Allotment and Transfer Committee

The members of Securities Allotment and Transfer Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Karuppasamy Singam	Member	Independent Director
Shachindra Nath	Member	Managing Director

The Securities Allotment and Transfer Committee was constituted by the Board of Directors at their meeting held on July 5, 2018 and was last reconstituted on January 25, 2023.

The terms of reference of the Securities Allotment and Transfer Committee are as follows:

- i. To issue and allot securities.
- ii. To issue duplicate/split/consolidated share certificates.
- iii. To approve Transfer and transmission of securities.
- iv. To settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares.

11. Customer Service Committee

The members of Customer Service Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Karuppasamy Singam	Chairman	Independent Director
Shachindra Nath	Member	Managing Director

The Customer Service Committee was constituted by the Board of Directors at their meeting held on March 24, 2024.

The terms of reference of the Customer Service Committee are as follows:

- i. Appoint Internal Ombudsman (IO)/ Deputy Internal Ombudsman in accordance with the IO Guidelines and determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman / Deputy Internal Ombudsman.
- ii. Formulate and approve Standard Operating Procedure (SOP) to streamline the process of escalation of Complaints to IO and define process flow in order to provide appropriate resolution of complaints escalated to IO.
- iii. Review the periodic reports (including the analysis of complaints) furnished by IO on his / her activities to the Committee and cases in which the decision of the IO has been rejected by the Company.
- iv. Monitoring and reviewing the performance and internal service standards of the Company and providing continuous guidance to improve the service levels for customers.
- v. Monitoring and reviewing the customer complaints received by the Company or through RBI.
- vi. Ensuring the activities of the internal customer service department are in compliance with the fair practice and service standards, applicable laws, and standard operating procedures relating to customer service/grievances.

- vii. Monitor and oversee the proceedings of internal Grievance Redressal Committee (“GRC”) of the Company comprising of management team and approve its reconstitution, define, amend its scope and terms of reference, and delegate further powers to the internal GRC.
- viii. Any other activity as may be required under the relevant provisions of the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, as amended from time to time.
- ix. The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

OUR PROMOTER

Poshika Advisory Services LLP is the Promoter of our Company. The details of our Promoter are provided below:

Poshika Advisory Services LLP

Our Promoter is Poshika Advisory Services LLP. Our Promoter was incorporated on November 02, 2017 as a Limited Liability Partnership under Limited Liability Partnership Act, 2008 with Limited Liability Partnership Identification Number (“LLPIN”) – AAL-0334 with Registrar of Companies, Delhi. The Registered Office of our Promoter is situated at 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon, Haryana – 122 011. The Company is engaging in advisory services. Our Company confirms that the Permanent Account Number and Bank Account Number of the Promoter have been submitted to the Stock Exchanges at the time of filing the Draft Prospectus.

Objects of Poshika Advisory Services LLP

The LLP is carrying on the business of:

1. to act as financial management consultants, advisor, investor;
2. provide advice, services, consultancy in various fields;
3. provide general administrative services in relation to promotion, formation, management and sponsorships of various entities;
4. to carry on the business and activities of assistance, collection, preparation, advice and/or maintenance of records, data and other information of the various entities in India or elsewhere, and to support the business in the way deemed fit; and
5. to buy, invest in, acquire, old, trade or dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity, either by way of by original subscription, exchange or otherwise and to subscribe for same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity of persons in India or elsewhere.

List of Designated Partners/Partners of Poshika Advisory Services LLP:

Sr. No.	Name of Designated Partners/Partners	DPIN	Designation	% of Contribution
1	Shachindra Nath	00510618	Designated Partner	2.99%
2	Shruti Nath	07507061	Designated Partner	10.29%
3	Poshika Financial Ecosystem Private Limited	NA	Partner	86.72%

The Promoter has no other ventures.

Promoter Group

Other than our Promoters, following entities/individuals form part of our Promoter Group:

1. Shachindra Nath

Other Confirmations

Our Promoter has confirmed that it has not been identified as wilful defaulter by RBI, any governmental authority, any financial institution or bank and are not Promoter of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.

Further, no violation of securities laws has been committed by our Promoter in the past and no regulatory action before SEBI or RBI is currently pending against our Promoter.

Our Promoter and Promoter Group have not been restrained or debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

No benefit or interest will accrue to our Promoter out of the objects of the Issue.

Interest of our Promoter in our Company

Except as disclosed in “*Financial Information*” on page 151 of this Prospectus and other than as our shareholder, to the extent of promoter or the companies in which they are promoter holding equity shares and also to the extent of any dividend payable to them on the aforesaid shareholding, our Promoter does not have any other interest in our Company’s business.

Our Promoter neither has any interest in any immovable property acquired in the preceding two years of filing this Prospectus with the Stock Exchanges or to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Our Promoter does not intend to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter or members of Promoter Group out of the objects of the Issue.

Other than as disclosed under the section “*Related Party Transactions*”, on page 177, our Company has not made any payments of any benefits to the Promoter during the last three fiscals preceding the date of this Prospectus.

There are no loans due by the Promoter of our Company. However, Shachindra Nath, member of our Promoter Group, has given personal guarantee with respect to the following loans availed by our Company:

Term Loans (outstanding as on September 30, 2024):

Sr. No.	Lender Name	Date of	Sanctioned Amount	Principal Amount	Maturity	Repayment
	Disbursement	Disbursement	(₹ in lakh)	Outstanding (₹ in lakh)	Date	Schedule
1	Canara Bank	15-Jul-20	1,000.00	150.00	15-Jun-25	Quarterly
2	Canara Bank	25-Aug-21	2,500.00	1,250.00	25-Jan-27	Quarterly
3	Canara Bank	30-Mar-22	2,500.00	1,388.00	30-Mar-27	Quarterly
4	IDBI Bank	31-Dec-21	2,500.00	1,250.00	01-Dec-26	Monthly
5	IDBI Bank	29-Aug-23	2,500.00	2,000.00	01-Sep-28	Quarterly
6	Indian Bank	30-Sep-22	2,500.00	836.00	15-Sep-25	Quarterly
7	Maharashtra Gramin Bank	04-Sep-23	2,500.00	2,238.30	31-Aug-28	Monthly

8	Nabsamruddhi Finance Ltd	08-Aug-22	1,500.00	682.50	28-Feb-26	Monthly
9	Punjab and Sind bank	20-Jan-22	5,000.00	1,000.00	20-Jan-25	Quarterly
10	SIDBI	30-May-23	10,000.00	6,400.00	10-May-26	Quarterly
11	SIDBI	09-Dec-22	10,000.00	4,600.00	10-Nov-25	Quarterly
12	State Bank of India	29-Jan-21	5,000.00	646.50	29-May-25	Monthly
13	State Bank of India	25-May-22	3,000.00	750.00	25-May-25	Quarterly
14	State Bank of India	30-Jul-22	7,000.00	1,753.00	25-May-25	Quarterly
15	State Bank of India	30-Jun-22	4,062.00	823.53	30-Apr-25	Quarterly
16	State Bank of India	27-Feb-23	20,000.00	14,000.00	23-Feb-28	Quarterly
17	State Bank of India	31-Oct-23	12,500.00	10,190.00	25-Oct-28	Monthly
18	State Bank of India	31-Oct-23	12,500.00	10,190.00	25-Oct-28	Monthly
19	Indian Bank	30-Mar-24	5,000.00	4,375.00	30-Mar-28	Quarterly
20	Indian Overseas Bank	01-Aug-24	20,000.00	12,500.00	30-Nov-29	Quarterly
21	State Bank of India	30-Sep-24	12,500.00	20,000.00	29-Sep-29	Quarterly

Change in Management and Control of our Company

On December 31, 2017, Poshika Advisory Services LLP & Shachindra Nath (collectively referred to as the “Acquirers”) made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015.

Except as disclosed under the chapter “*Capital Structure*” on page 54, our Promoter or Promoter Group has not been allotted any Equity Shares of our Company during the last three Fiscal Years.

Further Ramakant R Chokhani, Anand R Chokhani, Neelam R Chokhani and Ramakant R Chokhani HUF the erstwhile Promoters of our Company were re-classified from the Promoter category to Public category during the FY 2018-19.

Poshika Advisory Services LLP was classified as Promoter of our Company during the FY 2018-19. Further, Shachindra Nath, member of our Promoter Group, holds 46,300 equity shares in our Company.

Promoter holding in the Company as on September 30, 2024:

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	% of shareholding to the total equity share capital	No. of Shares Pledged	% of Shares Pledged
1.	Poshika Advisory Services LLP	20,27,709	2.18%	Nil	Nil

**All Equity Shares held by the Promoter are in dematerialised form.*

For aggregate equity shareholding of the promoter refer to “Capital Structure” on page 54.

Further, our Promoter has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.

Payment of benefit to the Promoter in last three years

Except as stated in this section and chapters “*Our Management*” and “*Related Party Transactions*” on pages 126 and 177 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoters within the three Financial Years preceding the date of this Prospectus. As on the date of this Prospectus, there is no bonus or profit-sharing plan for our Promoter.

Except as mentioned under the chapter “*Capital Structure*” on page 54 of this Prospectus, our Promoter and Promoter Group of our Company have not purchased or sold any securities in our Company, in six months immediately preceding the date of the Prospectus.

SECTION V: FINANCIAL INFORMATION

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS*

* The amount reported below are provisional and are subject to the limited review by the Current Statutory Auditor.

The outstanding borrowings of our Company, as on September 30, 2024 (as per IND-AS) are as follows:

Sr. No.	Nature of Borrowings	Amount (in ₹ lakh)	% of Borrowing
1)	Secured Borrowings	5,00,973.60	93.72%
2)	Unsecured Borrowings	33,563.25	6.28%
Total		5,34,536.85	100.00%

Set forth below, is a summary of the borrowings by our Company outstanding as on September 30, 2024, together with a brief description of certain significant terms of such financing arrangements.

DETAILS OF BORROWINGS OF THE COMPANY, AS ON SEPTEMBER 30, 2024:

- Details of outstanding secured loan facilities as on September 30, 2024:

Our Company's total principal outstanding for secured borrowings as on September 30, 2024 amount to ₹ 3,00,393.49 lakh and the total amount outstanding for secured borrowings as on September 30, 2024 (as per Ind AS) is ₹ 2,95,247.27lakh. 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	Northern Arc Capital Ltd.	30-Sep-24	Term Loan	3,000.00	3,000.00	30-Sep-26	Secured	NA	Standard
2	Bank of Maharashtra	21-Sep-24	Term Loan	10,000.00	10,000.00	29-Sep-29	Secured	In-Process	Standard
3	Kisetsu Saison	19-Sep-24	Term Loan	9,000.00	7,500.00	15-Sep-27	Secured	NA	Standard
4	Kisetsu Saison	19-Sep-24	Term Loan	9,000.00	1,500.00	15-Mar-27	Secured	NA	Standard
5	Capital Small finance Bank	16-Sep-24	Term Loan	2,500.00	2,500.00	01-Mar-27	Secured	In-Process	Standard
6	State Bank of India	06-Sep-24	Term Loan	12,500.00	12,500.00	29-Sep-29	Secured	In-Process	Standard
7	Bajaj Finance Ltd	26-Aug-24	Term Loan	2,500.00	2,500.00	28-Feb-27	Secured	NA	Standard
8	Woori Bank	08-Aug-24	Term Loan	3,500.00	3,354.17	14-Aug-26	Secured	In-Process	Standard
9	UCO BANK	02-Aug-24	Term Loan	10,000.00	10,000.00	31-Aug-29	Secured	In-Process	Standard
10	Kotak Mahindra Investment Limited	23-Jul-24	Term Loan	5,000.00	4,444.44	24-Jan-25	Secured	NA	Standard
11	Indian Overseas Bank	30-Jul-24	Term Loan	20,000.00	20,000.00	30-Nov-29	Secured	In-Process	Standard
12	Karur Vysya Bank	26-Jun-24	Term Loan	2,500.00	2,500.00	05-Jun-28	Secured	Ind A+/Stable	Standard

13	Canara Bank	18-Jun-24	Term Loan	7,500.00	7,125.00	26-Jun-29	Secured	Ind A+/Stable	Standard
14	Poonawalla Fincorp	16-May-24	Term Loan	5,000.00	4,640.59	05-Jun-27	Secured	NA	Standard
15	JM Financial Credit Solutions Limited	12-Apr-24	Term Loan	3,000.00	2,549.64	23-Apr-26	Secured	NA	Standard
16	Indian Bank	28-Mar-24	Term Loan	5,000.00	4,375.00	15-Mar-28	Secured	Ind A+/Stable	Standard
17	Central Bank of India	27-Mar-24	Term Loan	5,000.00	4,500.00	30-Mar-29	Secured	Ind A+/Stable	Standard
18	IDFC First Bank	27-Mar-24	Term Loan	10,000.00	8,750.00	30-Mar-28	Secured	Ind A+/Stable	Standard
19	Karnataka Bank	27-Mar-24	Term Loan	4,500.00	4,500.00	28-Feb-27	Secured	Ind A+/Stable	Standard
20	Nabkisan Finance Limited	14-Mar-24	Term Loan	2,000.00	1,833.33	01-Apr-27	Secured	NA	Standard
21	Woori Bank	17-Feb-24	Term Loan	2,500.00	1,739.13	31-Jan-26	Secured	Ind A+/Stable	Standard
22	JM Financial Products Limited	08-Feb-24	Term Loan	10,000.00	3,244.56	21-Mar-26	Secured	NA	Standard
23	Nabsamruddhi Finance Ltd	30-Jan-24	Term Loan	3,350.00	2,693.14	31-Jan-27	Secured	Ind A+/Stable	Standard
24	Suryoday Small Finance Bank	23-Jan-24	Term Loan	3,500.00	2,975.83	05-Jun-27	Secured	Ind A+/Stable	Standard
25	Manapurram Finance Ltd	22-Dec-23	Term Loan	3,500.00	2,548.76	30-Jun-26	Secured	NA	Standard
26	ESAF Small Finance Bank	20-Dec-23	Term Loan	4,000.00	3,363.07	31-Dec-26	Secured	Ind A+/Stable	Standard
27	Bajaj Finance Ltd	23-Nov-23	Term Loan	2,000.00	1,250.00	30-Nov-25	Secured	NA	Standard
28	RBL Bank Limited	30-Oct-23	Term Loan	4,000.00	2,500.00	02-Nov-25	Secured	Ind A+/Stable	Standard
29	State Bank of India	23-Oct-23	Term Loan	12,500.00	10,190.00	25-Oct-28	Secured	Ind A+/Stable	Standard
30	State Bank of India	23-Oct-23	Term Loan	12,500.00	10,190.00	25-Oct-28	Secured	Ind A+/Stable	Standard
31	Indian Bank	27-Sep-23	Term Loan	6,000.00	4,500.00	30-Sep-27	Secured	Ind A+/Stable	Standard
32	Poonawalla Fincorp	26-Sep-23	Term Loan	5,000.00	3,634.93	05-Oct-26	Secured	NA	Standard
33	UCO BANK	20-Sep-23	Term Loan	10,000.00	6,666.67	30-Sep-26	Secured	Crisil A/Stable	Standard
34	Maharashtra Gramin Bank	14-Aug-23	Term Loan	2,500.00	2,238.30	31-Aug-28	Secured	Crisil A/Stable	Standard
35	Union Bank of India	08-Aug-23	Term Loan	5,000.00	4,208.52	31-Aug-28	Secured	Ind A+/Stable	Standard
36	Canara Bank	21-Jul-23	Term Loan	5,000.00	4,000.00	31-Jul-28	Secured	Ind A+/Stable	Standard
37	Canara Bank	21-Jul-23	Term Loan	5,000.00	4,000.00	28-Aug-28	Secured	Ind A+/Stable	Standard
38	IDBI Bank	20-Jul-23	Term Loan	2,500.00	2,000.00	01-Sep-28	Secured	Ind A+/Stable	Standard

39	Piramal Enterprises Limited	28-Jun-23	Term Loan	4,000.00	2,133.33	02-Jan-26	Secured	NA	Standard
40	Woori Bank	28-Jun-23	Term Loan	2,500.00	978.26	30-Jun-25	Secured	Ind A+/Stable	Standard
41	SIDBI	18-May-23	Term Loan	10,000.00	6,400.00	10-May-26	Secured	Ind A+/Stable	Standard
42	IREDA	02-May-23	Term Loan	24,900.00	20,751.00	30-Jun-28	Secured	Ind A+/Stable	Standard
43	Bank of Maharashtra	27-Apr-23	Term Loan	5,000.00	3,750.00	12-Jun-28	Secured	Ind A+/Stable	Standard
44	HDFC Bank	27-Apr-23	Term Loan	2,500.00	937.50	06-May-25	Secured	Ind A+/Stable	Standard
45	HDFC Bank	27-Apr-23	Term Loan	2,500.00	1,250.00	06-May-25	Secured	Ind A+/Stable	Standard
46	TATA Capital	27-Apr-23	Term Loan	1,500.00	833.33	05-May-26	Secured	NA	Standard
47	Karur Vysya Bank	21-Mar-23	Term Loan	2,500.00	1,718.22	05-Apr-27	Secured	Ind A+/Stable	Standard
48	State Bank of India	07-Feb-23	Term Loan	20,000.00	14,000.00	23-Feb-28	Secured	Ind A+/Stable	Standard
49	IDFC First Bank	17-Jan-23	Term Loan	4,000.00	2,222.22	18-May-26	Secured	Crisil A/Stable	Standard
50	IDFC First Bank	17-Jan-23	Term Loan	6,000.00	2,666.67	31-Jan-26	Secured	Crisil A/Stable	Standard
51	Canara Bank	16-Jan-23	Term Loan	7,500.00	5,832.00	23-Jan-28	Secured	Crisil A/Stable	Standard
52	Shriram Housing Finance	30-Dec-22	Term Loan	2,000.00	751.33	05-Jul-25	Secured	NA	Standard
53	Bandhan Bank Ltd	28-Dec-22	Term Loan	5,000.00	2,500.00	29-Dec-25	Secured	Crisil A/Stable	Standard
54	Jana Small Finance Bank	26-Dec-22	Term Loan	3,500.00	875.00	03-Jan-25	Secured	Crisil A/Stable	Standard
55	SIDBI	24-Nov-22	Term Loan	10,000.00	4,600.00	10-Nov-25	Secured	Crisil A/Stable	Standard
56	UCO Bank	21-Nov-22	Term Loan	5,000.00	3,055.56	31-May-27	Secured	Crisil A/Stable	Standard
57	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,500.00	541.67	31-Oct-25	Secured	Crisil A/Stable	Standard
58	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,000.00	500.00	31-Oct-25	Secured	Crisil A/Stable	Standard
59	Central Bank of India	21-Sep-22	Term Loan	5,600.00	3,920.00	30-Mar-28	Secured	Crisil A/Stable	Standard
60	Central Bank of India	21-Sep-22	Term Loan	1,900.00	1,425.00	30-Apr-28	Secured	Crisil A/Stable	Standard
61	Indian Bank	20-Sep-22	Term Loan	2,500.00	836.00	15-Sep-25	Secured	Crisil A/Stable	Standard
62	Union Bank of India	19-Sep-22	Term Loan	2,500.00	1,578.95	30-Sep-27	Secured	Crisil A/Stable	Standard
63	CapriGlobal	18-Aug-22	Term Loan	2,500.00	300.00	15-Mar-25	Secured	NA	Standard
64	Nabsamruddhi Finance Ltd	04-Aug-22	Term Loan	1,500.00	682.50	28-Feb-26	Secured	NA	Standard

65	Suryoday Small Finance Bank	27-Jul-22	Term Loan	2,500.00	859.67	05-Aug-25	Secured	Crisil A/Stable	Standard
66	Piramal Enterprises Limited	30-Jun-22	Term Loan	3,000.00	444.44	05-Jan-25	Secured	NA	Standard
67	Hinduja Leyland Finance Ltd	16-Jun-22	Term Loan	1,700.00	476.81	22-Jun-25	Secured	NA	Standard
68	SBM Bank India Ltd	30-May-22	Term Loan	2,000.00	444.44	30-May-25	Secured	Crisil A/Stable	Standard
69	STCI Finance Limited	18-May-22	Term Loan	3,000.00	1,600.00	30-Jun-27	Secured	NA	Standard
70	Jana Small Finance Bank	28-Apr-22	Term Loan	5,000.00	999.59	03-Oct-24	Secured	Crisil A/Stable	Standard
71	DCB bank	21-Apr-22	Term Loan	2,500.00	625.00	30-Apr-25	Secured	Crisil A/Stable	Standard
72	Bank of Maharashtra	11-Apr-22	Term Loan	3,000.00	1,950.00	12-Nov-27	Secured	Crisil A/Stable	Standard
73	State Bank of India	06-Apr-22	Term Loan	3,000.00	750.00	25-May-25	Secured	Crisil A/Stable	Standard
74	State Bank of India	06-Apr-22	Term Loan	7,000.00	1,753.00	25-May-25	Secured	Crisil A/Stable	Standard
75	State Bank of India	06-Apr-22	Term Loan	4,062.00	823.53	30-Apr-25	Secured	Crisil A/Stable	Standard
76	Canara Bank	28-Mar-22	Term Loan	2,500.00	1,388.00	30-Mar-27	Secured	Crisil A/Stable	Standard
77	Capital Small finance Bank	10-Mar-22	Term Loan	2,500.00	455.00	01-Mar-25	Secured	Crisil A/Stable	Standard
78	ESAF Small Finance Bank	09-Mar-22	Term Loan	2,000.00	333.00	10-Mar-25	Secured	Crisil A/Stable	Standard
79	Bandhan Bank Ltd	22-Feb-22	Term Loan	2,500.00	454.55	01-Mar-25	Secured	Crisil A/Stable	Standard
80	IDFC First Bank	22-Feb-22	Term Loan	7,500.00	2,656.25	25-Feb-26	Secured	Crisil A/Stable	Standard
81	Kotak Mahindra Bank Ltd	22-Feb-22	Term Loan	5,000.00	694.44	28-Feb-25	Secured	Crisil A/Stable	Standard
82	Punjab and Sind bank	06-Jan-22	Term Loan	5,000.00	1,000.00	20-Jan-25	Secured	Crisil A/Stable	Standard
83	Indian Bank	30-Dec-21	Term Loan	1,500.00	149.48	31-Dec-24	Secured	Crisil A/Stable	Standard
84	Utkarsh SFB	29-Dec-21	Term Loan	3,000.00	461.54	25-Mar-25	Secured	Crisil A/Stable	Standard
85	Aditya Birla Finance Ltd	27-Dec-21	Term Loan	2,500.00	1,358.94	01-Jan-27	Secured	NA	Standard
86	IDBI Bank	27-Dec-21	Term Loan	2,500.00	1,250.00	01-Dec-26	Secured	Crisil A/Stable	Standard
87	MAS Financials Services Ltd	23-Dec-21	Term Loan	5,000.00	123.84	25-Dec-24	Secured	NA	Standard
88	TATA Capital	22-Dec-21	Term Loan	1,500.00	124.99	15-Nov-24	Secured	NA	Standard
89	Ujjivan Small Finance Bank	24-Nov-21	Term Loan	2,000.00	111.11	30-Nov-24	Secured	Crisil A/Stable	Standard
90	Nabkisan Finance Limited	23-Nov-21	Term Loan	2,000.00	500.00	01-May-25	Secured	NA	Standard

91	Dhanlaxmi Bank Limited	28-Oct-21	Term Loan	1,000.00	357.14	30-Oct-25	Secured	Crisil A/Stable	Standard
92	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	1,500.00	287.05	31-Mar-25	Secured	NA	Standard
93	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	500.00	95.52	31-Mar-25	Secured	NA	Standard
94	South Indian Bank	17-Aug-21	Term Loan	2,000.00	766.05	31-Aug-26	Secured	Crisil A/Stable	Standard
95	Canara Bank	03-Aug-21	Term Loan	2,500.00	1,250.00	25-Jan-27	Secured	Crisil A/Stable	Standard
96	State Bank of India	28-Dec-20	Term Loan	5,000.00	646.50	29-May-25	Secured	Crisil A/Stable	Standard
97	Canara Bank	03-Feb-20	Term Loan	1,000.00	150.00	15-Jun-25	Secured	Crisil A/Stable	Standard

2. Details of cash credit, working capital demand loans, overdraft and other facilities:

Our Company's total principal amount outstanding for cash credit (CC), working capital demand loans (WCDL) and overdraft facilities (OD) as on September 30, 2024 is ₹ 27,353.00 lakh and the total amount outstanding for cash credit, working capital demand loans and overdraft facilities as on September 30, 2024 (as per Ind AS) is ₹ 27,217.85 lakh. The details of the working capital demand loans and cash credit facilities are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/Schedule	Security	Credit Rating, if applicable	Asset Classification
1	IndusInd Bank	20-Jun-24	WCDL	5,000.00	5,000.00	03-Oct-24	Secured	Ind A+/Stable	Standard
2	State Bank of India	31-Oct-23	ODFD	5,000.00	4,400.00	-	Secured / FD	NA	Standard
3	RBL Bank Limited	30-Oct-23	WCDL	3,000.00	3,000.00	28-Dec-24	Secured	Ind A+/Stable	Standard
4	RBL Bank Limited	30-Oct-23	WCDL	1,000.00	1,000.00	22-Oct-24	Secured	Ind A+/Stable	Standard
5	IDFC First Bank	26-Jun-23	OD	200.00	-	-	Secured	Crisil A/Stable	Standard
6	IDFC First Bank	17-Jan-23	ODFD	10,000.00	9,000.00	-	Secured / FD	NA	Standard
7	Central Bank of India	21-Sep-22	WCDL	1,500.00	1,500.00	26-Oct-24	Secured	Crisil A/Stable	Standard
8	Central Bank of India	21-Sep-22	CC	1,000.00	-	-	Secured	Crisil A/Stable	Standard
9	Barclays Bank Plc	08-Aug-22	STL/WCDL	1,953.00	1,953.00	19-Dec-24	Secured / FD	NA	Standard
10	RBL Bank Limited	24-Jun-22	ODFD	2,500.00	-	-	Secured / FD	NA	Standard
11	Kotak Mahindra Bank Ltd	25-Sep-23	WCDL	1,500.00	1,500.00	-	Secured	Crisil A/Stable	Standard
12	State Bank of India	06-Apr-22	CC	500.00	-	-	Secured	Crisil A/Stable	Standard
13	Bandhan Bank Ltd	22-Feb-22	OD	100.00	-	-	Secured	Crisil A/Stable	Standard

14	Indian Bank	31-Dec-21	OD	400.00	-	-	Secured	Crisil A/Stable	Standard
15	Indian Bank	31-Dec-21	WCDL	600.00	-	-	Secured	Crisil A/Stable	Standard
16	YES Bank	25-Mar-21	ODFD	1,000.00	-	-	Secured / FD	NA	Standard
17	Barclays Bank Plc	26-Feb-21	ODFD	8,047.00	-	-	Secured / FD	NA	Standard
18	ICICI Bank	11-Jan-21	ODFD	900.00	-	-	Secured / FD	NA	Standard

3. Details of outstanding unsecured loan facilities as on September 30, 2024:

Our Company's total principal amount outstanding for unsecured borrowings as on September 30, 2024 amount to ₹ 30,968.33 lakh and the total amount outstanding for unsecured borrowings as on September 30, 2024 (as per Ind AS) amount to ₹ 30,354.89 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	Vasai Vikas Sahakari Bank Ltd.	25-Sep-24	CP	1,000.00	1,000.00	23-Jan-25	Ind A1+/Stable
2	Protium Finance Ltd.	19-Sep-24	CP	2,000.00	2,000.00	17-Jan-25	Ind A1+/Stable
3	KRUPA GROWTH INVESTMENTS PRIVATE LIMITED	17-Sep-24	CP	1,500.00	1,500.00	17-Dec-24	Ind A1+/Stable
4	NORTHERN ARC	27-Aug-24	CP	2,500.00	2,500.00	28-Nov-24	Ind A1+/Stable
5	V M Salgaocar & Brother pvt ltd	27-Aug-24	CP	1,000.00	1,000.00	26-Nov-24	Ind A1+/Stable
6	Krupa Growth investment Pvt ltd.	07-Aug-24	CP	500.00	500.00	06-Nov-24	Ind A1+/Stable
7	Samunnati Financial Intermediation and Services Pvt Ltd.	07-Aug-24	CP	1,000.00	1,000.00	06-Nov-24	Ind A1+/Stable
8	V M Salgaocar and Brother Pvt Ltd.	07-Aug-24	CP	1,000.00	1,000.00	06-Nov-24	Ind A1+/Stable
9	UNITY SMALL FINANCE BANK LIMITED	30-Jul-24	CP	2,500.00	2,500.00	10-Jan-25	Ind A1+/Stable
10	UNITY SMALL FINANCE BANK LIMITED	30-Jul-24	CP	2,500.00	2,500.00	20-Jan-25	Ind A1+/Stable
11	Latur District Central & Shri Bharat Urban Cooperative Bank Ltd	19-Jul-24	CP	1,200.00	1,200.00	15-Jan-25	Ind A1+/Stable

12	THE GREATER BOMBAY CO-OPERATIVE BANK LIMITED	09-May-24	CP	1,000.00	1,000.00	28-Mar-25	Ind A1+/Stable
13	VIMA KAMGAR COOPERATIVE BANK LTD	22-Apr-24	CP	2,200.00	2,200.00	18-Oct-24	Ind A1+/Stable
14	Tipsons Financial Services Pvt Ltd	15-Mar-24	NCD	3,500.00	3,500.00	15-Sep-29	Ind A1+/Stable
15	Northern Arc	24-Jan-24	NCD	5,000.00	3,750.00	18-Apr-26	Ind A1+/Stable
16	Northern Arc	28-Sep-23	Term Loan	5,000.00	3,125.00	06-Oct-25	N.A.
17	Vivriti Capital Pvt Limited	22-Sep-22	Term Loan	1,800.00	360.00	27-Mar-25	N.A.
18	Vivriti Asset Management	17-Mar-22	NCD	1,000.00	333.33	31-Dec-24	ACUITE A/Stable

4. Details of outstanding non-convertible securities as on September 30, 2024:

The total principal amount of outstanding for non-convertible securities issued by our Company as on September 30, 2024 is ₹ 1,40,187.84 lakh the details of which are set forth below:

Sr. No.	Series of NCS	ISIN	Tenor/Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/unsecured	Security
1	NCD 7	INE583D07109	3.8	11.55%	833.33	26-Mar-21	31-Dec-24	ACUITE A/Stable	Secured	110%
2	NCD 16	INE583D07190	6.0	11.30%	4,600.00	17-Dec-21	17-Dec-27	ACUITE A/Stable	Secured	110%
3	NCD 17	INE583D07208	6.0	11.30%	2,600.00	29-Dec-21	29-Dec-27	ACUITE A/Stable	Secured	110%
4	NCD 18	INE583D07216	6.0	11.30%	3,500.00	12-Jan-22	12-Jan-28	ACUITE A/Stable	Secured	110%
5	NCD 19	INE583D07224	3.0	10.25%	2,500.00	19-Jan-22	19-Jan-25	ACUITE A/Stable	Secured	115%
6	NCD 21	INE583D07232	3.2	11.70%	5,000.00	29-Mar-22	29-May-25	ACUITE A/Stable	Secured	110%
7	NCD 22C	INE583D07265	3.0	10.40%	4,401.06	05-May-22	05-May-25	ACUITE A/Stable	Secured	120%
8	NCD 27B	INE583D07307	2.3	10.35%	1,154.99	28-Sep-22	28-Dec-24	CRISIL A/Stable & ACUITE A/Stable	Secured	120%
9	NCD 27C	INE583D07315	3.0	10.50%	4,928.11	28-Sep-22	28-Sep-25	CRISIL A/Stable & ACUITE A/Stable	Secured	120%
10	NCD 29	INE583D07331	3.3	10.00%	2,500.00	19-Dec-22	15-Apr-26	CRISIL PPMLD A-	Secured	110%

11	NCD 31	INE583 D07356	3.0	10.5 0%	5,000.00	08-Mar- 23	08-Mar-26	CRISIL A/Stable	Secured	110 %
12	NCD 32	INE583 D07364	1.5	10.2 5%	416.63	06-Jun- 23	06-Dec-24	IND A+/Stable	Secured	115 %
13	NCD 33	INE583 D07372	1.5	8.90 %	5,000.00	18-Sep- 23	18-Mar-25	IND A+/Stable	Secured	110 %
14	NCD 34	INE583 D07380	3.0	10.5 0%	1,866.67	27-Sep- 23	26-Sep-26	NA	Secured	110 %
15	NCD 35	INE583 D07398	1.5	8.90 %	3,000.00	08-Nov- 23	10-May-25	IND A+/Stable	Secured	110 %
16	NCD 36	INE583 D07406	4.0	10.3 8%	24,960.00	12-Dec- 23	12-Dec-27	IND A+/Stable	Secured	110 %
17	NCD 39-I	INE583 D07414	1.5	10.2 5%	2,711.93	27-Feb- 24	27-Aug-25	IND A+/Stable	Secured	110 %
18	NCD 38	INE583 D07422	4.0	10.2 7%	24,990.00	30-Jan- 24	30-Jan-28	NA	Secured	110 %
19	NCD 39-II	INE583 D07430	1.5	10.7 5%	6,645.71	27-Feb- 24	27-Aug-25	IND A+/Stable	Secured	110 %
20	NCD 39-III	INE583 D07448	2.0	10.3 5%	1,938.83	27-Feb- 24	27-Feb-26	IND A+/Stable	Secured	110 %
21	NCD 39-V	INE583 D07455	2.3	11.0 0%	4,641.98	27-Feb- 24	27-May-26	IND A+/Stable	Secured	110 %
22	NCD 39-IV	INE583 D07463	2.3	10.5 0%	3,415.27	27-Feb- 24	27-May-26	IND A+/Stable	Secured	110 %
23	NCD 20	INE583 D08024	2.8	11.5 0%	333.33	17-Mar- 22	31-Dec-24	ACUITE A/Stable	Unsecured	NA
24	NCD 37	INE583 D08040	2.2	10.2 5%	3,750.00	24-Jan- 24	18-Apr-26	IND A+/Stable	Unsecured	NA
25	NCD 40	INE583 D08057	5.5	12.5 0%	3,500.00	15-Mar- 24	15-Sep-29	IND A+/Stable	Unsecured	NA
26	NCD 41	INE583 D07471	3.0	10.2 5%	3,500.00	25-Jun- 24	25-Jun-27	IND A+/Stable	Secured	110 %
27	NCD 42	INE583 D07489	18.0	9.30 %	5,000.00	03-Jul-24	05-Jan-26	IND A+/Stable	Secured	110 %
28	NCD 43	INE583 D07497	30.0	10.0 0%	7,500.00	11-Jul-24	11-Jan-27	IND A+/Stable	Secured	110 %

Penalty clause to all Non-Convertible Debentures:

- 1) On the occurrence of a Payment Default or any other Event of Default, the Company agrees to pay additional interest at 1% (one percent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured, or the Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.
- 2) When the company defaults in payment of the principal amount of the Debentures on the due dates. When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
- 3) In case of late repayments for which the borrower is responsible, the interest rate is increased by 200 bps for the period until eventual payment, and the borrower needs to cover any costs incurred by the lender through the late payment (e.g. non settling of hedges).
- 4) All monies due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two Percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) ("Default

- Interest”). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the applicable Coupon Rate.
- 5) All monies due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two Percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) (“Default Interest”). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the applicable Coupon Rate.
 - 6) The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of any Event of Default until such Event of Default is cured or the Secured Obligations are repaid on each Interest Payment Date occurring during the aforementioned period.
 - 7) In case of default, there will be an additional interest of 5% p.a. over and above the coupon rate for the defaulting period.
 - 8) On the occurrence of a Payment Default, the Company agrees to pay additional interest at 3% (three percent) per annum (compounded monthly) above the Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured, or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the relevant Due Date.
 - 9) When the company defaults in payment of the principal amount of the Debentures on the due dates.
 - 10) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
 - 11) When the company defaults in payment of the principal amount of the Debentures on the due dates.
 - 12) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
 - 13) When the company defaults in payment of the principal amount of the Debentures on the due dates.
 - 14) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
 - 15) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.
 - 16) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.
 - 17) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.
 - 18) Interest Rate plus 2.00% (two percent) per annum. Debenture Trustee/ Debenture Holders reserves the right to levy a penalty of a sum equivalent to 1% (One percent) of the amount outstanding under the Transaction Documents on the Company in the event of breach of any of the Financial Covenants. In such an event, the Borrower shall pay the penalty for breach of Financial Covenants to the Debenture Trustee within 30 calendar days from the date of such breach.
 - 19) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period.
 - 20) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 3% p.a. over the Interest Rate will be payable by the Company for the defaulting period.
 - 21) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period.
 - 22) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.
 - 23) The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Annualised Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts on the relevant Due Date.

- 24) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable.
- 25) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.
- 26) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.
- 27) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.
- 28) Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any Event of Default, the Company shall be liable to pay default interest which shall be calculated at the of 2% (two percent) per annum on the Outstanding Amounts over and above the Interest Rate and such Default Interest shall be payable from the date of occurrence of the relevant Event of Default till the date such Event of Default, if remediable, is remedied; or till the entire Outstanding Amounts have been paid by the Company.
- 29) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Coupon Rate / Redemption Premium on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.

5. Details of Compulsorily Convertible Debentures as on September 30, 2024:

Sr. No.	ISIN	Tenor/ Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
Tranche-I	INE583D08 065	1.5	12.00 % xirr	3,027.99	06-June- 24	December'2 025	Unrated	Unsecured	Unsecured
Tranche-II	INE583D08 073	1.5	12.00 % xirr	180.37	18-June- 24	December'2 025	Unrated	Unsecured	Unsecured

Note:- The company has raised the funds through the allotment of the Compulsorily Convertible Debentures (CCDs) and Share Warrants (SW), both having face value Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 1,26,464.53 lakh in June, 2024. The allotment was made in 2 tranches on June 06, 2024 and June 18, 2024. Each of the CCD and SW are convertible into 1 equity share within a period of 18 months from the date of allotment of CCD and SW.

The financial liability component of the CCD being the compound financial instrument has been shown separately as above as debt in line with the IND AS provisions.

6. Details of commercial paper issuances as on September 30, 2024:

The principal amount outstanding for commercial papers issuances as on September 30, 2024 is ₹ 19,900.00lakh and the total amount outstanding as on September 30, 2024 (as per Ind AS) is ₹19,475.74 lakh, the details of which are set forth below:

Sr.	Series of NCS	ISIN of Commercial Paper	Tenor in	Coupon	Amount outstanding (in ₹ lakh)	Date of Allotment	Redemption Date/ Schedule	Credit	Secured /unsecured	Secu	Credit rating agency	Issuing and
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N o.			Months					Rating		Priority		paying agent
1	CP 48	INE583D1 4493	4	9.20%	1,000.00	25-Sep-24	23-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
2	CP 47	INE583D1 4485	4	9.50%	2,000.00	19-Sep-24	17-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
3	CP 46	INE583D1 4477	3	9.80%	1,500.00	17-Sep-24	17-Dec-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
4	CP 44	INE583D1 4451	3	9.95%	2,500.00	27-Aug-24	28-Nov-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
5	CP 45	INE583D1 4469	3	9.80%	1,000.00	27-Aug-24	26-Nov-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
6	CP 43	INE583D1 4444	3	9.80%	500.00	07-Aug-24	06-Nov-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
7	CP 43	INE583D1 4444	3	9.80%	1,000.00	07-Aug-24	06-Nov-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
8	CP 43	INE583D1 4444	3	9.80%	1,000.00	07-Aug-24	06-Nov-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
9	CP 41	INE583D1 4428	5	9.20%	2,500.00	30-Jul-24	10-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
10	CP 42	INE583D1 4436	6	9.20%	2,500.00	30-Jul-24	20-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
11	CP 40	INE583D1 4410	6	9.20%	1,000.00	19-Jul-24	15-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
12	CP 40	INE583D1 4410	6	9.20%	200.00	19-Jul-24	15-Jan-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
13	CP 36	INE583D1 4378	11	10.00%	1,000.00	09-May-24	28-Mar-25	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited
14	CP 34	INE583D1 4352	6	9.15%	2,200.00	22-Apr-24	18-Oct-24	Ind A1+	Unsecured	N. A.	India Ratings and Research Pvt Ltd	YES Bank Limited

7. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on September 30, 2024:

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	Holding as % of total outstanding non-convertible securities of the Issuer
1	Asian Development Bank	Foreign Portfolio Investor	24,990.00	17.83%

2	Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	Foreign Portfolio Investor	24,960.00	17.80%
3	Uti International Wealth Creator 4	Foreign Portfolio Investor	10,700.00	7.63%
4	Hinduja Leyland Finance Limited	Corporate	7,500.00	5.35%
5	Vivriti Alpha Debt Fund	Institution	6,900.00	4.92%
6	GMO-Z.Com Payment Gateway India Credit Fund	Foreign Portfolio Investor	5,833.32	4.16%
7	Northern Arc Capital Limited	Corporate	4,244.63	3.03%
8	Raymond Limited	Corporate	2,372.96	1.69%
9	Vivriti Emerging Corporate Bond Fund	Institution	1,900.00	1.36%
10	Mas Financial Services Ltd	Corporate	1,900.00	1.36%

8. List of top ten holders of commercial papers in the company in terms of value (on a cumulative basis), as on September 30, 2024:

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	Holding as a % of total commercial paper outstanding of the Issuer
1	Unity Small Finance Bank Limited	Small Finance Bank	5000	25.13%
2	Northern Arc Money Market Alpha Trust	Corporate	2500	12.56%
3	Krupa Growth Investments Private Limited	Corporate	2000	10.05%
4	Protium Finance Limited	Corporate	2000	10.05%
5	V M Salgaocar and Brother Private Limited	Corporate	2000	10.05%
6	The Greater Bombay Co-Operative Bank Limited	Cooperative Bank	1000	5.03%
7	Vasai Vikas Sahakari Bank Ltd	Cooperative Bank	1000	5.03%
8	Latur District Central Co-op Bank Ltd	Cooperative Bank	1000	5.03%
9	Samunnati Financial Intermediation and Services Private Limited	Corporate	1000	5.03%
10	Deogiri Nagari Sahakari Bank Ltd	Cooperative Bank	500	2.51%

9. Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on September 30, 2024:

Nil

10. Details of external commercial borrowings of the Company:

Our Company's total principal amount outstanding for external commercial borrowings as on September 30, 2024 is ₹ 37,694.23lakh and the total amount outstanding for external commercial borrowings as on September 30, 2024 (as per Ind AS) is ₹ 38,852.67 lakh. The details of the external commercial borrowings are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Amount Sanctioned (in ₹ lakh)	Principal Amount Outstanding (in ₹ lakh)	Maturity Date	Repayment Terms	Security	Credit Rating, if applicable	Asset Classification
1	GAF IV LP (Waterquity)	15-Jun-23	8,205.00	8,205.00	25-Jun-27	Principal frequency: Bullet Interest frequency: Quarterly	100%	NA	Standard
2	Microvest Short Duration Fund LP	15-Jun-23	5,742.80	5,742.80	29-Jun-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard
3	Calvert	16-Feb-23	8,270.00	8,270.00	16-Feb-28	Principal frequency: Half yearly Interest frequency: Half Yearly	105%	NA	Standard
4	Respons Ability AG	31-Oct-22	8,272.00	8,272.00	21-Sep-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard
5	Enabling Qapital	28-Sep-22	4,095.00	4,095.00	28-Sep-27	Principal frequency: Half yearly Interest frequency: Half Yearly	110%	NA	Standard
6	Respons Ability AG	11-Nov-21	3,109.43	3,109.43	21-Sep-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard

11. Details of the charges created as of September 30, 2024:

Our Company's total principal amount outstanding for charges created as on September 30, 2024 is ₹ 4,61,045.23 lakh and the total amount outstanding for charges created as on September 30, 2024 (as per Ind AS) is ₹ 4,58,553.81 lakh. The details of the charges created are as follows:

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
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1	AB0551160	100975428	BAJAJ FINANCE LIMITED	30-08-2024	-	-	2,500
2	AA9904620	100962906	KOTAK MAHINDRA INVESTMENTS LIMITED	21-08-2024	-	-	5,000
3	AA9897466	100965728	Woori Bank	14-08-2024	-	-	3,500
4	AA9860651	100963605	UCO Bank	14-08-2024	-	-	10,000
5	AA9876153	100964849	Indian Overseas Bank	01-08-2024	-	-	10,000
6	AA9877360	100964577	Indian Overseas Bank	01-08-2024	-	-	10,000
7	AA9334134	100974563	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	10-07-2024	-	-	7,500
8	AA9245705	100974564	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	02-07-2024	-	-	5,000
9	AA9332447	100949137	The Karur Vysya Bank Limited	28-06-2024	-	-	2,500
10	AA9013885	100939262	Indusind Bank Ltd.	28-06-2024	-	-	5,000
11	AA9365423	100949344	Canara Bank	26-06-2024	-	-	7,500
12	AA8484784	100932377	Poonawalla Fincorp Limited	20-05-2024	-	-	5,000
13	AA7896056	100915634	JM Financial Credit Solutions Limited	22-04-2024	-	-	3,000
14	AA7212700	100889683	Indian Bank	30-03-2024	-	-	5,000
15	AA7509670	100907221	IDFC First Bank Limited	28-03-2024	-	-	10,000
16	AA7510990	100899778	Karnataka Bank Ltd.	28-03-2024	-	-	4,500
17	AA7199149	100889100	Central Bank of India	28-03-2024	-	-	5,000
18	AA7116113	100882068	Nabkisan Finance Limited	18-03-2024	-	-	2,000
19	AA7081203	100881341	Woori Bank	28-02-2024	-	-	2,500
20	AA7187469	100888002	JM Financial Products Limited	27-02-2024	-	-	10,000
21	AA6960839	100871168	Nabsamruddhi Finance Limited	01-02-2024	-	-	3,350
22	AA6854143	100866054	Suryoday Small Finance Bank Limited	25-01-2024	-	-	3,500

23	AA6545586	100922218	Catalyst Trusteeship Limited	05-01-2024	-	-	24,990
24	AA6623974	100846012	Manappuram Finance Limited	29-12-2023	-	-	3,500
25	AA6533544	100843858	Esaf Small Finance Bank Limited	29-12-2023	-	-	4,000
26	AA6410067	100831015	Bajaj Finance Limited	29-11-2023	-	-	2,000
27	AA6171817	100922216	Vardhman Trusteeship Private Limited	09-11-2023	-	-	3,000
28	AA6185883	100815489	Sbicap Trustee Company Limited	30-10-2023	-	-	12,500
29	AA6155680	100814518	Sbicap Trustee Company Limited	30-10-2023	-	-	12,500
30	AA5855179	100793471	Indian Bank	29-09-2023	-	-	6,000
31	AA5911934	100798781	Poonawalla Fincorp Limited	28-09-2023	-	-	5,000
32	AA5420704	100782640	UCO Bank	25-09-2023	-	-	10,000
33	AA5160335	100783351	Maharashtra Gramin Bank	30-08-2023	-	-	2,500
34	AA4380059	100773646	Union Bank of India	17-08-2023	-	-	5,000
35	AA4393540	100770907	IDBI Bank Limited	07-08-2023	-	-	2,500
36	AA4063188	100762895	Canara Bank	27-07-2023	-	-	10,000
37	AA3689582	100750104	Woori Bank	18-07-2023	-	-	2,500
38	AA3822418	100751079	IDFC First Bank Limited	30-06-2023	-	-	500
39	AA3537172	100746995	Piramal Trusteeship Services Private Limited	30-06-2023	-	-	4,000
40	AA3332663	100747096	Catalyst Trusteeship Limited	27-06-2023	-	-	5,743
41	AA3677327	100748186	IDFC First Bank Limited	26-06-2023	-	-	10,000
42	AA3449903	100743846	Global Access Fund IV LP	26-06-2023	-	-	8,205

43	AA3291047	100737805	Indian Renewable Energy Development Agency Limited	23-06-2023	-	-	24,900
44	AA3577650	100747140	IDFC First Bank Limited	22-06-2023	-	-	25
45	AA3307475	100737374	Bank of Maharashtra	07-06-2023	-	-	5,000
46	AA2907337	100735007	Vardhman Trusteeship Private Limited	05-06-2023	-	-	2,500
47	AA2554890	100721261	SIDBI	20-05-2023	-	-	10,000
48	AA2496542	100721331	HDFC Bank Limited	28-04-2023	-	-	5,000
49	AA2224566	100713688	Tata Capital Financial Services Limited	28-04-2023	-	-	1,500
50	AA1829019	100704086	The Karur Vysya Bank Limited	29-03-2023	-	-	2,500
51	AA1621306	100729939	Beacon Trusteeship Limited	07-03-2023	-	-	5,000
52	AA1619145	100729936	IDBI Trusteeship Services Limited	23-02-2023	-	-	2,000
53	AA1595332	100685887	SBICAP Trustee Company Limited	23-02-2023	-	-	20,000
54	AA1651633	100688034	Catalyst Trusteeship Limited	10-02-2023	-	-	8,270
55	AA1690509	100692382	IDFC First Bank Limited	30-01-2023	-	-	10,000
56	AA1283069	100684349	Canara Bank	21-01-2023	-	-	7,500
57	AA1201317	100659950	Shriram Housing Finance Limited	31-12-2022	-	-	2,000
58	AA1208461	100666535	Jana Small Finance Bank Limited	29-12-2022	-	-	3,500
59	AA1209696	100662068	Bandhan Bank Limited	29-12-2022	-	-	5,000
60	AA1194851	100713665	Catalyst Trusteeship Limited	19-12-2022	-	-	2,500
61	AA1141886	100646939	SIDBI	05-12-2022	-	-	10,000
62	AA1117789	100642667	UCO Bank	24-11-2022	-	-	5,000

63	AA1120228	100642479	Ujjivan Small Finance Bank Limited	14-11-2022	-	-	2,500
64	AA1278854	100628377	Catalyst Trusteeship Limited	21-10-2022	28-02-2023	-	1,654
65	AA1280028	100628376	Catalyst Trusteeship Limited	21-10-2022	28-02-2023	-	3,929
66	AA1279296	100628374	Catalyst Trusteeship Limited	21-10-2022	31-12-2022	-	1,241
67	AA1279531	100628373	Catalyst Trusteeship Limited	21-10-2022	31-12-2022	-	1,448
68	AA7718091	100622073	HDFC Bank Limited	10-10-2022	-	20-04-2024	1,000
69	AA1021982	100620308	Kisetsu Saison Finance (India) Private Limited	30-09-2022	-	-	2,000
70	AA0876863	100614884	Indian bank	29-09-2022	-	-	2,500
71	AA0749909	100610578	Central Bank Of India	29-09-2022	-	-	10,000
72	AA0614106	100685070	IDBI Trusteeship Services Limited	23-09-2022	-	-	10,000
73	AA0812862	100615218	Catalyst Trusteeship Limited	23-09-2022	-	-	4,095
74	AA0778072	100612332	Union Bank Of India	21-09-2022	-	-	2,500
75	AA0820529	100700327	Catalyst Trusteeship Limited	29-08-2022	-	-	5,000
76	AA0457624	100608576	Capri Global Capital Limited	26-08-2022	-	-	2,500
77	AA7143355	100709478	MITCON Credentia Trusteeship Services Limited	23-08-2022	-	14-03-2024	5,000
78	AA0016893	100603629	Nabsamruddhi Finance Limited	05-08-2022	-	-	1,500
79	F17818964	100596963	SBICAP Trustee Company Limited	30-07-2022	-	-	7,000
80	F21903976	100603140	Suryoday Small Finance Bank Limited	29-07-2022	-	-	2,500
81	AA6889859	100842672	MITCON Credentia Trusteeship Services Limited	15-07-2022	-	09-02-2024	2,500
82	F17250960	100595425	Piramal Trusteeship Services Private Limited	01-07-2022	-	-	3,000

83	F11912391	100585948	SBICAP Trustee Company Limited	29-06-2022	-	-	4,000
84	AA6112755	100590898	RBL Bank Limited	27-06-2022	31-10-2023	-	8,000
85	AA6666623	100593887	JM Financial Products Limited	24-06-2022	-	05-01-2024	4,000
86	F15404775	100590968	Hinduja Leyland Finance Limited	22-06-2022	-	-	1,700
87	F04459533	100577480	SBM Bank (India) Limited	31-05-2022	-	-	2,000
88	F08117707	100582947	STCI Finance Limited	27-05-2022	-	-	3,000
89	F04892915	100578211	Kotak Mahindra Bank Limited	26-05-2022	-	-	5,000
90	AA7143253	100579538	MITCON Credentia Trusteeship Services Limited	23-05-2022	-	14-03-2024	3,000
91	F02310373	100573170	SBICAP Trustee Company Limited	13-05-2022	-	-	500
92	F02311264	100573165	SBICAP Trustee Company Limited	13-05-2022	-	-	10,000
93	F04920674	100578237	Bank of Maharashtra	12-05-2022	-	-	3,000
94	F02143121	100572714	DCB Bank Limited	06-05-2022	-	-	2,500
95	AA5947435	100576173	Kotak Mahindra Bank Limited	05-05-2022	30-09-2023	-	4,000
96	T99680191	100571099	MITCON Credentia Trusteeship Services Limited	05-05-2022	-	-	7,222
97	F00314815	100568752	Jana Small Finance Bank Limited	29-04-2022	-	-	5,000
98	T96836994	100561486	Canara Bank	30-03-2022	-	-	2,500
99	T94320496	100566801	Catalyst Trusteeship Limited	26-03-2022	-	-	5,000
100	T95655858	100558108	Capital Small Finance Bank Limited	19-03-2022	-	-	2,500
101	T94063815	100554238	ESAF Small Finance Bank Limited	11-03-2022	-	-	2,000
102	T87956835	100544907	IDFC First Bank Limited	24-02-2022	-	-	7,500

103	T89326110	100546721	Bandhan Bank Limited	23-02-2022	-	-	2,600
104	AA7508665	100533971	Indian Overseas Bank	25-01-2022	-	27-03-2024	5,000
105	T73950099	100529183	Beacon Trusteeship Limited	18-01-2022	-	-	2,500
106	T75477851	100528726	Punjab & Sind Bank	14-01-2022	-	-	5,000
107	AA1705349	100528838	Catalyst Trusteeship Limited	10-01-2022	28-02-2023	-	3,500
108	T72936081	100523097	Indian Bank	31-12-2021	-	-	2,500
109	T72588221	100522264	IDBI Bank Limited	31-12-2021	-	-	2,500
110	T69872422	100516605	Utkarsh Small Finance Bank Limited	30-12-2021	-	-	3,000
111	T73410227	100524271	Aditya Birla Finance Limited	29-12-2021	-	-	2,500
112	AA1705657	100520861	Catalyst Trusteeship Limited	27-12-2021	28-02-2023	-	2,600
113	AA3529971	100524688	The Federal Bank Ltd	24-12-2021	-	12-07-2023	2,500
114	T72477235	100521963	Mas Financial Services Limited	24-12-2021	-	-	1,000
115	T72475247	100521960	Mas Financial Services Limited	24-12-2021	-	-	1,000
116	T72476237	100521949	Mas Financial Services Limited	24-12-2021	-	-	1,000
117	T72476922	100521946	Mas Financial Services Limited	24-12-2021	-	-	1,000
118	T72476823	100521943	Mas Financial Services Limited	24-12-2021	-	-	1,000
119	T72337892	100521695	Tata Capital Financial Services Limited	24-12-2021	-	-	1,500
120	AA1277978	100518063	Catalyst Trusteeship Limited	15-12-2021	28-02-2023	-	4,600
121	T69789253	100516404	The Federal Bank Ltd	03-12-2021	-	-	2,350
122	AA1278360	100518344	Catalyst Trusteeship Limited	02-12-2021	31-12-2022	-	3,109

123	F21877527	100505674	Clix Capital Services Private Limited	30-11-2021	-	27-07-2022	5,000
124	AA7141279	100542449	Mitcon Credentia Trusteeship Services Limited	30-11-2021	-	14-03-2024	1,500
125	T62358304	100506248	Ujjivan Small Finance Bank Limited	26-11-2021	-	-	2,000
126	T60487170	100502414	Nabkisan Finance Limited	26-11-2021	-	-	2,000
127	T59021600	100503462	IDBI Trusteeship Services Limited	16-11-2021	-	-	5,000
128	F17318544	100499740	Northern Arc Capital Limited	02-11-2021	-	15-07-2022	5,000
129	T73632572	100499745	Mas Financial Services Limited	30-10-2021	-	11-01-2022	1,000
130	T73626830	100499744	Mas Financial Services Limited	30-10-2021	-	11-01-2022	1,000
131	T73626368	100499743	Mas Financial Services Limited	30-10-2021	-	11-01-2022	1,000
132	T73626921	100499742	Mas Financial Services Limited	30-10-2021	-	11-01-2022	1,000
133	T73625949	100499741	Mas Financial Services Limited	30-10-2021	-	11-01-2022	1,000
134	T60356037	100502190	Dhanlaxmi Bank Limited	29-10-2021	-	-	1,000
135	AA2297457	100500632	UC Inclusive Credit Private Limited	29-10-2021	-	06-04-2023	500
136	T53914933	100486775	Karnataka Bank Ltd.	28-09-2021	-	-	2,000
137	AA0460234	100493809	Beacon Trusteeship Limited	25-09-2021	-	02-08-2022	1,000
138	AA7506218	100484309	Kisetsu Saison Finance (India) Private Limited	23-09-2021	-	11-04-2024	2,500
139	AA0639353	100481440	SIDBI	21-09-2021	-	13-09-2022	9,000
140	T49176415	100481955	Nabsamruddhi Finance Limited	17-09-2021	-	-	1,500
141	T51728137	100483228	Nabsamruddhi Finance Limited	16-09-2021	-	-	500
142	AA3780912	100486586	AU Small Finance Bank Limited	13-09-2021	-	26-07-2023	2,700

143	T48881973	100481966	Hinduja Leyland Finance Limited	02-09-2021	-	-	2,200
144	AA6040378	100477309	Catalyst Trusteeship Limited	30-08-2021	-	30-10-2023	2,000
145	T41500612	100475187	The South Indian Bank Limited	27-08-2021	-	-	2,000
146	T46010070	100480997	Canara Bank	17-08-2021	-	-	2,500
147	AA3532569	100475582	Catalyst Trusteeship Limited	06-08-2021	-	04-07-2023	5,000
148	AA5986178	100464812	Catalyst Trusteeship Limited	20-07-2021	-	18-10-2023	2,000
149	AA9662414	100461331	Mas Financial Services Limited	30-06-2021	-	-	500
150	AA9662212	100461326	Mas Financial Services Limited	30-06-2021	-	-	500
151	AA9662860	100461322	Mas Financial Services Limited	30-06-2021	-	-	500
152	AA9662629	100461318	Mas Financial Services Limited	30-06-2021	-	-	500
153	AA7506073	100457052	Kisetsu Saison Finance (India) Private Limited	24-06-2021	-	11-04-2024	2,500
154	AA3918397	100455730	The Federal Bank Ltd	08-06-2021	-	28-07-2023	2,600
155	T29859014	100455657	RBL Bank Limited	07-06-2021	-	-	2,500
156	AA1166521	100449450	Catalyst Trusteeship Limited	25-05-2021	-	15-12-2022	2,000
157	AA1128358	100442384	Catalyst Trusteeship Limited	30-04-2021	-	29-11-2022	2,970
158	AA7718161	100445883	Vivriti Capital Private Limited	30-04-2021	-	22-04-2024	500
159	AA7767473	100445885	Vivriti Capital Private Limited	30-04-2021	-	22-04-2024	500
160	AA7718366	100445886	Vivriti Capital Private Limited	30-04-2021	-	22-04-2024	500
161	AA7767558	100445887	Vivriti Capital Private Limited	30-04-2021	-	22-04-2024	500
162	AA7767648	100445890	Vivriti Capital Private Limited	30-04-2021	-	22-04-2024	500

163	AA6956406	100436846	Mas Financial Services Limited	30-03-2021	-	15-02-2024	1,000
164	AA6958096	100436848	Mas Financial Services Limited	30-03-2021	-	15-02-2024	1,000
165	AA6958217	100436850	Mas Financial Services Limited	30-03-2021	-	15-02-2024	1,000
166	AA6958465	100436853	Mas Financial Services Limited	30-03-2021	-	15-02-2024	1,000
167	AA6958539	100436857	Mas Financial Services Limited	30-03-2021	-	15-02-2024	1,000
168	AA6410283	100434779	Sundaram Finance Limited	26-03-2021	-	14-12-2023	2,500
169	T14682124	100441401	Catalyst Trusteeship Limited	26-03-2021	-	-	2,500
170	AA5945318	100436106	Capri Global Capital Limited	22-03-2021	-	19-10-2023	1,000
171	AB0000657	100428697	Esaf Small Finance Bank Limited	12-03-2021	-	-	2,500
172	T21153259	100447046	Barclays Bank Plc	10-03-2021	-	-	10,000
173	T01182591	100413385	State Bank Of India	29-01-2021	-	-	5,000
174	AA7282932	100417719	Northern Arc Capital Limited	29-01-2021	-	26-03-2024	5,000
175	R91509521	100407451	ICICI Bank Limited	12-01-2021	-	-	1,000
176	AA7052377	100404391	Indian Bank	31-12-2020	-	20-02-2024	2,500
177	AA7718021	100405587	AU Small Finance Bank Limited	28-12-2020	-	24-04-2024	2,000
178	AA1275943	100411385	Beacon Trusteeship Limited	28-12-2020	-	14-03-2023	1,000
179	AA0462254	100411392	Beacon Trusteeship Limited	28-12-2020	-	07-09-2022	5,000
180	AA7051962	100396075	Maanaveeya Development & Finance Private Limited	21-12-2020	-	20-02-2024	4,000
181	T18595249	100381784	SIDBI	28-10-2020	-	06-05-2021	3,500
182	F02144418	100379076	Beacon Trusteeship Limited	20-10-2020	-	18-05-2022	2,000

183	AA1189819	100379038	Mas Financial Services Limited	29-09-2020	-	17-12-2022	500
184	AA1189860	100379677	Mas Financial Services Limited	29-09-2020	-	17-12-2022	500
185	AA1189882	100379678	Mas Financial Services Limited	29-09-2020	-	17-12-2022	500
186	AA3754357	100374159	IDFC First Bank Limited	08-09-2020	28-06-2023	-	5,000
187	T94134806	100373541	Beacon Trusteeship Limited	03-09-2020	-	04-04-2022	3,500
188	R51791002	100361576	Indusind Bank Ltd.	25-08-2020	-	-	3,000
189	R48141493	100354400	SBM BANK (INDIA) LIMITED	27-07-2020	-	-	5,000
190	T82634049	100345799	Beacon Trusteeship Limited	23-06-2020	-	22-02-2022	5,000
191	AA4062193	100344557	Beacon Trusteeship Limited	05-06-2020	-	03-08-2023	5,000
192	AA2144435	100337862	Hinduja Leyland Finance Limited	26-05-2020	-	19-04-2023	3,500
193	R36672434	100332971	Canara Bank	12-03-2020	-	-	1,000
194	R34490763	100326354	SBM Bank (India) Limited	17-02-2020	-	-	1,000
195	AA2067622	100319241	ESAF Small Finance Bank Limited	15-01-2020	-	05-04-2023	1,000
196	T32008575	100317011	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
197	T32009300	100317012	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
198	T32010100	100317014	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
199	T32010910	100317015	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
200	T32011629	100317016	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
201	T32011132	100317018	Mas Financial Services Limited	31-12-2019	-	16-07-2021	500
202	T18583518	100295205	Mas Financial Services Limited	30-09-2019	-	07-05-2021	1,000

203	T19544428	100295207	Mas Financial Services Limited	30-09-2019	-	08-05-2021	1,000
204	R37092699	100299750	Beacon Trusteeship Limited	28-09-2019	-	16-04-2020	5,000
205	T19538909	100295203	Mas Financial Services Limited	27-09-2019	-	08-05-2021	1,000
206	T19542455	100295200	Mas Financial Services Limited	27-09-2019	-	08-05-2021	1,000
207	T19542851	100295842	Mas Financial Services Limited	27-09-2019	-	08-05-2021	1,000
208	AA1069179	100288546	Hinduja Leyland Finance Limited	28-08-2019	-	18-10-2022	1,500
209	T54029467	100254122	AU Small Finance Bank Limited	22-03-2019	-	07-10-2021	1,000
210	AA1166421	100254457	AU Small Finance Bank Limited	22-03-2019	-	13-12-2022	1,500

12. Restrictive Covenants under our financing arrangements:

- any change in promoter directors or in the core management team nor any merger/acquisition/amalgamation shall be done without express permission of the bank in writing;
- declare dividends only out of the profits relating to that year and after making all due and necessary provisions, and provided further that there have been no defaults in repayments under the Facility. In all other cases the Company shall seek the prior written consent of the bank before declaring dividends;
- any scheme of expansion/modernization/diversification/renovation (except normal capex) or sell any fixed assets during any accounting year, except under such scheme, which has already been approved by the bank;
- any adverse change in the company's capital structure;
- repay monies brought in by the Promoters/Directors Principal shareholders and their friends and relatives by way of deposits / loans / advances. Further, the rate of interest, if any, payable on such deposits / loans / advances should be lower than the rate of interest charged by the bank on its own term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted/ deferred payment guarantees executed by the bank or other repayment obligations, if any, due from the Company to the bank;
- approach capital market for mobilizing additional resources either in the form of debt or equity;
- undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies);
- entering into any contractual obligation of a long-term nature (i.e., 2 years or more) or which, in the reasonable assessment of the bank, is an unrelated activity and is detrimental to lender's interest;
- change of practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc., except where mandated by any legal or regulatory provisions;
- promoter's share in the borrowing entity should not be pledged to any bank/NBFC/Institution without the consent of the bank.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

13. Events of default under our financing arrangements:

The facility documents executed by the Company stipulates certain events as “*Events of Default*”, pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

- Failure to pay on the due date any amount payable pursuant to a facility document, (including but not limiting to principal and interest amount payable with respect to any loan), at the place at and in the currency in which it is expressed to be payable;
- Failure to comply with any provision of the facility documents, to which it is a party;
- Occurring of a cross default event as mentioned in facility documents;
- Change in control of our Promoter shareholding;
- Any litigation, arbitration, investigative or administrative proceeding or enquiry is current, pending or threatened to restrain the Company’s entry into, the exercise of the Company’s rights under, or compliance by the Company with any of its obligations under, the facility documents;
- An application or petition has been admitted by any relevant Governmental Agency under the Insolvency and Bankruptcy Code, 2016 (as may be amended, modified or supplemented from time to time) in relation to the Company.

14. The amount of corporate guarantee or letter of comfort issued by the Company along with details of the counterparty (viz. name and nature of the counterparty, subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.:

Nil

15. Details of inter corporate loans:

Nil

16. As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security issued by the Issuer, commercial paper (including technical delays) and other financial indebtedness including corporate guarantee or letter of comfort issued by the Company, in the past three financial years and the current financial year.

17. Details of default and non-payment of statutory dues for the preceding three financial years and current financial year.

Except as disclosed in “*Outstanding Litigations and Defaults*” on page 258, there has been no instances of non-payment or defaults in the payment of statutory dues by our Company in the preceding three financial years and current financial year.

18. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not;

Nil

MATERIAL DEVELOPMENTS

Except as disclosed in this Prospectus, there have been no material developments since March 31, 2024 till the date of filing of this Prospectus and there has been no material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company/ Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

1. Issue of compulsory convertible debentures and shares warrants:

Our Company issued and allotted 97,70,757 compulsory convertible debentures of face value ₹ 10 per CCD aggregating to ₹ 25,795 lakh and 3,81,32,474 convertible warrants of face value ₹ 10 per share warrant aggregating to ₹ 1,00,670 lakh by way of preferential issuance.

2. Approval of acquisition:

Our Board of Directors and shareholders vide their resolutions dated May 02, 2024 and June 01, 2024 approved the acquisition of 100% shareholding of Datasigns Technologies Private Limited (“**Datasigns**”) and approved further issue of equity shares of the Company in consideration for acquisition of Datasigns, in the following manner:

- (a) Tranche 1: Up to ₹ 2,800 Lakh for acquisition of majority of shareholding in Datasigns, being 76% of the total capital of Datasigns; and
- (b) Tranche 2: Up to 1,700 Lakh for acquisition of balance shareholding in Datasigns, being balance 24% of the total capital of Datasigns.

The Board of Directors and shareholders authorised to issued and allot on preferential basis, up to 6,78,788 equity shares of the Company having face value of ₹ 10 at an issue price of ₹ 264 per equity share of the Company including premium of ₹ 254 per equity share aggregating up to ₹ 1,792 Lakh.

3. Private Placement of Commercial Papers

Our Company vide resolution passed by the Investment and Borrowing Committee dated September 25, 2024 has allotted commercial papers of face value of INR 5,00,000 (Indian Rupees Five Lakh) each having issue price of INR 4,85,320.50 (India Rupees Four Lakh Eighty Five Thousand Three Hundred and Twenty point Five Zero) having issue value of INR 9,70,64,100 (Indian Rupees Nine Crore Seventy Lakh Sixty Four Thousand and One Hundred) pursuant to private placement.

4. Resignation by Manoj Kumar Sehrawat ad Non-Executive (Nominee) Director and appointment of Suresh Eshwara Prabhala as Additional Non-Executive (Nominee) Director

Manoj Kumar Sehrawat was appointed as ‘Non-Executive (Nominee) Director’ on the Board of the Company w.e.f., 5th July 2018 as nominated by ClearSky Investment Holdings Pte Limited (“**ClearSky**”). Manoj Kumar Sehrawat has resigned from ClearSky, consequently he has tendered his resignation as Non-Executive (Nominee) Director of the Company vide letter dated September 30, 2024, which is effective from the date thereof.

ClearSky has nominated Suresh Eshwara Prabhala to act as Non-Executive (Nominee) Director on the Board of the Company. Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Suresh Eshwara Prabhala has been appointed as ‘Additional Non-Executive (Nominee) Director’ with effect from October 01, 2024.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2024 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Audited Financial Statements for Fiscal 2024*” on page F-66, note no. 44.

For details of the related party transactions for the Fiscals 2023 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Audited Financial Statements for Fiscal 2023*” on page F-162, note no. 43.

For details of the related party transactions for the Fiscals 2022 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Audited Standalone Financial Statements for Fiscal 2022*” on page F-255, note no. 40.

Related party transaction entered during the Fiscal 2024, 2023 and 2022 and from April 1, 2024 till September 30, 2024 with regard to loans made or guarantees given or securities provided:

No loans, guarantees or securities have been provided by the Company to the related parties in the Fiscal 2024, 2023, 2022 and from April 1, 2024 till September 30, 2024.

Following are the details of related party transactions in the Fiscal 2024, 2023, 2022, and from April 01, 2024 to September 30, 2024:

1) For the Financial Year ending on March 31, 2024 and 2023

(Rs. In lakh)

Nature of Transactions	For the financial year ending on March 31,	
	2024	2023
Particulars		
Transaction during the year		
Income		
Recovery of Transaction Fees		
Livfin India Private Limited	63.77	94.28
Expenses		
Sourcing Fees		
Livfin India Private Limited	29.11	33.44
Indifi Technologies Private Limited	373.00	-
Reimbursement of Expenses		
Aniket Karandikar	-	0.02
Amit Gupta	-	0.03
Shachindra Nath	-	0.08
Kishore Kumar Lodha	0.28	1.34
Namrata Sajani ^s	0.08	-
Satish Chelladurai Kumar ^s	0.02	-
Director Sitting Fees		
Hemant Bhargava	21.00	17.00
Sekar Karnam	21.00	29.00
Rajeev Krishnamuralilal Agarwal	32.00	23.00
Karuppasamy Singam	29.00	26.00
Satyananda Mishra	29.00	30.00
Smita Aggarwal	5.00	25.00
Tabassum Abdulla Inamdar	10.00	-
Abhijit Sen	6.00	39.00
Short -Term Employee Benefits*		
Shachindra Nath	585.63	466.44
Amit Gupta	-	52.81

Nature of Transactions	For the financial year ending on March 31,	
	2024	2023
Kishore Kumar Lodha	252.17	190.39
Namrata Sajnani ^S	27.44	25.92
Aniket Karandikar [#]	-	9.04
Satish Chelladurai Kumar ^S	14.37	-
Share Based Payment		
Kishore Kumar Lodha	33.24	-

2) For the Financial Year ending on March 31, 2022

(Rs. In lakh)

Nature of Transactions	For the financial year ending on March 31, 2022
Particulars	
Transaction during the year	
Expense	
Arranger Fees Paid	
Livfin India Private Limited	20.57
Arranger Fees Received	
Livfin India Private Limited	33.81
Reimbursement of Expenses	
Aniket Karandikar	0.17
Amit Gupta	0.99
Shachindra Nath	9.43
Remuneration Paid*	
Shachindra Nath	295.60
Abhijit Ghosh	11.38
Sandeep Kumar Zanwar**	44.48
Amit Gupta**	53.68
Aniket Karandikar#	30.49

3) From April 01, 2024 till June 30, 2024

Nature of Transaction	From April 01, 2024 till June 30, 2024
Particulars	
Transaction during the year	
Expenses	
Sourcing Fees	
Livfin India Private Limited	0.07
Indifi Technologies Private Limited	146.66
Director Sitting Fees	
Hemant Bhargava	5.00
Sekar Karnam	5.00
Rajeev Krishnamuralilal Agarwal	7.00
Karuppasamy Singam	6.00
Satyananda Mishra	6.00
Tabassum Abdulla Inamdar	3.00
Short- Term Employee Benefits*	
Shachindra Nath	360.94
Kishore Kumar Lodha	53.11
Satish Chelladurai Kumar	8.75
Share Based Payment	
Kishore Kumar Lodha	5.17

4) From July 01, 2024 till September 30, 2024

Nature of Transaction	From July 1, 2024 till September 30, 2024@
Particulars	
Transaction during the year	
Expenses	
Sourcing Fees	
Indifi Technologies Private Limited*	261.15
Director Sitting Fees	
Hemant Bhargava	4.00
Sekar Karnam	5.00
Rajeev Krishnamuralilal Agarwal	6.00
Karuppasamy Singam	7.00
Satyananda Mishra	7.00
Tabassum Abdulla Inamdar	4.00
Short- Term Employee Benefits	
Shachindra Nath	85.82
Kishore Kumar Lodha	139.05
Satish Chelladurai Kumar	17.71

*The above figures do not include provision towards gratuity.

**Sandeepkumar Zanwar and Amit Gupta former Chief Financial Officer, resigned w.e.f. November 02, 2022 and September 1, 2023 respectively.

#Aniket Karandikar, former Company Secretary and Compliance Officer, resigned w.e.f. June 13, 2022.

§Namrata Sajani, 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.

@ The amount reported above are provisional and are subject to the limited review by the Current Statutory Auditor.

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on May 02, 2024, approved the issuance of NCDs of up to total issuance amount of ₹ 4,50,000 lakh. The Investment and Borrowing Committee in their meeting held on September 24, 2024 approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount aggregating up to ₹ 10,000 lakh (“**Base Issue Size**”) with an option to retain oversubscription up to ₹ 10,000 lakh (“**Green Shoe Option**”), cumulatively aggregating up to 20,00,000 NCDs for an aggregate amount up to ₹ 20,000 lakh (“**Issue Size**” or “**Issue Limit**”). Further, the present issue is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 100,00,00,00,000 /- (Rupees Ten lakh lakh).

The Investment and Borrowing Committee of the Board of Directors have, vide their resolution dated October 04, 2024 approved this Prospectus.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the Draft Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, the RBI, the Stock Exchanges, and/or any other statutory or regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also with regard to amount invested, thereof shall be secured by way of a first and exclusive charge by way of hypothecation of identified assets of the Company. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. We have received necessary consents from the relevant lenders, debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs. In terms of the DT Master Circular, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue, if *pari passu* security is sought to be created. However, exclusive charge by way of hypothecation of identified book assets of the Company is being provided as security for this Issue and these assets have no prior charge by any creditor of our Company.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of a first and exclusive charge by way of hypothecation of identified assets of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that the security cover to the extent of at least 110% of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The security shall be created prior to the listing of the NCDs with the Stock Exchanges.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest (“**CERSAI**”) or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

In terms of the DT Master Circular, our Company has entered into the Debenture Trustee Agreement with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed, which will govern the powers, authorities and obligations of the Debenture Trustee, before making the application for listing of the NCDs

for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or higher value ensuring the minimum security cover is maintained till the Final Settlement Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed and in accordance with applicable laws.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 45- IA of the RBI Act, 1934 that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- a) in deposits with any scheduled bank, free from any charge or lien;
- b) in unencumbered securities of the Central Government or any State Government;
- c) in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each of the NCD shall be ₹ 1,000.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, and the rules prescribed thereunder the SEBI LODR Regulations and any other applicable law.

Rights of the NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed confer upon the NCD Holders thereof any rights or privileges available to our members/shareholders including, without limitation the right to receive notices, or to attend and/or vote, at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members /shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, and copy of the Debenture Trust Deed at the Registered Office of our Company during business hours on a specific request made to the Company.
2. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. Subject to RTA Master circular, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.
6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Prospectus and the Debenture Trust Deed.

Trustees for the NCD holders

We have appointed Mitcon Credentia Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holder(s) in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee and we will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

Indicative list of Events of Default:

- (i) Default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
- (ii) Default is committed in payment of the principal amount of the NCDs on the due date(s);
- (iii) Default is committed in payment of any interest on the NCDs on the due date(s);
- (iv) Default is committed in payment of any other amounts outstanding on the NCDs;
- (v) Default is committed if any information given by the Company in the Draft Prospectus, the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
- (vi) Defaults in performance or compliance with one or more of its material obligations, covenant, condition or provisions in relation to the NCDs and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy;
- (vii) If the Company creates any additional charge on the Secured Assets or any part thereof without the prior approval of the Debenture Trustee;
- (viii) If in the opinion of the Debenture Trustee, the Security is in jeopardy;
- (ix) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by a Special Resolution of the NCD Holders;
- (x) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganisation, liquidation or dissolution;

- (xi) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company;
- (xii) The Company without the consent of Debenture Trustee ceases to carry on its business or gives notice of its intention to do so;
- (xiii) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
- (xiv) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts;
- (xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;
- (xvi) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; and
- (xvii) Any other event described as an Event of Default in the Draft Prospectus, this Prospectus and the Transaction Documents.

Except for any default relating to points i, ii, iii and iv under the “Indicative list of Events of Default” given above, where no such consent/ resolution of NCD holders will be required for calling of event of default, any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all NCDs at any point of time, as set out in the Debenture Trust Deed, except for any default relating to points i, ii and iii under the “Indicative list of Events of Default” given above, where no such consent/ resolution of NCD holders will be required for calling of event of default.

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.

In accordance with the DT Master Circular issued by SEBI in case of ‘Default’ by Issuers of listed debt securities, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”) /enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Explanation 2 to Regulation 49 of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest/dividend or principal on debt.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the DT Master Circular.

Minimum Subscription

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

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

have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the “*Issue Procedure*” on page 220.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate in form no. SH-13 any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in form no SH. 13 any person as nominee. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the original NCD Holder(s), will in accordance with Rule 19 and Section 56 of Companies Act 2013 be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD subject to compliance with applicable law. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner and in Form no. SH 14, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale/transfer/alienation of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to enable us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) To register himself or herself as the holder of the NCDs; or
- (b) To make such transfer of the NCDs, as the deceased holder could have done.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered holder of the NCDs except that he shall not, before being registered as a holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred. Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board of Directors may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant. A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed

manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see "*Terms of the Issue - Interest*" on page 188, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor

of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Board of Directors or any other person authorised by our Board of Directors in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Procedure for re-materialisation of NCDs

Subject to the RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company, SEBI LODR Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment and RTA Master Circular, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE SCHEDULE*	
Issue opens on	Thursday, October 10, 2024
Issue closes on	Wednesday, October 23, 2024

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

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to "Issue Procedure" on page 220.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("Bidding Period"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.

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

Taxation

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

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest;

- b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at www.ugrocapital.com or the Registrar at www.linkintime.co.in, from time to time.

Please also see, "Statement of Possible Tax Benefits" on page 78.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the chapter titled "Issue Procedure" on page 220, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Payment of Interest

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon /Redemption Amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the Redemption Amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on Working Days.

Interest/Premium and Payment of Interest/ Premium

Interest/ Coupon on NCDs

For details of Interest / Coupon on NCDs, please see the Section titled “*Issue Structure*” on page 198.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and Redemption Amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the “*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*” on page 191.

Maturity and Redemption

The relevant interest will be paid in the manner set out in the section titled “*Issue Structure*” on page 198. The last interest payment will be made at the time of redemption of the NCDs.

Series	Maturity Period / Redemption (as applicable)
Series I	18 months
Series II	24 months
Series III	30 months

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant’s sole risk, and neither the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Put / Call Option

Not Applicable.

Deemed Date of Allotment

The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Application in the Issue

NCDs being issued through this Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under UPI Mechanism).

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, but subject to SEBI LODR IV Amendment and RTA Master Circular, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each application should be for a minimum of 10 (ten) NCDs and in multiples of one (1) NCD thereafter. The minimum application size for each application for NCDs would be ₹ 10,000 (across all Options of NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any / all Option) provided the Applicant has applied for minimum application size using the same Application Form. **Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

Terms of Payment

The entire issue price of ₹ 1,000 per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Prospectus.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for NCDs issued under this Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

In case the Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Manager, nor our Company, nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see “*Terms of the Issue – Procedure for re-materialisation of NCDs*” on page 187.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made

available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ Redemption Amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants’ banks have been assigned the Indian Financial System Code (“IFSC”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of bank particulars on interest / redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post, registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Right to recall or redeem prior to maturity

Not Applicable.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form of allotment and Denomination of NCDs

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held (“**Consolidated Certificate**”). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD (“**Market Lot**”). In case of NCDs held under different Options, as specified in this Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option. It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us. As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see “*Issue Procedure*” on page 220.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of rematerialisation of NCDs

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the Redemption Date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “Payment on Redemption” given below.

NCDs held in electronic form

No action is required on the part of Secured NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of rematerialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holder(s) towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the Redemption Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the Redemption Date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the Redemption Amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable, on the date of this Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/ Transmission of NCDs

For NCDs held in physical form on account of rematerialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should

ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

Our Company may, at its discretion, note a lien or pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a charge on any assets, (a) subject to such consents and approvals and other conditions, as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents; (b) provided the stipulated security cover for the Issue is maintained and compliance with other terms of the Transaction Documents.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular is disclosed in this Prospectus at Annexure D.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant; and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see “*Issue Procedure - Rejection of Applications*” on page 250.

Listing

The NCDs proposed to be offered in pursuance of this Prospectus will be listed on BSE Limited and National Stock Exchange of India Limited. Our Company has received an ‘in-principle’ approval from BSE and NSE by way of their letter bearing reference number DCS/BM.PI-BOND/21/24-25, dated September 26, 2024 and NSE/LIST/D/2024/0303, dated September 26, 2024, respectively. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage. For the purposes of the Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within five Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers to the Issue

There are no arrangers to the Issue.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Pre-Issue Advertisement

Subject to Regulation 30(1) of SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with Section 30 of Companies Act, 2013. Material updates, if any, between the date of

filing of this Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Pre-Closure

Our Company, in consultation with the Lead Manager reserve the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Recovery Expense Fund

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

Settlement Guarantee Fund

Our Company shall create a settlement guarantee fund, if applicable, in the manner specified in the SEBI Master Circular. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.