10th July 2025

To

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, 5th Floor, Plot No. C/1,
Dalal Street, Mumbai – 400 001	G Block, Bandra-Kurla Complex,
	Bandra (East), Mumbai – 400 051
Scrip Code – 511742	**NSE Symbol – UGROCAP**

Sub: **Notice of 32nd Annual General Meeting and Annual Report for the Financial Year 2024-25**

Dear Sir/ Madam,

Pursuant to applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent today, i.e. Thursday, 10th July 2025, soft copy of the Notice of the 32nd Annual General Meeting along with Annual Report for the Financial Year 2024-25 via e-mail to those members who have registered their email addresses with the Company, Depositories and Registrar and Transfer Agent.

Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company has also sent a letter to those Shareholders whose e-mail addresses are not registered with Company/DPs providing the weblink from where the Annual Report FY 2024-25 can be accessed on the Company's website.

Accordingly, please find enclosed herewith the Annual Report for the Financial Year 2024-25 which also includes the Notice of 32nd Annual General Meeting of the Company, scheduled to be held on Friday, 8th August 2025 at 11.00 A.M. (IST) through Video Conferencing or Other Audio Video Means.

The same are also available on the website of the Company, i.e. www.ugrocapital.com.

Request you to take the above on your records.

Thanking you,
For UGRO Capital Limited

Satish Kumar Chelladurai
Digitally signed by Satish Kumar Chelladurai
Date: 2025.07.10 17:27:23 +05'30'

Satish Kumar
Company Secretary and Compliance Officer
Encl: a/a

UGRO CAPITAL

MSME Accha Hai!

ANNUAL REPORT
2024-2025

BHAROSA MSME PAR...

CORPORATE INFORMATION

Board of Directors

Mr. Satyananda Mishra – Non-Executive Chairman and Independent Director

Mr. Shachindra Nath – Vice Chairman & Managing Director

Mr. Karuppasamy Singam – Independent Director

Mr. Karnam Sekar – Independent Director

Mr. Hemant Bhargava – Independent Director

Mr. Rajeev Krishnamuralilal Agarwal – Independent Director

Ms. Tabassum Abdulla Inamdar – Independent Director

Mr. Suresh Eshwara Prabhala – Non-Executive (Nominee) Director

Mr. Chetan Kulbhushan Gupta – Non-Executive (Nominee) Director

Mr. Rohit Goyal- Non-Executive (Nominee) Director

Management Team

Mr. Anuj Pandey – Chief Executive Officer*

Mr. Kishore Kumar Lodha – Chief Financial Officer

Mr. Sunil Lotke – Chief Legal and Compliance Officer

Mr. Amit Mande – Chief Revenue Officer

Ms. Rajni Khurana – Chief People Officer

Mr. Sharad Agarwal – Chief Operating Officer

Audit Committee

Mr. Hemant Bhargava – Chairman

Mr. Rajeev Krishnamuralilal Agarwal – Member

Mr. Karuppasamy Singam – Member

Mr. Rohit Goyal – Member

Customer Service Committee

Mr. Karuppasamy Singam - Chairman

Mr. Shachindra Nath - Member

Nomination and Remuneration Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman

Mr. Satyananda Mishra – Member

Mr. Hemant Bhargava – Member

Mr. Karuppasamy Singam – Member

Mr. Karnam Sekar – Member

Risk Management Committee

Mr. Karnam Sekar – Chairman

Mr. Satyananda Mishra – Member

Ms. Tabassum Abdulla Inamdar – Member

Mr. Shachindra Nath – Member

Mr. Chetan Gupta – Member

Asset Liability Committee

Mr. Shachindra Nath – Chairman

Mr. Satyananda Mishra – Member

Mr. Karnam Sekar – Member

Mr. Hemant Bhargava – Member

Mr. Chetan Gupta – Member

Ms. Tabassum Abdulla Inamdar – Member

IT Strategy Committee

Mr. Karuppasamy Singam – Chairman

Ms. Tabassum Abdulla Inamdar – Member

Mr. Shachindra Nath – Member

Mr. Karnam Sekar – Member

Mr. Rohit Goyal – Member

* Elevated from Chief Risk Officer and appointed as Chief Executive Officer of the Company, w.e.f. 01st July 2025

Stakeholders Relationship Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman
Mr. Karuppasamy Singam – Member
Mr. Satyananda Mishra – Member

Corporate Social Responsibility Committee

Mr. Satyananda Mishra – Chairman
Mr. Rajeev Krishnamuralilal Agarwal – Member
Mr. Shachindra Nath – Member

Compliance Committee

Mr. Karuppasamy Singam – Chairman
Mr. Satyananda Mishra – Member
Mr. Rajeev Krishnamuralilal Agarwal – Member

Securities Allotment and Transfer Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman
Mr. Karuppasamy Singam – Member
Mr. Shachindra Nath – Member

Wilful Defaulter - Review Committee

Mr. Shachindra Nath – Chairman
Ms. Tabassum Inamdar – Member
Mr. Karnam Sekar – Member

Investment and Borrowing Commitee

Mr. Shachindra Nath – Chairman
Mr. Rajeev Krishnamuralilal Agarwal – Member

Registered and Corporate Office

Equinox Business Park, Tower 3, 4th Floor, LBS Road,
Kurla (W), Mumbai - 400 070

Registrar and Share Transfer Agent

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
C 101, 247 Park, L B S Marg, Vikhroli (W), Mumbai - 400 083
Tel: +91 22 49186000 | Fax: +91 22 49186060

Statutory Auditors

Sharp & Tannan Associates
87 Nariman Bhavan, 227 Nariman Point, Mumbai
Maharashtra - 400021
Tel: +91 22 6153 7500

Debenture Trustees

Beacon Trusteeship Limited
5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400051
Tel no. 022-26558759

Catalyst Trusteeship Limited
901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai- 400013 Tel no. 022-49220555

IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001
Tel no. 022-40807022

MITCON Credentia Trusteeship Services Limited
1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021 Tel no. 022-22828200

Vardhman Trusteeship Private Limited
3rd Floor, Room No – 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal – 700001
Tel no. 022 – 4264 8335

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MSME Accha Hai!

Expanding Horizons

India's Micro, Small, and Medium Enterprises (MSMEs) form a vast and vibrant ecosystem that underpins not just our economy's numbers but the very aspirations of millions of entrepreneurs across the country. In FY25, MSMEs accounted for nearly 30% of India's GDP, contributed 33% of the country's manufacturing output, and generated close to 45% of total exports, while employing over 123 million people, making them the second-largest employment provider after agriculture. Yet, despite this enormity of scale and significance, formal financing has long bypassed swathes of small businesses that lack traditional collateral or audited financials. As a result, the formal credit penetration for MSMEs remains among the lowest in Asia, at only around 25%, leaving a staggering ₹32 lakh crore credit gap in the sector.

This dichotomy of immense economic contribution on one hand, and severe credit constraints on the other has shaped India's policy and financial reforms over the past decade. The explosion of digital infrastructure has begun to tilt the balance. From 361 lakh UPI transactions in 2015 to over ₹24 lakh crore monthly volumes in March 2025, India's digital payment ecosystem has surged 11-fold in less than five years. Similarly, the rise in GST registrations from 68 lakh in 2017 to 143 lakh in 2023 has created rich datasets that progressive lenders can harness to underwrite loans more scientifically. Even income-tax filings have climbed, with total ITR filers rising from 6.69 crore in 2020 to 8.9 crore by mid-2024. Together, these trends are dismantling information asymmetries that once left small businesses out in the cold.

Against this dynamic backdrop, Non-Banking Financial Companies (NBFCs), especially DataTech-NBFCs have emerged as trailblazers of inclusive credit. As of March 2025, industry AUM for NBFCs (excluding Housing Finance) stood at over ₹14.2 lakh crore, with sectoral composition shifting toward loan segments that serve MSMEs and retail customers. Recognising this pivotal role, the Reserve Bank of India rolled out its Scale-Based Regulation (SBR) for NBFCs in April 2024, tightening capital requirements (raising Tier-1 norms for upper-layer NBFCs from 9% to 10%) and introducing a phased Liquidity Coverage Ratio. These measures, alongside new digital-lending guidelines (capping first-loss default guarantees to 5% of portfolios and mandating 30-day cooling-off periods between loans), underscore the regulator's balanced approach: fostering innovation while safeguarding financial stability.

Simultaneously, the Union Government has amplified its support for MSMEs through targeted schemes. The Credit Guarantee Scheme for MSMEs (CGTMSE) limit was raised to ₹5 crore, and guarantee fees were cut by 15% for women-led and green enterprises; the RAMP Programme was allocated an additional ₹2,000 crore for technology adoption; and the recently expanded TReDS platform now mandates corporate participation, accelerating receivables financing for small suppliers. In the Union Budget 2025, the Ministry of MSME's outlay jumped to ₹22,000 crore, with fresh capital for deep-tech startups and a new Credit Card scheme offering up to ₹5 lakh in working capital to micro-enterprises registered on Udyam. Collectively, these interventions are forging a more inclusive, digitally enabled credit ecosystem for smaller businesses.

It is in this confluence of digital transformation, policy impetus, and regulatory evolution that UGRO Capital stakes its claim. Building on our founding mantra — MSME Accha Hai! we have crafted a DataTech NBFC model that marries advanced analytics with on-ground relationships to serve small businesses previously deemed unbankable. In FY25, we crossed an AUM milestone of ₹12,000 crore, marking a 33% jump over the previous year. We originated ₹7,651 crore in loans (+30% YoY), including our highest-ever quarterly disbursements of ₹2,436 crore in Q4 (+57% YoY). Remarkably, we achieved these growth rates while sustaining a GNPA of 2.3% and NNPA of 1.6%, backed by a 47% provisioning cover—underscoring that rapid expansion need not come at the expense of asset quality.

In FY25, our journey embraced four strategic thrusts, which together shape this Annual Report's theme 'MSME Accha Hai! – Expanding Horizons':

Deepening Emerging-Market Reach:

India's growth story isn't written solely in the skylines of Mumbai or the tech corridors of Bengaluru, it pulses through the small towns and rural districts where family-owned shops, small traders and light-engineering workshops drive local economies. At UGRO Capital, we recognise that real financial inclusion requires venturing beyond Tier-1 urban clusters into these 'Emerging Markets,' where formal credit for MSMEs remains scarce yet the demand is immense.

In FY25, we accelerated this strategy by adding 85 new branches in Tier-2 and Tier-3 locations, nearly one additional branch every three working days. This takes our non-metro network to 235 branches, more than doubling the footprint we had at the start of FY24. These Emerging Market branches, often staffed by a team from the local community, serve as both the first point of contact for small businesses and a vital hub for financial literacy initiatives.

The results speak for themselves. The Emerging-Market channel now contributes 22% of UGRO Capital's total AUM, up from just 10% in December 2023 and generated ₹669 crore of disbursements in Q4 FY25 alone, accounting for 27% of that quarter's volumes. By comparison, the channel's Q4FY24 run rate was only ₹203 crore, underscoring a more than three-fold surge in annualized growth.

Several factors underlie this leap:

a. **Local Partnerships:** We have forged ties with regional trade bodies and small-business associations, tapping into their networks to identify credit-worthy members. Joint field visits modelled on our MSME Sampark research approach help us understand seasonal cash-flow cycles, collateral alternatives, and local credit behaviours before structuring loan offerings.

b. **Tailored Products:** Our Emerging-Market portfolio emphasises both standard secured lending and working capital loans sized to GST-digitized cash-flows, with average ticket sizes of ₹16 lakh and yields near 19% over nine-year tenors. This cash-flow–based underwriting removes the barriers that hold back first-generation entrepreneurs and small traders.

c. **Rigorous Risk Management:** Even as we expand rapidly, asset quality remains strong: current GNPA for Emerging-Market secured loans stands at 2.6%, comfortably within our internal threshold of 3.7-4%. This is a testament to our GRO Score™ model, now a granted patent that analyses GST filings, bank statements, and bureau data to underwrite loans with scientific precision.

d. **Digital Enablement:** All Emerging-Market branches are fully integrated into our real-time digital platform. From instant e-KYC to mobile-first servicing apps, we ensure that loan approvals and disbursements happen within days, not weeks—an essential factor for businesses that cannot afford working capital delays.

By embedding ourselves in the very fabric of India's hinterland, UGRO Capital is not only capturing a vast, underserved market but also catalysing local economic growth. Small shopkeepers can now expand inventories; dealers and machinery suppliers can bridge seasonal gaps; women-led microenterprises gain access to formal loans. As we continue to deepen this reach with a target of 32-35% Emerging-Market AUM by March 2026, we remain committed to the conviction that 'MSME Accha Hai!' only when every MSME, wherever it may be, can tap into the formal financial system and realize its full potential.

Patented Underwriting Model - GRO Score:

UGRO Capital's underwriting revolution hinges on GRO Score™, our patented credit-scoring engine that transforms how MSMEs access finance. On December 11, 2024, the Indian Patent Office granted formal protection for our "Method and System for Modelling Credit Scorecards," recognising UGRO Capital's pioneering use of alternate data and advanced analytics to evaluate creditworthiness for enterprises that lack traditional audited accounts.

From its inception in 2022, GRO Score has evolved through three major iterations, each integrating richer data streams and more sophisticated algorithms. Today, GRO Score 3.0 ingests and processes millions of data points—over 5.6 lakh credit bureau records, 2.3 lakh bank statements, and 80,000 GST filings—to build a nuanced risk profile for each borrower. In practical terms, this enables UGRO Capital to underwrite loans in under 48 hours, compared to the weeks-long cycles of traditional banks, unlocking vital working capital for MSMEs at the very moment they need it most.

Behind these capabilities lies a rigorous methodology. Our data science team employs machine-learning models that weigh variables such as payment patterns, cash-flow consistency, supplier relationships, and even e-commerce transaction histories. By calibrating thousands of parameters against actual repayment behaviours, the GRO Score achieves high predictive accuracy, even as we expand into new, less-charted markets.

The patent cements more than an intellectual property victory; it safeguards a competitive moat that underpins UGRO Capital's scalability and risk discipline. As we refine the GRO Score with next-generation features such as geospatial analytics to gauge local economic cycles, and utility-bill payment histories to capture household-level stability—we are confident it will remain the engine driving our growth. Indeed, over 1.7 lakh loan applications have already been scored and sanctioned via GRO Score, demonstrating its power to bridge India's ₹32-lakh-crore MSME credit gap.

By embedding GRO Score into every facet of our co-lending, branch-led, and embedded finance channels, UGRO Capital not only accelerates decision-making but also democratises access to formal credit. Thousands of first-generation entrepreneurs—from business owners and dealers in small towns to women-led micro-enterprises in semi-urban clusters now secure funding based on the strength of their digital footprints rather than the thickness of their collateral. In doing so, GRO Score is reshaping the MSME lending ecosystem, unlocking growth, jobs, and resilience in every corner of India.

Embedded Finance via MyShubhLife (MSL):

UGRO Capital's vision has always centered on meeting entrepreneurs exactly where they operate, whether that's a sprawling factory or the corner Kirana store. In July 2024, we took a decisive step toward that goal by acquiring MyShubhLife (MSL), a Bengaluru-based embedded finance platform that seamlessly integrates working capital solutions into merchants' daily workflows. This strategic acquisition has allowed UGRO Capital to embed financing 'at the point of need,' transforming MSL into a powerful on-demand lending channel for micro-distributors, and small retailers across India.

MSL's technology-first model taps directly into merchant transactions such as inventory purchases, point-of-sale data, and supplier invoices using proprietary APIs to assess creditworthiness in real-time. By embedding loan offers within the existing enterprise resource planning (ERP) and payment applications that merchants already use, MSL eliminates the need for separate loan processes or paperwork. Traders simply receive a credit limit on their dashboard, draw down funds instantly, and repay automatically as they sell goods. This frictionless experience resonates deeply with small businesses that lack time, documentation, or appetite for traditional bank loans.

The traction has been extraordinary. By March 2025, MSL's AUM reached ₹743 crore, underpinned by a monthly origination run rate of roughly ₹200 crore, translating to close to ₹650 crore of Q4 disbursements alone. These volumes underscore the latent demand for embedded finance: merchants appreciate the immediacy, flexibility, and digital convenience that MSL delivers. Importantly, MSL's portfolio mirrors UGRO Capital's commitment to quality; its credit-loss experience remains well within UGRO Capital's overall target credit cost of 2%, thanks to real-time monitoring and dynamic risk controls.

Building on this success, we are now expanding MSL's product suite to round out our full-stack digital finance offering for MSMEs. Micro-insurance products—protecting merchants' inventory and receivables are in the pilot stages, leveraging MSL's deep customer engagement to provide affordable, usage-based cover. Meanwhile, supply-chain financing modules are being developed in partnership with key distributors, enabling upstream suppliers to unlock receivables as soon as goods are shipped. Together, these enhancements will transform MSL into a one-stop digital treasury platform for small businesses, integrating credit, insurance, and payments.

MSL's integration into UGRO Capital's ecosystem also yields powerful data synergies. Transactional and behavioural data from MSL feed directly into our GRO Score™ underwriting engine, further refining our predictive models and enabling UGRO Capital to offer more competitive rates and larger limits. Conversely, UGRO Capital's branch network and co-lending partnerships provide MSL with an expanded distribution runway, ensuring that embedded-finance benefits can scale rapidly into new regions and customer segments.

In essence, the MSL acquisition and subsequent product expansions exemplify UGRO Capital's belief that finance belongs at the heart of commerce, woven into the daily operations of India's small businesses. As MSL continues to grow, both in AUM and in product breadth, it cements UGRO Capital's role as a true digital finance partner for MSMEs, delivering seamless, data-driven solutions that unlock growth, mitigate risks, and drive financial inclusion across every corner of the country.

Robust Capital & Ratings:

UGRO Capital's rapid scaling in FY25 was underpinned by a concerted effort to strengthen our balance sheet and secure the highest levels of market confidence. In Q4 FY25 alone, we mobilised over ₹1,500 crore in fresh borrowings, bringing total liabilities (excluding direct assignments) to ₹6,904 crore, while maintaining an average cost of funds near 10.6%. Our funding mix remains carefully diversified spanning bank loans, term debt, commercial paper, bonds, and co-lending facilities with 17 partner banks and NBFCs ensuring resilience and flexibility across market cycles.

This robust liability profile has been matched by equally strong capital-raising initiatives on the equity side. During FY25 we completed a ₹1,265 crore equity capital raise through compulsorily convertible debentures (CCDs) and warrants, following our initial public issue, to cement our Tier I capital well above regulatory minima and support ambitious growth plans.

Reflecting the strength of our financial metrics and governance standards, India Ratings & Research upgraded multiple UGRO instruments in July 2024 to IND A+ (Stable) for long-term debt and IND A1+ for our commercial paper program. Several non-convertible debentures (NCD) tranches totalling ₹1,100 crore received either upgrades or fresh IND A+ assignments, while bank-loan facilities aggregating ₹2,600 crore were also rated IND A+ (Stable). These moves recognise UGRO Capital's moderate but expanding scale, healthy capitalisation, and improving profitability.

Concurrently, CRISIL Ratings reaffirmed its 'CRISIL A/Stable' rating on our bank-loan and debenture programs (including Principal Protected Market-Linked Debentures at PPMLD A/Stable) on March 12, 2025. CRISIL noted UGRO's ability to scale its MSME franchise growing AUM to over ₹11,000 crore by December 2024 while maintaining comfortable capitalisation (net worth of nearly ₹2,000 crore) and diversified funding sources, including priority-sector co-lending partnerships that now account for 44% of AUM.

These ratings achievements are more than trophies; they translate into tangible benefits. Upgraded credit ratings have widened UGRO Capital's access to low-cost institutional funding, enabling us to negotiate more favourable bank lines and attract long-term investors. A higher credit profile also reassures co-lending partners, public sector banks, development finance institutions, and private lenders. As we continue to grow our Emerging Market and Embedded Finance franchises, this funding strength provides the bedrock for sustained, profitable expansion.

Looking forward, UGRO Capital remains committed to maintaining this dual balance-sheet strength: a strong equity cushion to absorb growth-related provisions, and a diversified liability profile to keep funding costs competitive. With CAR comfortably above 20%, leverage around 3.4 times, and credit costs guided at ~2%, UGRO Capital is well-positioned to seize emerging opportunities in MSME lending, confident that institutional investors and rating agencies alike stand firmly behind our strategy.

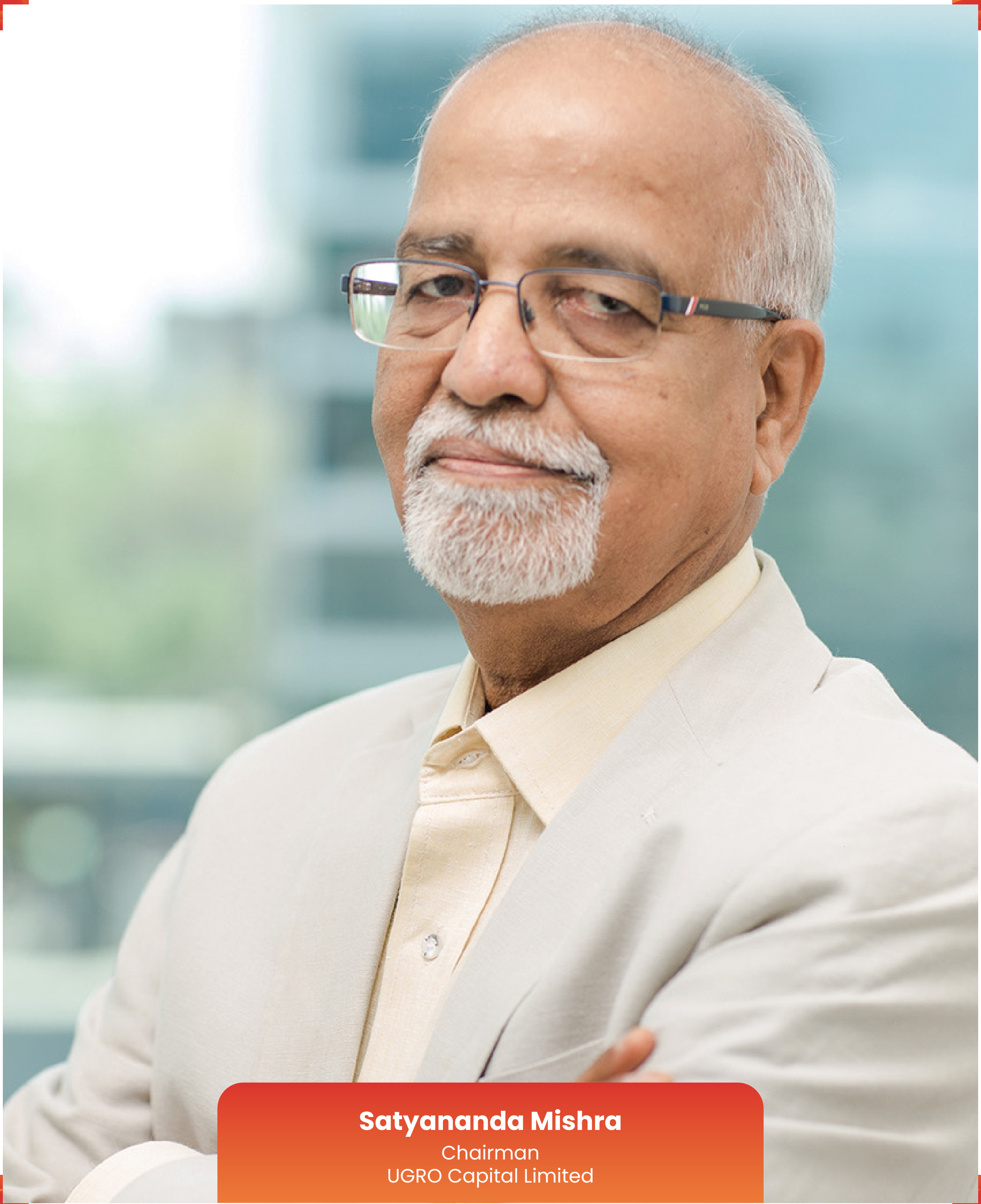
As you peruse this Annual Report, you will witness how these strategic pillars translate into tangible impact: the revival of first-time borrowers in remote towns, the transformation of small traders into formal MSMEs, the empowerment of women entrepreneurs through dedicated credit lines, and the channelling of working capital to seasonal enterprises that underpin rural livelihoods. Our commitment goes beyond mere numbers; it speaks to a broader purpose of financial inclusion and economic resilience.

Looking ahead, the horizon for MSME finance in India is bright. Government schemes such as the Deep Tech Fund of Funds, expanded priority-sector lending mandates, and enhanced digital infrastructure (like the Account Aggregator framework linking over 765 Financial Information Users with 208 FI Providers) promise to generate richer datasets and new products for underserved markets. Meanwhile, global trends—such as the near-shoring of supply chains and green financing mandates are creating fresh demand for agile, data-driven lenders.

UGRO Capital enters FY26 with a clear roadmap: to double down on our Emerging-Market expansion, scale GRO Score adoption across partner networks, unlock embedded finance at the merchant level, and to maintain the financial rigour that has earned us industry accolades. We aim to reach an AUM of ₹16,000–17,000 crore next year, improve our cost-to-income ratio through operating leverage, and further enhanced returns on equity, all while keeping our GNPA below 2.5%.

'MSME Accha Hai! – Expanding Horizons', encapsulates this journey from exploring new geographies to innovating finance at the code level. We invite our shareholders, partners, regulators, and employees to join us in this exciting chapter, as we extend the benefits of formal credit to every corner of India, and in doing so, fuel the dreams of millions of small businesses that drive our nation forward.

CHAIRMAN'S MESSAGE



Satyananda Mishra
Chairman
UGRO Capital Limited

Dear Shareholders,

It gives me immense pleasure to present UGRO Capital's Annual Report for FY25, a year that reaffirmed both the resilience of India's MSME sector and the strength of our conviction in building a new-age financial institution dedicated to the growth of its shareholders and customers.

Despite global economic turbulence, India has stood out as an engine of stability. Buoyed by strong domestic consumption, calibrated monetary easing, and rising investor confidence, the country's economic momentum remains intact. What is particularly encouraging is the sustained growth in MSME credit, outpacing broader lending trends and pointing to a structural shift in how the financial ecosystem views small businesses. These enterprises are no longer seen as informal or peripheral, they are now recognized as essential to our future.

This changing narrative aligns closely with UGRO Capital's founding vision: to build India's largest MSME-focused lending institution, anchored in data, powered by technology, and driven by purpose. FY25 was a milestone year for us. We crossed a significant threshold in our growth journey, crossed ₹12,000 crore in AUM, a 33% year-on-year growth. We expanded our presence into deeper markets, and continued to serve entrepreneurs who have historically remained outside the formal financial system. What makes this particularly meaningful is that we have done so without compromising on the principles of risk, governance, or customer centricity.

Our business has steadily evolved to reflect the changing contours of MSME demand. We have sharpened our focus on two of the most dynamic segments in the lending space, our **Emerging Market** and **Embedded Finance business.** These verticals are allowing us to reach customers where traditional models have struggled and to offer them products that are relevant, timely, and frictionless. With the planned acquisition of **Profectus Capital,** we are poised further to enhance our secured lending capabilities, deepen our institutional memory, and accelerate our next phase of growth. This acquisition, alongside our recent capital raise, will significantly strengthen our market position and bring us closer to achieving our medium-term strategic goals.

At UGRO, we have always believed that access to finance must be both inclusive and responsible. While our proprietary data-driven credit models allow us to underwrite MSMEs with precision, our long-term ambition remains rooted in national priorities, whether it is job creation, income generation, gender inclusion, or regional development. We are proud to have created a platform that balances innovation with impact, speed with sustainability, and growth with governance.

As we look to the future, we do so with confidence but also with humility. The opportunity ahead is vast, but so is the responsibility. We remain fully committed to building an institution of consequence, one that doesn't just serve MSMEs, but champions them.

On behalf of the Board, I extend my sincere thanks to our shareholders, customers, employees, lenders, and partners. Your continued support and belief in UGRO Capital's mission fuels our ambition. Together, we will continue to push boundaries, unlock potential, and build a more inclusive and prosperous financial landscape for India.

VICE CHAIRMAN'S MESSAGE

Shachindra Nath
Founder, Vice Chairman & Managing Director
UGRO Capital Limited

Dear Shareholders,

FY25 has been a defining chapter in UGRO Capital's journey, one that reaffirmed our long-held belief that India's growth story is powered by its MSMEs. It is with great pride that I share we crossed the ₹10,000 crore milestone in Assets Under Management this year. This accomplishment is not merely a measure of scale; it reflects the depth of trust that over 135,000 MSMEs have placed in UGRO to be their financial partner - one that trusts them and understands their business, their ambition, and their resilience.

From the outset, UGRO Capital was built on the conviction that 'MSME Accha Hai' - a mindset that has now evolved into a movement of 'Bharosa MSME Par.' Over the last year, we have not only grown our lending portfolio but have deepened our presence in emerging market business and underserved geographies that drive regional economic momentum. Our approach is not to commoditize credit but to personalize it using insight, intelligence, and integrity.

FY25 also saw meaningful advances in our data-driven credit underwriting framework. Our proprietary credit scoring model, GRO Score has been granted a patent, reflecting the intellectual rigour and innovation that powers our risk decisions. This scoring model has enabled us to serve thin-file borrowers with high precision, opening doors to formal credit for first-time entrepreneurs. The strength of this model, and our disciplined asset quality, has been reflected in positive signals from rating agencies, as we continue to build a balance sheet that is resilient, transparent, and trusted.

This year's Social Impact Report, independently assessed and published in partnership with Dun & Bradstreet, offers a data-backed view into the real-world outcomes of our lending. We are proud to report that 88% of our borrowers experienced revenue growth after accessing credit from UGRO. Over 13,000 new jobs were created of which 3,000+ were for women. More than 42% of borrowers reported adopting ESG-aligned practices ranging from clean energy and digital payments to gender-inclusive hiring. These are not incidental metrics, they are outcomes by design.

Our operations today span over 200 locations, with a growing presence in emerging MSME clusters and embedded finance platforms. Through strategic partnerships with OEMs, anchor ecosystems, and co-lending alliances, we are extending our reach and improving last-mile credit delivery. We are also deepening our investments in sustainable finance, including verticals such as rooftop solar and energy-efficient equipment financing.

This year, we took important steps in integrating ESG principles into our lending philosophy and disclosures. UGRO is now among the few NBFCs to voluntarily report Scope 1, 2, and 3 emissions under the PCAF framework, a strong signal of our intent to remain accountable not just for financial returns but for our environmental and social footprint. Our portfolio is already aligned with 11 of the 17 UN Sustainable Development Goals, and we will continue to hold ourselves to high standards of governance and impact.

India's MSMEs are the engines of innovation, employment, and inclusive development. And yet, they remain underserved by formal finance. We believe UGRO has a once-in-a-generation opportunity to change that. Not by chasing scale alone, but by building a platform of enduring trust, one that blends the precision of data with the power of empathy.

To our investors, lenders, partners, and employees, I thank you. Your continued belief in our mission has allowed us to translate vision into value. As we look ahead, we are confident that UGRO Capital will not only expand its role in India's financial ecosystem but also become a catalyst for a more resilient and equitable economy.

FY25 RESULT HIGHLIGHTS

₹ 12,003 cr
YoY - 33%
AUM

₹ 7,651 cr
YoY - 30%
Disbursement

₹ 1,442 cr
YoY - 33%
Total Income

₹ 814 cr
YoY - 27%
Net Total Income

₹ 203 cr
YoY - 14%
Profit Before Tax

₹ 144 cr
YoY - 21%
Profit After Tax

EPS
for FY25
₹ 15.68
per share

Book value
per share
₹ 219.6
as on Mar'25

Co-lending-achieved off-book AUM of 42%

UGRO IMPACT:
Lending that Transforms Lives and Economies

At UGRO Capital, the impact goes beyond numbers, it encompasses the real stories of entrepreneurs who have leveraged financing to build livelihoods, create employment, and foster local development. This year, UGRO Capital's Impact section draws on a comprehensive Social Impact Assessment conducted in partnership with Dun & Bradstreet.

Methodology and Scope:

Our third Social Impact Assessment (2024–25) is grounded in a hybrid research approach that combines quantitative analysis of internal data (AUM trends, portfolio segmentation, sector disbursements) with qualitative insights obtained from 508 borrower surveys. These interviews were conducted across 12 major lending hubs - Delhi, Mumbai, Kolkata, Ahmedabad, Indore, Lucknow, Chennai, Hyderabad, Vijayawada, Vizag, Jaipur, and Bengaluru to capture diversity in geography, industry, loan size, business age, gender, and ownership structure.

Key Impact Pillars:

Financial Inclusion

- Between March 2022 and January 2025, UGRO Capital's AUM grew almost fourfold from ₹2,932 Cr to ₹11,067 Cr reflecting our ability to channel capital into underbanked MSMEs.
- The number of active MSMEs funded climbed from 23,382 (March 2022) to over 135,000 (January 2025).
- Notably, 61% of surveyed customers were first-time borrowers from formal financial institutions, indicating our role in bringing previously unserved entrepreneurs into the formal credit system.

Employment Generation

- Post-UGRO financing, 88% of MSMEs reported increased revenues; this growth directly translated into expanded workforce numbers.
- Across our sample of 508 respondents, 13,446 jobs were added after loan disbursal, including 3,042 new positions filled by women. This represents a 28% rise in female employment within funded MSMEs.

Gender Equity

- Today, women entrepreneurs constitute 9% of our borrower base, up from 5% in September 2023.
- Of surveyed women-led MSMEs, 76% now own or co-own business assets, compared to 9% in earlier assessments. This shift underlines our focus on female financial empowerment and property rights.

Sustainability & Climate Action

- UGRO Capital has funded 3,369 climate-sector MSMEs (renewable energy, water-sanitation-hygiene, waste management) with a cumulative ₹642 Cr as of December 2024.
- In collaboration with the Danish Investment Fund for Developing Countries (IFU), we received ₹240 Cr in FY 2023–24 to develop climate finance products, enabling MSMEs to adopt cleaner technologies—such as solar panels, energy-efficient machinery, and water-conservation systems.

Digital Transformation

- Survey data shows a 28% increase in MSMEs adopting online sales channels, a 15% rise in digitally sourced procurement, and a 23% shift from cash to digital banking for receivables and payables. This indicates UGRO Capital's role in accelerating tech adoption, which enhances transparency, efficiency, and resilience.

Behind these figures lie hundreds of case studies, of first-generation entrepreneurs using personal savings to launch ventures, only to face credit gaps. UGRO Capital's tailored, data-driven underwriting (leveraging a proprietary UGRO Score, bureau data, GST analyses, and bank statements) has enabled over 42 % of funded MSMEs to earmark ₹11,067 Cr towards capacity expansion and ESG-related interventions. In one account from Chennai, a laser-cutting unit scaled production by 30% after machinery loans were processed within 72 hours. Another from Gujarat showcases a female-owned fabric enterprise doubling its workforce after receiving digital collateral financing.

Through these combined quantitative and human-centric perspectives, the UGRO Impact section underscores our commitment to bridging India's formal credit gap (currently estimated at ₹1,03,000 Cr) by championing 135,000+ MSMEs—catalysing growth, creating jobs, and uplifting entire communities.

UGRO | ESG Approach: Finance Rooted in Responsibility

At the heart of UGRO Capital's mission is responsible finance. Our Environmental, Social, and Governance (ESG) approach integrates sustainability and ethical considerations throughout the loan lifecycle from borrower identification to ongoing portfolio monitoring.

Governance & Exclusion Criteria:

UGRO Capital upholds a strict Exclusion List, refusing financing to businesses involved in:

- Production or trade of weapons, munitions, or tobacco.
- Child or forced labour, unbonded asbestos, radioactive materials (unless licensed), gambling, and certain marine activities (e.g., drift-net fishing).

High-risk sectors are automatically declined; medium-risk applications undergo enhanced due diligence, while low-risk transactions proceed after standard ESG checks. Every loan file passes through an ESG scorecard that weighs parameters such as industry risk profile, borrower's environmental compliance history, gender inclusivity, and community impact.

Integration Across Operations:

- **Onboarding & Underwriting:** All new borrowers complete an ESG questionnaire during the application, capturing data points on energy usage, waste disposal practices, labour standards, and social initiatives. Loan officers are trained to identify red flags (e.g., non-compliance with local pollution control regulations).
- **Monitoring & Engagement:** Post-disbursal, UGRO Capital tracks selected ESG metrics (e.g., percentage of renewable energy installed, water-savings achieved) through quarterly reviews. Borrowers in sectors such as chemicals, auto components, or hospitality are prioritised for guidance on cleaner alternatives.
- **Stakeholder Feedback:** Annual stakeholder consultations (including community leaders, regulators, and investors) inform updates to our ESG framework. In FY 2024–25, this process led to the addition of water-stress assessments for Maharashtra and Tamil Nadu branches, where Scope 2 emissions per branch averaged 82.81 tCO_2e and 184.66 tCO_2e respectively, well above national averages.

Achievements & Metrics:

- 42 % of MSMEs funded have invested in at least one ESG initiative ranging from installing LED lighting to adopting solar hybrid systems.
- Over 10 "Green Anchors" (large corporate partners) and 70+ OEM alliances have been established to ensure that green technology financing is supported by technical expertise.
- Our internal ESG compliance score stands at 88 % for FY 2024–25, reflecting improvements in borrower screening and portfolio health.

Looking ahead, UGRO Capital will deepen its ESG lens by piloting sectoral decarbonisation roadmaps, for instance, partnering with local electricity regulators in Gujarat to provide subsidised solar installation for MSMEs. We also plan to roll out an "ESG Accelerator" program that will offer capacity-building workshops on wastewater management for food-processing and textile units. By embedding ESG into our core processes, UGRO Capital not only mitigates risk but actively fosters sustainable growth across India's MSME ecosystem.

UGRO Capital | Alignment with UN SDGs

UGRO Capital explicitly aligns its strategy with the United Nations' Sustainable Development Goals (SDGs). We have mapped our lending and engagement priorities to 11 of the 17 SDGs, ensuring that every rupee deployed advances measurable development targets.

UN SDG	TARGET IMPACT	MEASUREMENT	IMPACT ACHIEVED
	5.a Give women the opportunity to have equal access to ownership, and control over property, inheritance, and other resources	- Percentage of female borrowers who are women entrepreneurs - Percentage of female borrowers who are owners or co-owners	- 9% of the total portfolio is being held by women borrowers - 76% of female borrowers are owners or part owners
	8.1 Sustain per capita economic growth	Increase in revenue of borrowers (based on impact survey)	88% of the customers interviewed have reported an increase in revenue
	8.2 Achieve higher levels of economic productivity through technology upgrade	Number and AUM of entities being funded for machinery upgrade	- AUM - ₹ 1500 crore - Entities lent to – 4,805
	8.3 Support the growth of MSMEs through access to financial services	Percentage of number of active borrowers who have taken additional loans after taking a loan from UGRO Capital	- 44% of customers have taken additional loans after taking a loan from UGRO Capital - 36% of total AUM pertains to AUM co-lent with large banks/NBFCs
	8.10 Strengthen the capacity of domestic FI's to expand the access to financial services	Percentage of total AUM with large banks/NBFCs	44% of loans are co-lent
	10.2 Empower and promote the social, economic, and political inclusion of all, irrespective of age, sex or status	Number and AUM of portfolio pertaining to Em branches (branches located in Tier 3 and beyond geographies)	- 201 branches in EM markets - ₹ 2,073 crore in EM branches
	10.b Encourage official development assistance and financial flows, including foreign investment, in India's states where the need is greatest	AUM from overseas investors	₹ 1,000 crore (including eq comm by Samena and Aregence)

UN SDG	TARGET IMPACT	MEASUREMENT	IMPACT ACHIEVED
	9.3 Increase the access of SMEs to financial services, including affordable credit	- Total number of customers - Total AUM	- 135,000 total active borrowers - ₹ 11,067 crore AUM
	9.4 Upgrade of infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and clean technologies and processes	AUM for Solar, EVs and other clean technologies	₹ 374.03 AUM belongs to Solar, EVs and other clean technologies
	3.8 Increase accessibility to health coverage	AUM and borrowers in the healthcare industry	- ₹ 430 crore - 1,692 borrowers
	6.1 Increase accessibility to clean water	AUM and borrowers engaged in the clean water and sanitation industry	- ₹ 268 crore - 1,086 borrowers
	7.2 Increase the share of renewable energy in the Indian energy mix	AUM and borrowers in the clean energy industry	- ₹ 374.03 crore - 2,283 borrowers
	4.a Build and upgrade education facilities and provide inclusive and effective learning environments for all	AUM and borrowers in the education industry	- ₹ 102 crore - 189 borrowers

The ESG Impact Report includes data up to January 31, 2025, and does not cover the full financial year ending March 31, 2025.

By embedding these global goals into our strategic roadmap, UGRO Capital ensures that its growth trajectory not only drives shareholder value but also contributes meaningfully to national development objectives.

Scope Emissions | Portfolio Emissions: Measuring Our Climate Impact

Recognising that financing activities carry inherent environmental consequences, UGRO Capital has begun systematically measuring its operational (Scope 1 & 2) and financed (Scope 3) greenhouse gas emissions. This dual-track approach aligns with the Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF) and helps us identify high-impact sectors for decarbonisation interventions.

Scope 1 & 2 (Operational Emissions):

- Because all UGRO Capital branches and corporate offices operate out of leased facilities, **Scope 1 emissions** (direct fuel combustion) are negligible, and we report none.
- **Scope 2 emissions** (indirect emissions from purchased electricity) are calculated via a location-based methodology:
  1. **Data Collection:** Electricity consumption data from each branch and office.
  2. **Emission Factor Application:** State-level grid emission factors sourced from local regulators (e.g., Maharashtra: 0.79 tCO_2/MWh; Tamil Nadu: 0.72 tCO_2/MWh).
  3. **Calculation:** Total MWh × Emission Factor per location.
- **State-Wise Highlights (FY 2024 – 25):**
  - Maharashtra (244.61 tCO_2e), Tamil Nadu (184.66 tCO_2e), and Delhi (165.62 tCO_2e) have the highest aggregate Scope 2 footprint, reflecting a larger branch network and higher energy intensity.
  - In contrast, Madhya Pradesh (11.12 tCO_2e) and Chhattisgarh (8.90 tCO_2e) have lower emissions due to fewer branches and lower grid emission factors.
  - On a per-branch basis, Delhi averages 29.14 tCO_2e, while Karnataka's branches average 8.90 tCO_2e—highlighting the need for energy audits and LED/upgradation programs in high-intensity states.

Scope 3 (Portfolio Emissions):

- **Methodology:** UGRO Capital follows the PCAF guidelines to calculate financed emissions (Category 15: Investments). Key steps include:
  1. **Sample Selection & EVIC Calculation:** From our borrower universe (~135,000 MSMEs), we randomly sampled 17,030 entities across ten sectors. For each sample, EVIC (Exposure Value of Individual Companies) = (Outstanding Loan Amount / Total Debt Payable).
  2. **Sector Emission Factor Assignment:** Each borrower is mapped to NAICS-6 codes; emission factors are sourced from the "Supply Chain GHG Emission Factors v1.3" database.
  3. **Sample Emissions Computation:** EVIC × Sector Emission Factor × Reported Revenue (as a proxy where detailed activity data was missing).
  4. **Extrapolation:** Average sector emissions are multiplied by the total number of UGRO Capital-funded borrowers in that sector to derive full portfolio emissions.
- **Sector Breakdown (Actual Emissions, tCO_2e):**
  - Light Engineering: 761.0
  - Chemicals: 439.2
  - Auto Components: 359.2
  - Food Processing: 311.1
  - Others (including retail, textiles, small manufacturing): 617.6
  - Total Portfolio Emissions: 2,695.0 tCO_2e
- **Uncertainty Management:** A uniform 20 % uncertainty factor is applied to account for estimation errors (e.g., missing sector data or outdated financials). Borrowers lacking NAICS codes are assigned a miscellaneous emission factor of 0.18 tCO_2e per unit revenue, ensuring no entity is excluded.

- In normalised terms (emissions per ₹1,000 crore AUM), UGRO Capital's combined Scope 1 + 2 intensity stands at 0.118 tCO_2e/₹1,000 Cr AUM. This study and insights have prompted UGRO Capital to:
  - Engage high-emission borrowers (e.g., chemicals, light engineering) in targeted decarbonisation programs.
  - Offer green refinancing options with preferential rates for clean-energy equipment.
  - Partner with local renewable energy providers to pilot on-site solar installations at select branches, aiming to achieve a 15 % reduction in Scope 2 emissions by FY 2025–26.
- By transparently measuring both operational and financed emissions, UGRO Capital is able to set data-driven decarbonisation goals and support MSMEs on their low-carbon transition journey.

The Real Impact : Listening, Learning, Leading

Our field teams conducted 508 detailed borrower interviews to capture on-ground realities. Key findings include:

- **First-Generation Entrepreneurs (78%):** The majority of respondents (78%) are first-generation business owners who often began with personal savings. They cited limited access to formal credit as a primary hurdle until their engagement with UGRO Capital.
- **Business Demographics:** On average, 55% of surveyed MSMEs had educational qualifications of graduate level or higher yet lacked traditional collateral. Sixty-one percent reported no prior borrowing history. Ownership structures were split: 36% partnerships, 37% private limited, and 27% sole proprietorships.
- **Revenue Growth Distribution:**
  - 49% of respondents saw revenue increases of 0–10%
  - 16% saw 11–20% growth
  - 5% achieved 21–30% growth post-loan
- **Digital Adoption:** Before UGRO Capital loans, 0% of these MSMEs leveraged e-commerce platforms; after financing, 28% expanded into online marketplaces. Similarly, digital payments adoption rose from 0% to 23%.

Customer Experience & Satisfaction:

- 85% of borrowers rated UGRO Capital's loan terms as fair and supportive.
- 84% gave a 4 or 5 rating for documentation ease; 82 % would recommend UGRO Capital to peers.
- 59% commended customer care responsiveness, while 52% rated application processes highly, with ongoing improvements planned to push satisfaction above 75% in FY 2025–26.

Way Forward:

- **Deepening Rural Outreach:**
  - Plan to open 50 additional emerging market-branches in Tier 4 and Tier 5 regions by Q3 2025, targeting villages with no formal banking presence.
  - Deploy mobile banking vans equipped with digital onboarding kiosks to serve MSMEs in remote pockets.
- **Scaling Climate Finance:**
  - Aim to increase climate-sector AUM to ₹1,000 crore by March 2027, up from ₹642 crore in FY 2024–25.
  - Liaise with multilateral partners (e.g., IFU, ADB) to design blended finance products that reduce the cost of capital for green MSMEs.
- **Accelerating Digital Platforms:**
  - Launch a next-gen UGRO app (Q2 2025) featuring instant credit decisions (via AI models), an e-sign facility, and in-app portfolio tracking.
  - Integrate real-time GST and e-way-bill analytics to further streamline underwriting, reducing turnarounds from 48 hours to under 24 hours.
- **Enhancing ESG Engagement:**
  - Roll out "ESG in Action" workshops across 10 high-concentration states to educate borrowers on energy audits, waste management, and gender-inclusive hiring.
  - Introduce a "Green Discount" on interest rates for MSMEs that achieve > 20% reduction in Scope 3 emissions year-on-year.

- **Continuous Impact Monitoring:**
  - Implement a cloud-based Impact Dashboard by Q3 2025, enabling real-time tracking of key metrics (SDG alignment, emissions, job numbers, gender ratios).
  - Commission an annual third-party audit of our Social Impact Assessment to ensure data integrity and accountability.

Through these initiatives, UGRO Capital reaffirms its mission to not only finance MSMEs but to actively participate in their journey toward growth, sustainability, and resilience. Our commitment remains steadfast: every rupee of credit should catalyse meaningful, measurable change across India's MSME landscape.

MSME SAMPARK

Exploring the next phase of MSME financing in India

The third edition of ***MSME Sampark*** builds upon earlier installments to elevate the discourse further by exploring the next phase of MSME financing in India. Launched as a semi-annual knowledge practice by UGRO Capital in partnership with Dun & Bradstreet India, this edition leverages data from over 45,000 enterprises spanning 2021–2024. Its primary objectives are to:

- Demonstrate MSMEs' resilience post-pandemic, noting that approximately 64 percent had resumed operations and 54 percent reported year-on-year growth of over 10 percent by September 2024.
- Analyse credit dynamics, highlighting how timely access to finance catalyses revenue growth, even as lending practices show caution.
- Offer sector-specific insights across seven key industries - Light Engineering, Food Processing, Electrical Equipment, Chemicals, Auto Components, Hospitality, and Healthcare to equip stakeholders with actionable recommendations.
- Advocate policy interventions and targeted solutions, reinforcing UGRO Capital's commitment to empowering MSMEs through the right financial solutions, insights, and policy advocacy that drive their sustained growth.

Compared to the second edition which emphasised co-lending and broader sectoral recommendations, the third edition delves deeper into nuanced trends such as moderation in total loan disbursements, a rising share of working-capital financing, and formalisation metrics, highlighting both challenges and avenues for NBFCs to bridge credit gaps.

Current Landscape of MSMEs

Macroeconomic & Business Environment

- **Global Backdrop:** Despite lingering uncertainties like geopolitical tensions, trade policy shifts, and uneven regional recoveries, the global economy was projected to grow around 3 percent in 2025. Developed economies began easing monetary policy in late 2024, yet policy rates remained above pre-COVID levels, keeping financial conditions relatively tight. Food inflation, especially in developing economies, stayed elevated, impacting low-income markets.
- **India's Growth Trajectory:** India sustained its position as the fastest-growing major economy, with GDP growth moderating from over 7 percent in FY24 to an estimated 6.5 percent in FY25. Urban demand showed signs of weakening due to elevated food inflation and slower corporate wage growth, while rural demand remained buoyant. Overall, private consumption, gross capital formation, and exports underpinned expansion, even as industrial output in mining and construction lagged.

MSME Contribution & Formalisation

- **GDP & Exports:** MSMEs' share of India's GDP rose from 27.3 percent in FY21 to 30.1 percent in FY23. In FY24, MSME-manufactured products accounted for 45.7 percent of India's exports, growing despite a 3 percent contraction in overall merchandise exports. Between April and December 2024 (FY25), MSME exports had tripled compared to FY21 levels.
- **UDYAM Registrations & Investments:** UDYAM registrations nearly doubled year-on-year since FY21, signalling rapid formalisation; UDYAM-

registered MSMEs generated over 9,500 jobs in FY24. Small enterprises advancing to medium rose fivefold from July 2020 to July 2024; micro to medium grew threefold. Investments by registered MSMEs surged 61 percent in FY22, moderated to 22 percent in FY23, and stabilised at 23 percent in FY24, underscoring sustained confidence in scaling operations despite tighter financial conditions.

- **Asset Quality:** By September 2024, scheduled commercial banks (SCBs) gross non-performing asset (GNPA) ratios fell to 2.4 percent for large borrowers and 2.2 percent for MSMEs—down from 12.8 percent and 11 percent respectively in March 2020. This improvement was partly driven by write-offs (SCBs wrote off ₹9.9 trillion between FY20 and FY24, including ₹1.09 trillion in MSE loans), though rising private-bank write-offs highlight underwriting concerns and potential hidden stress.

Credit Environment & Borrowing Patterns

- **Credit Growth:** Non-food credit growth decelerated from 20 percent in May 2024 to 11 percent by November 2024. Credit to micro and small enterprises fell from 15.5 percent (May 2024) to 10.1 percent (November 2024), while medium enterprises' credit growth accelerated from 12.6 percent (June 2024) to 20.0 percent (November 2024). Large-business credit remained stable; services sectors (transport, hospitality, real estate) saw slower off-take. Sectoral risk ratings indicated an overall improvement in MSME risk profiles, albeit slower for construction, accommodation, food services, transport, trade, media, and telecom.

- **Formalisation & Financial Health:** Among surveyed MSMEs, lower cash-to-turnover and debt-to-turnover ratios especially for businesses with turnover above ₹20 crore signal rising formalisation and more efficient financial management. Working-capital loans gained a share, reflecting a preference for short-term financing amid planning uncertainties. Crucially, timely access to credit correlated strongly with revenue growth: MSMEs receiving timely higher credit showed significantly higher turnover increases, regardless of size.

- **Sentiment & Outlook:** Dun & Bradstreet India's surveys revealed waning optimism among large and medium enterprises about domestic growth in Q1 2025 vs. Q4 2024, while small firms remained relatively positive. Concerns over high borrowing costs and softening export demand dampened medium firms' capital-expenditure (CapEx) plans, though large firms regained confidence as global inflation eased and potential monetary easing on the horizon. Small enterprises showed modest CapEx optimism but remained wary of financial risks.

Key Highlights of the Report

- **Operational Resumption & Growth:** By September 2024, 64 percent of surveyed MSMEs had resumed operations, and 54 percent reported year-on-year revenue growth over 10 percent.

- **Moderating Disbursements & Shift to Working Capital:** While total loan disbursals moderated in 2024, working-capital loans increased in share, indicating prioritised short-term liquidity. Light Engineering, Food Processing, Electrical Equipment, and Chemicals were the largest borrowing sectors in Q1–Q3 2024. B2C enterprises generally borrowed less new debt than B2B peers, except in Auto Components and Hospitality.

- **Asset Quality & Write-Offs:** SCBs' GNPA ratios hit multi-year lows (2.4 percent for large borrowers; 2.2 percent for MSMEs) by September 2024, yet ₹9.9 trillion in write-offs (₹1.09 trillion in MSE loans) between FY20 and FY24 underscore the role of write-offs in masking underlying stress.

- **Formalization Acceleration:** UDYAM registrations nearly doubled annually since FY21. From July 2020 to July 2024, small to medium transitions rose fivefold, micro to medium tripled. Investments by registered MSMEs peaked at 61 percent growth (FY22), then moderated to 22 percent (FY23) and 23 percent (FY24), driving lower cash-to-turnover and debt-to-turnover ratios.

- **Sectoral Risk Divergence:** Despite moderation in credit growth for some segments (e.g., construction, hospitality), Dun & Bradstreet's sector risk ratings improved overall. Light Engineering, Food Processing, and Electrical Equipment exhibited robust demand even as disbursals became more conservative.

- **Enterprise-Size Sentiment Split:** Large firms regained CapEx optimism as monetary policy signalled easing, whereas medium enterprises remained cautious on investments. Small firms saw marginal improvements in CapEx outlook but were concerned about borrowing costs.

Sector Highlights

Light Engineering

- **Budget & Policy:** National Manufacturing Mission support; reduced import duties on stainless steel/EV components to boost domestic competitiveness under "Make in India".
- **Financials:** Revenue growth decelerated from 19 percent y/y (FY23) to 4 percent y/y (FY24) due to procurement delays. EBITDA margins held at 11–14 percent. Interest coverage improved from 4.6× to 5.2×; DSCR from 0.6× to 0.7×. Working capital cycle lengthened from 117 to 124 days; cash-flow coverage declined from 40 percent to 22 percent.
- **Outlook:** Modest growth is projected for FY25, driven by increased localisation, automation investments, and sustained infrastructure spending.

Food Processing

- **Budget & Policy:** FY26 BE for food processing increased 56 percent to ₹44 billion; PLI allocations rose 71 percent to ₹12 billion. New National Institute of Food Technology in Bihar; ₹1 billion Makhana Board to strengthen value chains.
- **Financials:** Revenue improved from -4 percent y/y (FY23) to 0 percent y/y (FY24). EBITDA margins expanded from 6 percent to 10 percent due to lower raw-material costs. Interest coverage fell from 3.0× to 2.5×; DSCR remained at 0.3×. Working capital cycle lengthened from 73 to 83 days; the turnover ratio dropped from 16.8× to 11.2×.
- **Outlook:** Normal monsoon in FY25, along with rising rural demand and continued government support, is expected to fuel further growth.

Electrical Machinery & Equipment

- **Budget & Policy:** Duties reduced on wind turbines, smart meters (25 percent to 20 percent), and Ethernet switches (20 percent to 10 percent) to boost clean tech and digital infrastructure.
- **Financials:** Revenue growth steady at 16 percent y/y (FY23 & FY24). EBITDA margins at ~12 percent. Interest coverage declined from 5.7× to 3.8×; DSCR improved from 0.4× to 0.6×. Working-capital cycle extended from 116 to 129 days; the working-capital-to-revenue ratio rose slightly.
- **Outlook:** Despite potential disruptions (elections, regulatory changes), sustained domestic and external demand—especially in renewables—should support continued growth.

Chemicals

- **Budget & Policy:** Additional urea plant planned in Assam; reduced import duties extended till 2027; clean-tech segments like electrolysers and batteries to benefit from National Manufacturing Mission. The National Action Plan for Toys is aiding the specialty chemicals segment.
- **Financials:** Revenue stalled at 0 percent y/y (FY24) amid Chinese oversupply and raw-material volatility. EBITDA margins improved from 11 percent to 13 percent due to better realisations. Interest coverage eased from 5.7× to 5.3×; DSCR from 0.7× to 0.8×. Working capital cycle lengthened from 93 to 103 days.
- **Outlook:** Benefiting from "China + 1" and "EU + 1" strategies, FY25 forecasts point to stronger revenue and profitability, aided by lower Chinese imports and export prospects.

Auto Components

- **Budget & Policy:** PLI allocation of ₹8 billion (eightfold increase over FY25); ₹29.7 billion for Automobile PLI; enhanced EV funding (PM E-DRIVE, SMEC); customs duty exemptions on key EV battery inputs; reduced duties on motorcycles and bicycles to drive localisation.
- **Financials:** Revenue growth moderated from 21 percent year-on-year in FY23 to 10 percent in FY24, impacted by subdued vehicle demand and export-related challenges.
- EBITDA margins rose from 9 percent to 11 percent due to supply chain normalisation and lower raw-material costs. Interest coverage edged from 7.4× to 7.5×; DSCR from 0.7× to 0.8×. Working-capital cycle slightly stretched from 78 to 80 days.
- **Outlook:** Growth in FY25 is expected from stable domestic OEM demand and aftermarket sales; export volumes may remain pressured, but EV component focus and PLI incentives should drive investment.

Hospitality

- **Budget & Policy:** Benefits derived indirectly via tourism infrastructure allocations under PM Vishwakarma and economic stimulus packages.
- **Financials:** Revenue growth moderated from 103 percent y/y (FY23) to 8 percent y/y (FY24) due to base effects. EBITDA margins fell from 33 percent to 13 percent amid rising operating costs. Interest coverage weakened from 2.9× to 2.5×; DSCR improved from 1.0× to 1.3×. The operating cash-flow ratio climbed from 35 percent to 38 percent; working capital cycle improved from -56 to -65 days, reflecting higher reliance on supplier credit and efficient receivables/creditor days.
- **Outlook:** High single-digit growth in FY25 is anticipated, driven by robust domestic leisure travel, a revival in MICE and business travel, and rising foreign tourist arrivals amid constrained supply growth.

Healthcare

- **Budget & Policy:** Total health allocation up 12 percent to ₹983 billion (FY26 BE); PM Ayushman Bharat Health Infrastructure Mission (PMABHIM) up 40 percent to ₹42 billion; district-level infrastructure investments under DAJGUA.

- **Financials:** Sample MSME healthcare enterprises (pharmacies, diagnostics, small hospitals) saw 9 percent y/y revenue growth (FY24), driven by elective surgeries, revived medical tourism, and strong bed occupancy. EBITDA margins near 15 percent due to centralised procurement and digitisation. Median Debt/Equity eased from 1.7× (FY23) to 1.6× (FY24). Operating cash flow metrics improved as insurance and digital collections stabilised; working capital resilience noted among smaller enterprises despite tighter credit.

- **Outlook:** Continued FY25 growth expected with government health-infrastructure spending and insurance adoption rising; digital health platforms and telemedicine to expand rural reach.

The third edition of *MSME Sampark* reaffirms that India's MSMEs are both resilient and adaptive amid evolving macroeconomic headwinds and tighter credit conditions. Key takeaways include:

- **Post-Pandemic Resurgence:** Over 64 percent of MSMEs resumed operations, with more than half posting robust revenue growth, underscoring a solid recovery.

- **Credit Moderation & Formalisation:** While loan disbursements moderated in 2024, working capital financing gained prominence. Concurrently, formalization evidenced by UDYAM registrations and declining cash-to-turnover ratios signals more efficient financial management across sectors.

- **Asset Quality Improvements Amid Caution:** SCBs' GNPA ratios for MSMEs declined to multi-year lows, though rising write-offs highlight underlying stress. NBFCs and banks must balance prudent underwriting with opportunities to address under-served segments.

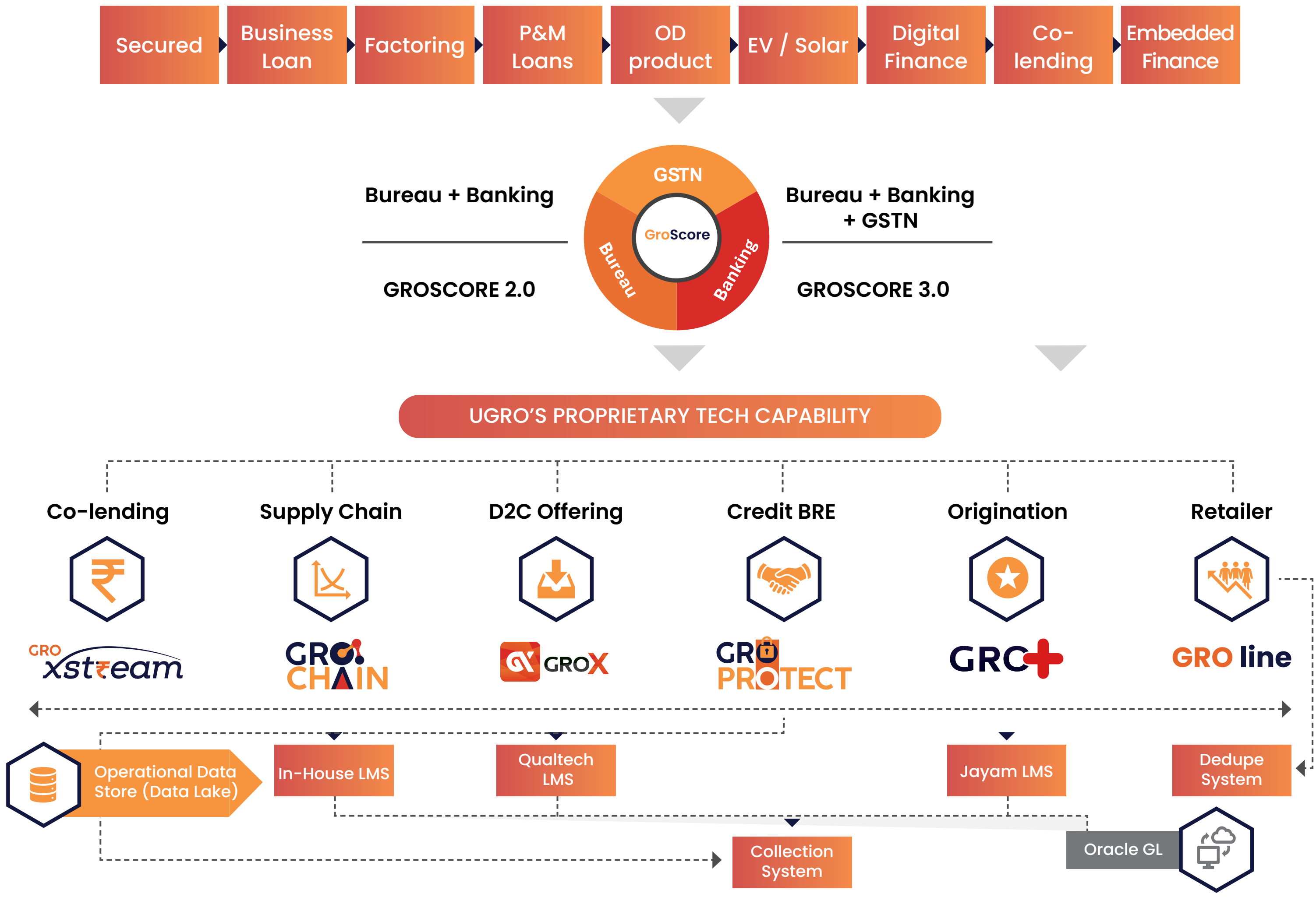
- **Sectoral Divergence:** Sectors like Electrical Equipment and Chemicals show strong credit uptake and growth, while Hospitality faces margin pressures. Targeted policy support - PLI incentives, infrastructure investments (food processing, healthcare) is critical to sustaining sectoral momentum.

- **Outlook for FY26 & Beyond:** As India pursues its "Developed Nation by 2047" vision, MSMEs will be pivotal in job creation, export competitiveness, and inclusive growth. Continued policy focus through expanded credit-guarantee schemes, deep-tech funds and UDYAM incentives will unlock the next phase of MSME financing and formalisation.

This data-driven, sectoral, and policy-oriented analysis offers UGRO Capital's stakeholders and the broader MSME ecosystem a comprehensive roadmap to navigate current challenges and capitalise on emerging opportunities in India's MSME lending landscape.

TECHNOLOGY

Our System Architecture supports full SME lending



BANKING PARTNERS

Karur Vysya Bank, UCO Bank, SBI, Central Bank of India, sidbi, Yubi, Knight Fintech, Karnataka Bank, Bank of Baroda

A FEW KEY API ECOSYSTEM PARTNERS

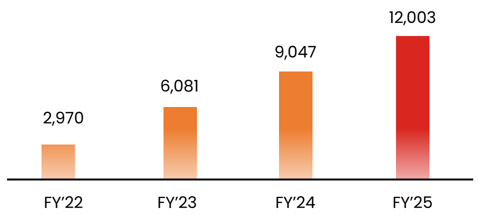
Riskcovry, Perfios, Karza, Namaste Credit, scoreme, experian, IDfy, CIBIL Part of TransUnion, Leegality, nupay, anumati, DigiLocker, dun & bradstreet

DEVELOPMENT PARTNERS

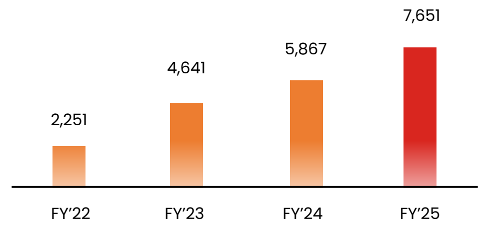
DECIMAL, qualtech, nupay, BAJAJ, JAYAM

PORTFOLIO COMPOSITION

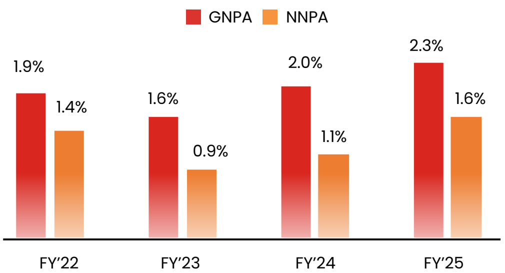
AUM (INR Cr)



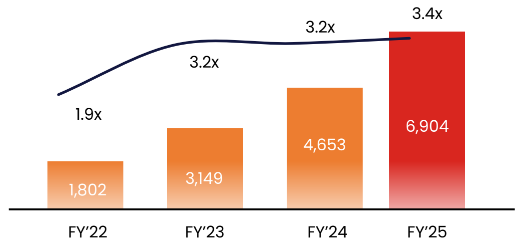
Gross Disbursals (INR Cr)



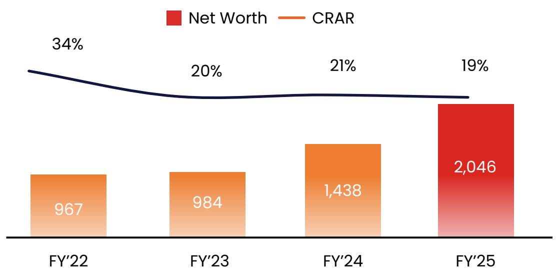
GNPA and NNPA (As % of AUM)



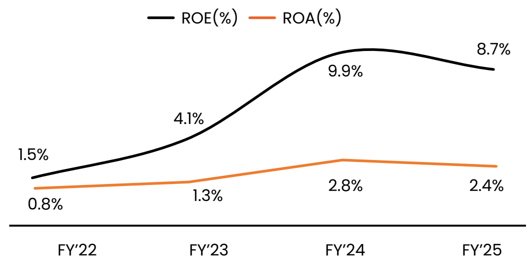
Total Debt (INR Cr) & Leverage Ratio



Net Worth (INR Cr) & CRAR

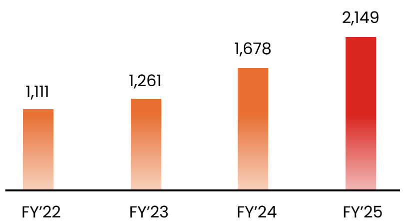


ROE(%)¹ and ROA(%)

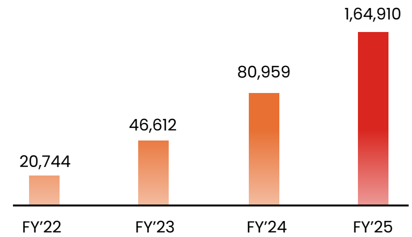


1. Excluding Equity components of CCDs

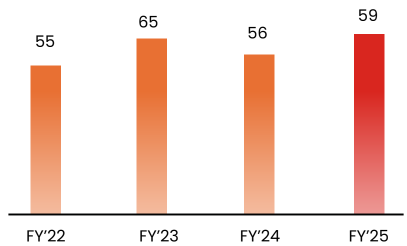
No. of Employees



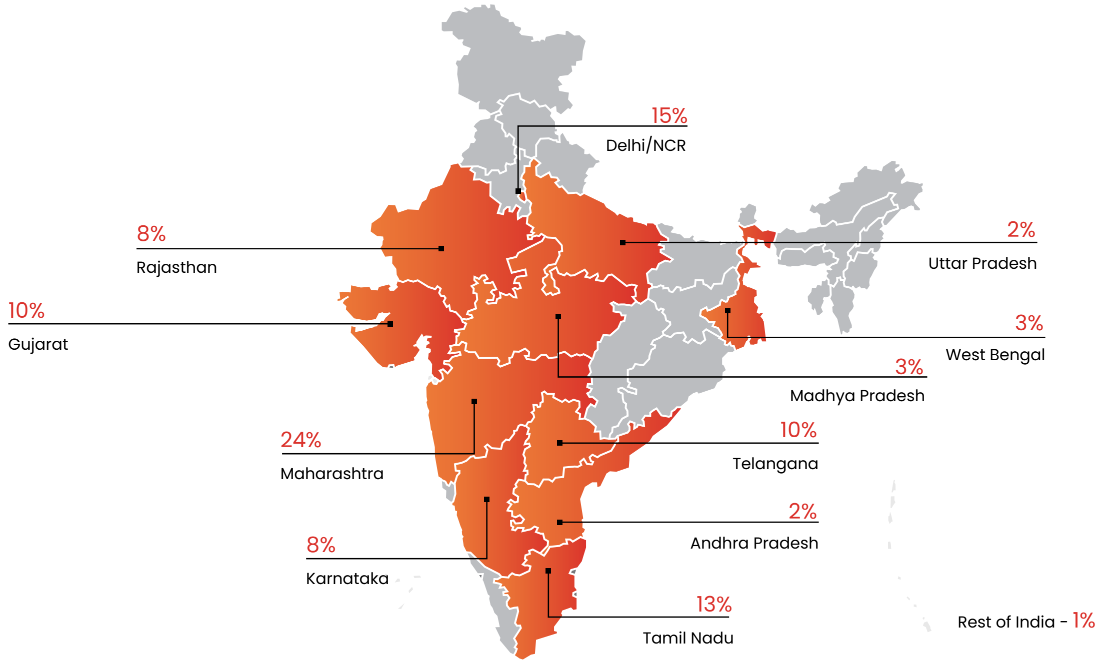
No. of Customers



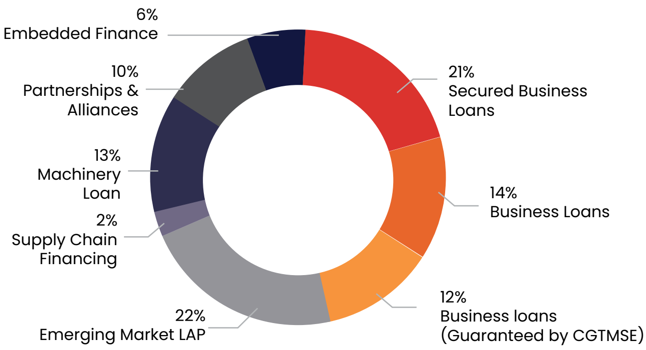
Count of Lenders



Geographical Mix



Product Mix

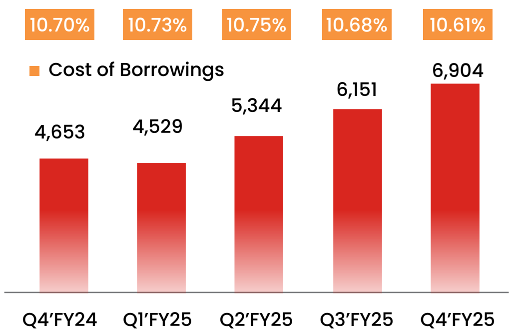


Product category	Collateral type	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loan	Property	2,479	14.1%	84
Business Loan	CGTMSE	3,153	18.8%	19
Emerging Market Loan	Property	2,596	19.0%	16
Supply Chain Financing	Receivables	274	15.1%	18
Machinery Loan	Machinery	1,577	14.6%	36
Partnerships & Alliances	FLDG	1,181	15.4%	4
Embedded Finance	-	743	26.0%	1
Grand Total		**12,003**	**17.3%**	

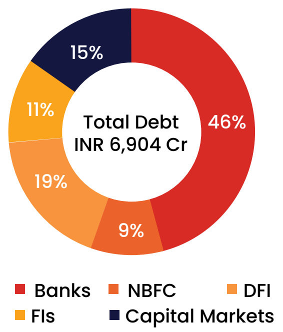
LIABILITY AND CO-LENDING

Diversified Lender base and continued build-out of liability book

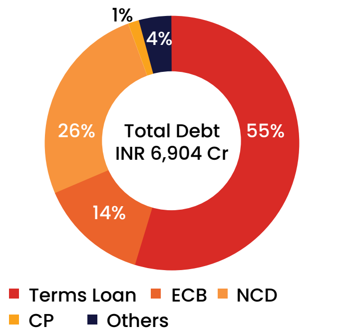
Total Debt (INR Cr) and Cost of borrowings



Liability mix by lender profile



Liability mix by product



(Others includes CCD, Sub-debt, CC/OD & Securitization)

Our liability sanctions have been raised from a diverse set of lenders

Public Sector Banks and institutions

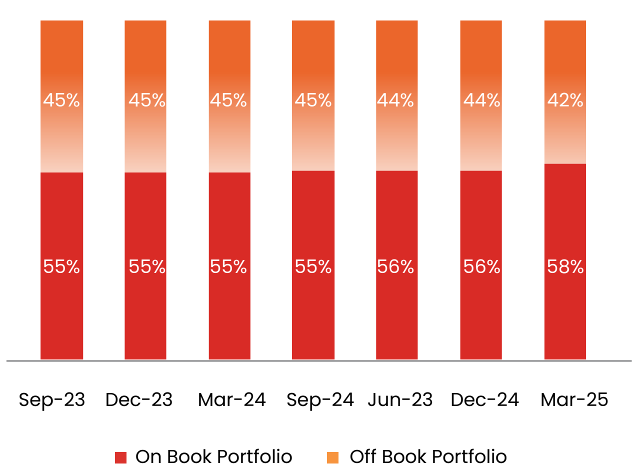
Private Sector Banks

DFI

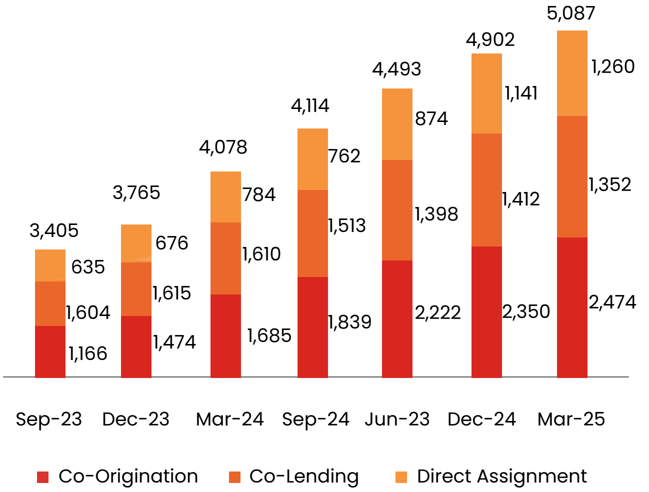
SFBs and NBFCs

Our Co Lending platform continues to show strong momentum

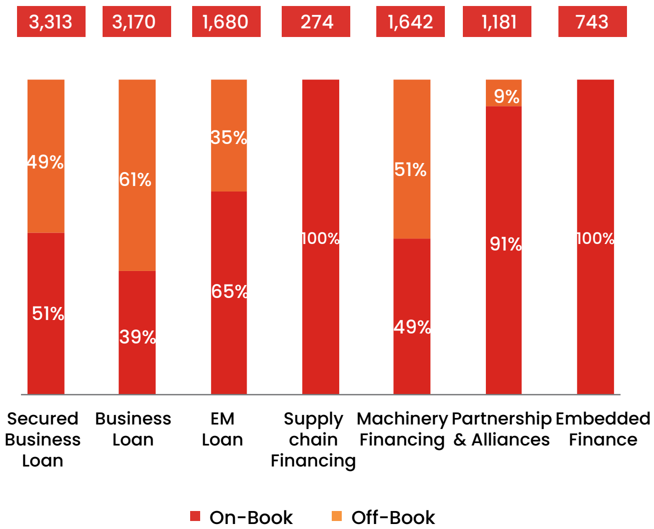
Split of On-Book and Off-Book AUM

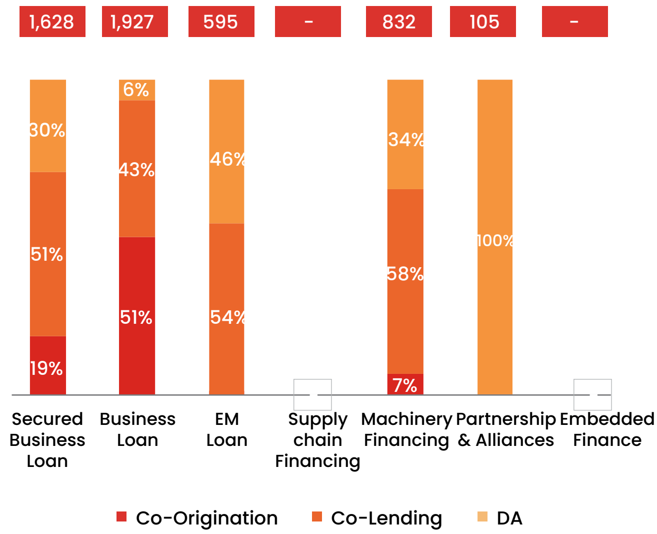


Off-Book AUM Split



Product wise Mix of Off - Book AUM

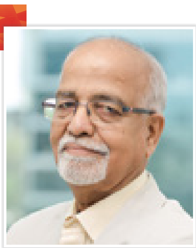




Co-origination with NBFCs with avg. FLDG of 5%
Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Emerging Market Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances is secured by FLDG

Co-lending Partnership with 7 Banks and 6 NBFCs

BOARD OF DIRECTORS



MR. SATYANANDA MISHRA | *Non-Executive Chairman and Independent Director*

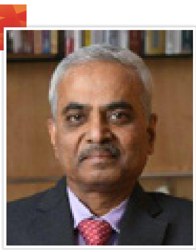
Mr. Mishra, who served as the Chief Information Commissioner of India from December 2010 to September 2013, boasts an illustrious career spanning over 40 years in the Indian Administrative Services (batch of 1973). He was the Chairman and Non-Executive Independent Director of the Multi Commodity Exchange of India Limited from November 2013 till November 2016. Additionally, he held the position of Director at the Small Industries Development Bank of India until 2018, and as the Development Commissioner for Small Scale Industries in the Government of India. Notably, during his tenure as Chief Information Commissioner, Mr. Mishra spearheaded initiatives to enhance transparency in politics, notably holding political parties accountable under the Right to Information Act. His extensive governmental experience also includes serving as Secretary for various departments such as the Department of Personnel & Training (DoPT), Public Works Department (PWD), and Department of Culture (MP Government).

MR. SHACHINDRA NATH | *Vice Chairman & Managing Director*

Mr. Nath, the Founder and Managing Director at UGRO Capital, transitioned into the role of an entrepreneur by gaining control of Chokhani Securities Limited, a listed NBFC, in 2018 and making it UGRO Capital Limited. Before this venture, Mr. Nath played pivotal roles in establishing Insurance Companies, Global Asset Management Businesses, Capital Market, and Lending Institutions. Over the course of his distinguished career, he has spearheaded the establishment of two insurance companies, a significant asset management entity, and an NBFC. Among his notable accomplishments are the creation of new business verticals and successful joint ventures and partnerships. Mr. Nath, a qualified lawyer and University Rank Holder from Banaras Hindu University (India), is recognized for his motivational leadership style and hands-on approach, relying on his instincts for decision-making.

MR. KARUPPASAMY SINGAM | *Independent Director*

Mr. Singam's professional journey includes roles as the Executive Director at the Reserve Bank of India and as the RBI Nominee Director at Indian Bank. Currently, he maintains involvement with several influential working groups, notably the High Power Committee on Urban Cooperative Banks, Rating Framework for Urban Cooperative Banks, Cross Border Supervision, and Integrated System of Alert. Additionally, he serves as an Independent Director at Asset Reconstruction Company (India) Limited. Mr. Singam holds a Post Graduate Degree in Economics and is a Certified Associate of the Indian Institute of Bankers, having also earned a Post Graduate Diploma in Bank Management from the National Institute of Bank Management (NIBM).

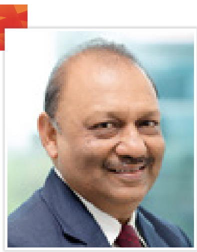


MR. KARNAM SEKAR | *Independent Director*

Mr. Sekar brings extensive expertise in Indian banking, across all facets and levels. His career began as a Probationary Officer with the State Bank of India in 1983, where he steadily progressed to the position of Deputy Managing Director. Notably, he was appointed as Managing Director of a public sector bank, holding the unique distinction of leading two such banks during very critical moments in their history. While serving as Deputy Managing Director at SBI, he played a significant role in board-level discussions at the nation's largest commercial bank for over four years.

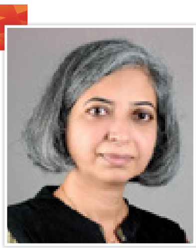
MR. HEMANT BHARGAVA | *Independent Director*

Mr. Bhargava holds a Master's degree in Economics and commenced his professional journey as a direct recruit officer at LIC in 1981, culminating in his retirement as Managing Director in July 2019. Throughout his distinguished 38-year tenure, he navigated various roles within India and abroad, amassing a wealth of experience across diverse areas such as Marketing, Internal Operations, and new ventures. Notably, he served as the inaugural chief of LIC International Operations SBU and played a pivotal role in establishing LIC Cards Services Limited. As Managing Director, and also as Chairman in-charge from January to March 2019, he exhibited visionary leadership, introducing innovative ideas informed by his extensive expertise in overseeing functions such as Marketing, Finance, Personnel, Investments, and Alternative Channels.



MR. RAJEEV KRISHNAMURARILAL AGARWAL | *Independent Director*

Mr. Agarwal possesses nearly three decades of extensive experience in the Indian financial services sector, having held key positions in esteemed organizations such as the Securities and Exchange Board of India, Forward Markets Commission, and Indian Revenue Service. Renowned for his adeptness in cultivating and nurturing relationships within the community, Mr. Agarwal concluded his tenure as a Whole Time Member at SEBI in November 2016. Prior to his role at SEBI, he served as a Member of the Forward Markets Commission (FMC), where he played a crucial role in formulating regulations for the recently liberalized Commodities Markets. Mr. Agarwal is an alumnus of the Indian Revenue Service (Batch of 1983) and the Indian Institute of Technology, Roorkee, holding a Bachelor's degree in Technology.

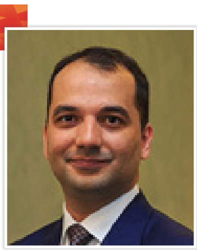


MS. TABASSUM ABDULLA INAMDAR | *Independent Director*

Ms. Inamdar is a highly seasoned and respected Chartered Accountant, with over 25 years of extensive experience in research and analysis in the banking, insurance, and financial sector in India and Asia. As a pioneer in the impact sector, Tabassum founded Tameel, a research initiative specialising in impact strategy research in 2019 and has influenced CSR strategies across India's top conglomerates. Her groundbreaking 7-point framework for successful CSR has been recognized as a foundation for impactful initiatives, and she has applied this framework to analyse companies like Mahindra & Mahindra and ITC. As a member of a committee set up by the Insurance Regulatory and Development Authority of India, she has played a key role in developing a concept paper on standalone micro-insurance companies. She has also held key positions in various organizations, notably, as the Head of State Reform Team at Central Square Foundation, Managing Director and Co-head of the India Research team and Asia Financials team at Goldman Sachs Securities India Private Ltd, and other influential roles at UBS Securities and Kotak Securities etc.

MR. SURESH ESHWARA PRABHALA | *Non-Executive (Nominee) Director*

Mr. Suresh Prabahala co-founded ADV in 2013 and currently serves as its Managing Partner responsible for South Asia investments. He has over 25 years of experience with almost 20 of them in private investing, primarily in India. Prior to co-founding ADV, he was Managing Director and Head of India for Mount Kellett Capital and was a member of Global Investment Committee. He has also previously been an Executive Director and Head of India for J.P. Morgan's Principal Investments Group, where he was also part of the Asia Management Committee. Mr. Prabhala began his career as a credit analyst at CRISIL (S&P 's India affiliate) and had stints at Arthur Andersen and Allegro Capital. He holds an MBA from the Indian Institute of Management in Calcutta and a Bachelor's degree in Mechanical Engineering from Delhi University.



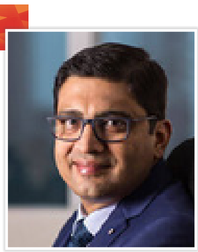
MR. CHETAN GUPTA | *Non-Executive (Nominee) Director*

Mr. Gupta is the Managing Director of Samena Capital Investments Limited in Dubai, focusing on investments within the Special Situations Funds. He is a member of the Board of Directors and Executive Committee at RAK Logistics as well as an Investment Committee member of the Samena Special Situations Funds. His insightful thinking is vested towards balancing the interests of the company, shareholders, and other stakeholders by ensuring long-term growth that is both sustainable and profitable. Prior to Samena Capital, he was an Equity Research Analyst at Tricolour India Fund and a part of the General Electric Financial Management Leadership Program, focusing on financial planning and analysis. He is a Chartered Financial Analyst (AIMR) as well as a Chartered Alternative Investment Analyst. He holds a Master's in Management (Finance) from the University of Mumbai.

MR. ROHIT GOYAL | *Non-Executive (Nominee) Director*

Mr. Goyal is currently working as a Vice President within the global financial services team at IFU, a Danish DFI, working to invest in financial services institutions across emerging markets. He has a cumulative experience of 20 years, of which 15 years have been within the financial services sector. Mr. Goyal has a B-Tech in mechanical engineering from IIT Delhi and is also a CFA charter holder.

MANAGEMENT TEAM



MR. ANUJ PANDEY | *Chief Executive Officer*

Mr. Pandey holds the role of Chief Executive Officer and is one of the founding members of UGRO Capital. His passion lies in leveraging analytics and technology to develop practical risk models that facilitate the creation of new products and programs, ultimately streamlining credit access for MSMEs. With over 26 years of expertise garnered from distinguished firms such as Barclays Bank, ABN AMRO Bank, GSK Consumer, and Religare Finvest, Mr. Pandey brings a wealth of knowledge to his position. He earned his Bachelor's degree in Mechanical Engineering from Thapar University and completed his PGDM from IIM Lucknow.

MR. AMIT MANDE | *Chief Revenue Officer*

Mr. Mande serves as the Chief Revenue Officer at UGRO Capital. Drawing on his extensive background in building profitable businesses spanning asset products and diverse distribution models, coupled with his fervor for technology and agility, he is dedicated to establishing a multi-product, omnichannel MSME lending franchise fueled by digitization and data analytics. Mr. Mande holds the pivotal role of expanding the asset side of the business, overseeing Business and Operations teams across all product verticals. With over 23 years of enriching career experience at esteemed organizations such as Standard Chartered Bank, ABN Amro Bank, Barclays Bank, Capital First, Rattan India Finance, and Mswipe Technologies, he brings a wealth of expertise to his role. Mr. Mande is an alumnus of the Jamnalal Bajaj Institute of Management Studies and holds a degree in Mechanical Engineering from V.J.T.I., Mumbai.

MR. KISHORE LODHA | *Chief Financial Officer*

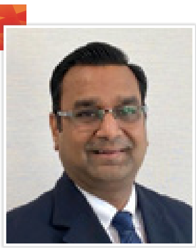
Mr. Lodha serves as the Chief Financial Officer at UGRO Capital, bringing with him a wealth of experience from his tenure at organizations including Future Group and SREI Infrastructure. Prior to joining UGRO Capital, he held the position of Chief Financial Officer at Hinduja Leyland Finance. With a career spanning over 20 years, Mr. Lodha has held various roles in finance, encompassing responsibilities such as managing accounting, taxation, financial control, RBI compliances, and treasury functions. He is a qualified Chartered Accountant by profession.

MR. SUNIL LOTKE | *Chief Legal and Compliance Officer*

Mr. Lotke holds the position of Chief Legal and Compliance Officer at UGRO Capital, serving as the primary liaison with regulators. Previously, he contributed his expertise to InCred Financial Services, overseeing the Legal & Compliance function. Prior to his tenure at InCred, Mr. Lotke held roles at esteemed organizations including the Reliance Group, Future Capital Holdings, IIFL Group, and StarAgri Finance. With 20+ years of diverse experience in Legal, Compliance, and Corporate Secretarial affairs, he possesses specialized knowledge in Financial Services Legislations, Capital Market transactions, Corporate Restructuring, and Securities Regulations. Mr. Lotke is a member of the Institute of Company Secretaries of India and holds a law degree from Mumbai University.

MS. RAJNI KHURANA | *Chief People Officer*

Ms. Khurana is a seasoned human resource professional with 20+ years of experience in global human resources management and strategic business. She has a proven track record in creating platforms for growing organisations, particularly in the financial services sector. In her earlier stint with the company, Rajni was an integral part of UGRO Capital's foundation team, where she played a pivotal role in scaling up the people function and establishing the company's culture, values, and policy framework. She now plays a crucial role in continuing to strengthen UGRO's meritocratic culture, enabling cross-functional synergies, fostering a non-hierarchical environment, and creating a high-performance work culture that can fuel the organisation's ambitious growth plans. Ms. Khurana holds a post-graduate degree in Human Resources Management from MD University, Rohtak.



MR. SHARAD AGARWAL | *Chief Operating Officer*

Mr. Agarwal brings over 26 years of extensive experience in Business, Startups, Fintech, and Operations within the Banking, Financial Services, and Insurance Sector. He has excelled in establishing and leading high-performing functions, steering them to achieve substantial portfolios in dynamic business environments. As a former member of the Gartner Research Forum and a CAPSTONE-certified professional, Mr. Agarwal brings valuable insights and expertise to our team. His core competencies include setting up Fintech organizations, managing startups, designing Enterprise IT and Operations Strategies, and driving digitization initiatives. Mr. Agarwal has a proven track record of scaling businesses from the startup to the growth phase.

QUICK OVERVIEW OF
CSR ACTIVITIES FY25

At UGRO Capital, our commitment to Corporate Social Responsibility (CSR) is rooted in a deep belief that sustainable business growth must go hand-in-hand with societal transformation. Our CSR initiatives are a natural extension of our mission to empower underserved communities, especially those farthest removed from financial and economic inclusion.

In FY25, UGRO Capital partnered with **RightWalk Foundation** to support the **Leap 300 Poverty Elimination Program,** a pioneering initiative that lifts the most vulnerable families out of extreme poverty through a technology-led model combining **unconditional cash transfers with structured micro-entrepreneurship skilling.**

The Leap 300 intervention is designed for India's bottom **70 million,** including **widows, landless, and disabled individuals** residing in the country's poorest villages. These individuals face systemic barriers and generational poverty traps that limit opportunities for education, employment, and financial independence. Leap 300 identifies such households through a robust, tech-enabled selection process and then empowers them through a 300-day structured journey towards self-reliance.

Through this partnership, **11 families** (benefitting approximately **55 individuals**) have been enabled to start thriving **micro-enterprises** in one of five high-success livelihood categories:

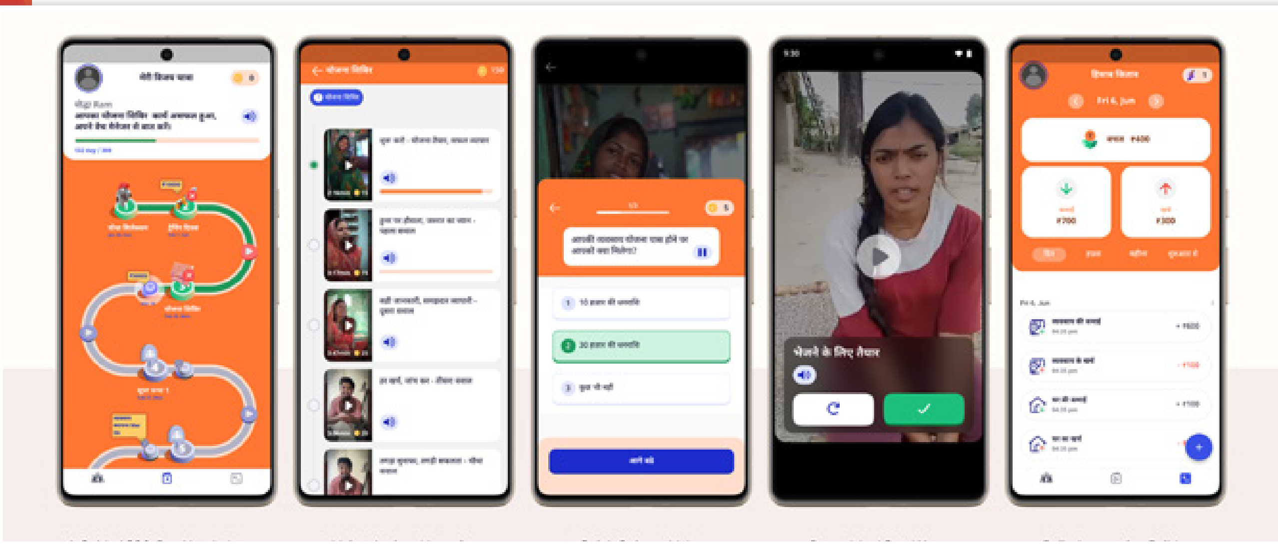
Each beneficiary receives a micro-entrepreneurship grant and is enrolled in an intensive, hybrid training program featuring:

- India's **first voice-assisted, local-language Learning Management System (LMS)** for illiterate learners
- A series of **9 physical workshops** across the 300-day journey
- **Ongoing digital support** in financial literacy, market linkages, government scheme navigation, and bookkeeping

This partnership reflects UGRO Capital's belief that **economic empowerment is the most powerful form of social equity.** By enabling ultra-poor households to become self-sufficient business owners, this initiative advances the larger goals of inclusive development, financial independence, and human dignity.

Through this transformative CSR effort, UGRO Capital is not just supporting livelihoods—we are helping rewrite the futures of entire families and contributing to the eradication of generational poverty. Our continued CSR focus will remain aligned with our four core pillars: **Education, Health, Nutrition & WASH, Women Empowerment, and Environmental Sustainability,** ensuring we create meaningful and measurable impact.


5. व्यवसाय कैसे बढ़ाएंगे?



THE CULTURE HERE AT **UGRO**

At UGRO Capital, our culture is the engine that drives innovation, collaboration, and purpose. In FY25, we brought our values to life through a vibrant calendar of festivities, learning journeys, and continuous improvement initiatives each designed to engage, empower, and celebrate every UGROite.

Our year began with **"Har Ghar Tiranga, Har Dil Tiranga",** where offices nationwide were transformed into tricolour havens. Teams dressed in saffron, white, and green, festooned their workspaces with bunting, balloons, and hand painted rangoli, and captured creative 'team tricolour' photos. The ten branches whose decorations and team spirit shone brightest earned special recognition and prizes, sparking camaraderie and patriotic pride across the organization. As the holiday season arrived, we kept that spirit of fun alive with our **"It's Beginning to Look a Lot Like Christmas"** event. Hourly quiz contests with gift card prizes, a "Dress as Santa" competition complete with Instagram reels for extra brownie points, and an afternoon of carols, plum cake, and festive cheer brought colleagues together across regions to share laughter and good vibes.

Inclusivity and personal growth remained at the heart of our efforts. On Women's Day, we launched **#TogetherWeGRO** with a "Know Your Rights" seminar led by Advocate Arunkumar Gunasekaran. By demystifying legal entitlements, financial wellness, and workplace protections, we equipped our women colleagues with both knowledge and access to the mentorship networks they need to excel. Shortly thereafter, our **"Bring a Buddy"** employee referral program rewarded UGROites who introduced talented friends to our team. From Credit Manager all the way up to Branch Head roles, every successful referral helped us scale with top quality hires who already share our values.

Listening to our people and ensuring a smooth start for new joiners were equally important priorities. In our first ever anonymous **"Your Voice Matters"** survey, UGROites shared ideas ranging from "more office samosas" to enhancements in our digital tools. Each suggestion was logged confidentially and has directly influenced our roadmap for an even better workplace. New team members, meanwhile, embarked on a five day **Gamified Induction Journey,** a pixel art Learning Management System available in five regional languages. This playful, self paced quest introduced them to UGRO's history, values, leadership team, HR best practices, and success stories, all accessible via desktop or mobile.

To support every UGROite day to day, we rolled out our **HR Helpdesk** on the HRMS portal. Whether it's attendance, benefits, payroll, performance management, or policy queries, employees now receive transparent, traceable resolutions within a guaranteed 48 hour turnaround. At the same time, our **Circle of Excellence** program continues to shine a spotlight on UGROites who exemplify our core tenets of Rigour, Speed, and Agility and ensures that every achievement, no matter how small, is acknowledged and celebrated.

Mid year, we had even more reason to celebrate when UGRO officially crossed the **₹10,000 Cr AUM** milestone. To mark this momentous achievement, we launched the **UGRO 10K Celebration Run**, a nationwide virtual marathon in which all 3,500 employees participated. From 3 km warm ups to the grand 10 km finale, colleagues logged over 10,000 km on our health app, forging new team bonds along the way. We also unveiled a second **UGRO Anthem,** this one co created by our employees using AI, to capture the pride, determination, and unity that fueled us to this landmark. To keep the momentum and the festive spirit alive, the Celebration Run extended through **Diwali,** with participants receiving special wellness hampers and festive goodies in lieu of traditional sweets.

At UGRO, we remain steadfast in our commitment to a workplace where celebrations uplift us, learning empowers us, and every UGROite plays a pivotal role in our collective success. Together, we will continue to build a culture that not only champions our people but also amplifies the impact of India's MSMEs, the true backbone of our economy.

NEWSROOM

Data Tech bridges MSMEs and Partners

Shachindra Nath, Founder & Managing Director, UGRO Capital

Shachindra Nath is doubling UGRO's branch network with a specific focus on penetrating tier 3 & 4 cities in high-potential states such as Uttar Pradesh, Tamil Nadu and Gujarat

UGRO Capital receives patent for its proprietary credit scoring model, to benefit MSMEs

Officially titled 'Method and System for Modelling Credit Scorecards,' this patent underscores UGRO Capital's pivotal role in reimagining credit evaluation for a highly diverse and underserved borrower base.

Read by: 1884 Industry Professionals

Online Desk • ETGovernment
Updated On Dec 11, 2024 at 12:33 PM IST

MUMBAI: UGRO Capital, a leading DataTech NBFC focused on MSME lending, has achieved a significant milestone by receiving a patent for its proprietary credit scoring model, GRO Score. Officially titled 'Method and System for Modelling Credit Scorecards,' this patent underscores UGRO Capital's pivotal role in

Now in its third iteration, GRO Score 3.0 integrates advanced statistical algorithms to evaluate creditworthiness with unmatched precision.

Reaching the Unbanked: How Co-Lending Partnerships Are Transforming Credit Access

By BFSI Network - June 19, 2024

PSUs and large private sector banks play a crucial role as custodians of liquidity in the financial landscape. Despite regulatory and government initiatives aimed at disseminating credit to the last mile, challenges such as diverse priorities, limited focus on smaller legacy systems, and traditional underwriting models have hindered the satisfactor credit, shared **Amit Mande**, Chief Revenue Officer, **U GRO Capital**, in an exclusive interaction with **Srajan Agarwal** of Elets News Network (ENN).

MyShubhLife acquisition to aid AUM, net profit: U GRO MD

AJAY RAMANATHAN
Mumbai, May 3

THE ACQUISITION OF Bengaluru-based embedded finance platform, MyShubhLife, will help lift U GRO Capital's assets under management by ₹1,500 crore. Additionally, it will help increase the bottom line by ₹100 crore.

"Rather that partnering with MyShubhLife, we asked their investors to consider swapping MyShubhLife shares with U GRO Capital shares. The way U GRO is growing today, they will make more money by becoming small shareholders of company," U GRO Capital vice chairman and managing director Shachindra Nath said, adding MyShubhLife will get the advantage of U GRO Capital's balance sheet.

On Thursday, the U GRO Capital board approved the acquisition of MyShubhLife. Subsequent to that, Datasigns Technologies will become a wholly owned subsidiary of U GRO Capital. Datasigns owns the MyShubhLife platform. The consideration shall be discharged by way of a combination of cash consideration and swap of shares through preferential allotment to the shareholders of Datasigns Tech.

U GRO Capital vice chairman and MD Shachindra Nath said MyShubhLife will get the advantage of U GRO Capital's balance sheet

India needs large scale MSME financing firms: UGRO Capital founder

MONEY & BANKING

UGRO Capital third quarter net profit up 15% at ₹37.5 crore

Net total income up 34 per cent yoy at ₹218 crore

By BL Mumbai Bureau
Updated - January 26, 2025 at 09:40 AM.

UGRO Capital has reported a 15 per cent year-on-year (yoy) increase in third quarter (Q3FY25) net profit at ₹37.5 crore, against ₹32.5 crore in the year-ago period.

Net total income (difference between total income and interest expenses) of the MSME lending focussed non-banking finance com- ... 34 per cent yoy at ₹218 crore (₹163 crore in the year-ago

UGRO Capital to raise up to ₹200 cr via NCDs

Our Bureau
Mumbai

UGRO Capital Ltd on Thursday said it will raise up to ₹200 crore via secured non-convertible debentures (NCDs) at a coupon rate ranging from 10.15 per cent to 10.40 per cent, depending on the tenor of the bonds.

The minimum subscription for the NCDs is ₹ 10,000. The issue is for an amount of ₹ 100 crore (Base Issue Size) with an option to retain oversubscription up to ₹ 100 crore (Green Shoe Option).

The NCDs issue, which opened on October 10, will close for subscription on October ...

changes with NSE being the designated stock exchange. This NCDs have a tenor of 18 months (coupon rate: 10.15 per cent), 24 months (10.25 per cent) and 30 months (10.40 per cent).

At least 75 per cent of the net proceeds of the issue will be utilised for the purpose of onward lending and financing business of the company

UGRO Capital and iSPIRT to launch Priority Sector Lenders Association of India (PSLAI)

iSPIRT with UGRO Capital has announced the launch of the Priority Sector Lenders Association of India (PSLAI), a Section 8 company aimed at addressing credit challenges in priority sectors, especially MSMEs. Founding members include UGRO Capital, IIFL, and fintechs like GetVantage and GetGrowth Capital. The initiative aims to double credit disbursements to SMEs and MSMEs in the coming years.

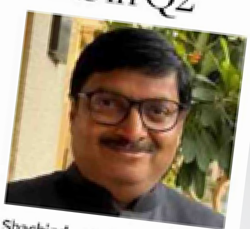
UGRO Capital eyes all-time high disbursements in Q2

Piyush Shukla
Mumbai

Micro, small and medium enterprises (MSME) financing-focused UGRO Capital is expecting all-time high disbursements in Q2 FY25, after seeing a blip in Q1, founder and MD Shachindra Nath said, speaking to *businessline*.

"While in Q1 FY25, bank liability to NBFCs is always slower, this time it was much slower as there is a general pressure from the RBI for banks to avoid lending (to non-bank lenders)," he said.

"In this particular quarter, banks have been able to differentiate between NBFCs focused on consumer and retail loans — the segments ...



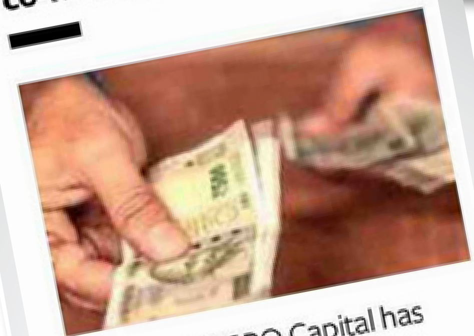
Shachindra Nath, UGRO Capital Founder and MD

... ised return on asset (RoA) also declined by 33 basis points (bps) YoY in Q1 to 1.9 per cent.

ROA, CO-LENDING

However, in the next eight to ten quarters, the NBFC will increase its RoA to four per cent, largely by increasing the share of higher ticket mi- ...

UGRO Capital, SIDBI ink co-lending partnership



New Delhi: UGRO Capital has entered into a co-lending partnership with the Small Industries Development Bank of India (SIDBI) for lending to micro, small and medium

THOUGHT **LEADERSHIP**

Fireside chat with Mr. Vinod Kothari and Mr. Shachindra Nath at UGRO Partner's Meet 2024

Irem Sayyed speaking Impact India Summit, highlighting MSME lending industry trends and how UGRO Capital is serving the underserved.

Mr Shachindra speaking at the BFSI conclave, highlighting how NBFC's have revolutionised the Financial Inclusion in India.

Mr Shachindra Nath speaking at AFAI's National Summit on Co-lending and LSP's.

Mr Shachindra Nath speaking at Business Standard BFSI summit

Mr Sharad Agarwal speaking at AFAI's Co-lending Summit; highlighting company's prowess in Co-lending and technology integration towards MSME's financing.

Mr. Amit Mande speaking at Elet's BFSI Leadership Summit

Mr. Amit Mande speaking at National Summit Trade Finance for Inclusive Growth.

Mr. Anuj Pandey speaking at 12th Securitisation Summit, highlighting innovative transaction structures, recent capital raise and co-lending.

Mr. Shachindra Nath speaking at CRISIL Ratings Annual

Mr. Shachindra Nath speaking at Vinod Kothari's Securitisation Summit-2025

Ms Irem Sayeed speaking at D&B's Women Leadership Summit 2025, highlighting how to build Financial Independence for Women in Leadership and Entrepreneurship

EVENTS, EXPOS AND **EXHIBITIONS**

MSME Udhyog Samvad organised by Rashtriya Jan Udyog Vyapar Sangathan (RJUVS) and UGRO Capital in Lucknow.

MSME Conclave by UGRO Capital. The 2nd edition of our MSME Sampark Report unveiled by Shri Anil Rajbhar, Minister of Labour and Employment, UP, alongside our Founder & MD, Mr. Shachindra Nath, and other esteemed dignitaries for joining us on this exciting journey to empower MSMEs.



#UGROPartnersMeet2024: A focused dialogue on how stronger partnerships can fuel the MSME ecosystem.


Capital Raise Celebration: An evening to celebrate UGRO's successful capital raise and investor confidence in our vision.

THE YEAR OF **PRIDE**

Mr. Shachindra Nath recieved an award from Smt. Nirmala Sitharaman
at FE Best Bank Awards 2024

Best Digital Campaign - #MSMEAcchaHai
at Bharat NBFC & Fintech Awards

Best MSME Financing Institution Of The Year
at BW Emerging Business Summit

Best NBFC in Innovation & Partnership Initiative
by ASSOCHAM

Best NBFC in SME Finance Of The Year
at India NBFC Summit and Awards

Best PLS Loan LSP at Co-Lending Awards
by AFAI

Best Technology Implementation in Risk Management (MSME Lending Finance)
at BFSI Technology Excelence

Best Use of AI in Digital Campaign - #MSMEAcchaHai at CX Summit
by Elets India

Best Use Of Data Analytic
at Smart CX Summit & Awards 2024

Digitally Advanced NBFC of the year
by Bharat BFSI Leadership Awards 2024

Leading Co-Lending NBFCIN MSME Finance
at Co-Lending Awards by AFAI

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd (Thirty-Second) Annual General Meeting of the members of UGRO Capital Limited will be held on Friday, 8th August 2025 at 11.00 A.M. (IST) through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company as on 31st March, 2025 along with Director's Report and Auditor's Report thereon.**

2. **To appoint a Director in place of Mr. Chetan Kulbhushan Gupta (DIN: 07704601), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **Authorization for borrowing money under Section 180 (1)(c) of the Companies Act, 2013**

   To consider and, if thought fit, pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s), modification(s), variation(s) or re- enactment(s) thereof for the time being in force) ("the Act"), the provisions of the Memorandum of Association and Articles of Association of the Company, circulars/ notifications/directions issued by Reserve Bank of India, from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Investment and Borrowing Committee and/ or any committee constituted by the Board, to exercise its powers in this regard, including the powers conferred by this resolution) to borrow any sum or sums of money (exclusive of interest), from time to time, on such terms and conditions as may be determined, in any form from one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension funds, provident funds, multilateral financial institutions, any entity/entities or authority and authorities whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures through private placement or public offer, commercial papers, long/short term loans, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law, from time to time and/or any other instruments/ securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Company's assets, licenses and properties, whether immovable or movable and/or any of the undertaking of the Company notwithstanding that monies to be borrowed including monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose so that the total amount upto which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of INR 15,000 Crores (INR Fifteen Thousand Crores only).

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to Investment and Borrowing Committee and/ or any Committee of Board and/ or director(s) and/or officer(s) of the Company to give effect to this resolution."

   RESOLVED FURTHER THAT the Investment and Borrowing Committee or any other Committee of the Board be and is hereby authorised to exercise the aforesaid powers as and when found appropriate at its meeting or by way of Circular Resolution, however the said resolution passed through circulation will be placed before the next meeting for its ratification."

4. **Authorization to sell, lease, charge and/or mortgage property/assets of the Company under Section 180 (1) (a) of the Companies Act, 2013**

   To consider and, if thought fit, pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, or any other law for the time being in force (including any statutory modification or amendment thereto

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or re-enactment thereof) and in terms of Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Investment and Borrowing Committee and/ or any committee constituted by the Board, to exercise its powers in this regard, including the powers conferred by this resolution) to sell, dispose, mortgage and/ or charge, in addition to the mortgages/ charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/ or immovable properties/ assets or book debts/receivables of the Company and/or the interest held by the Company in all or any of the movable or immovable properties/assets or book debts/receivables, both present and future and/ or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities comprising fully/ partly convertible debentures, with or without detachable or non-detachable warrants, and/or secured premium notes and/ or floating rate notes/ bonds, and/or non-convertible debentures (including without limitation, market linked debentures and covered bonds) and/or other debt instruments, issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 from time to time together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/to be entered into between the Company and lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans, borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/ or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding INR 16,500 Crores (INR Sixteen Thousand Five Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT sale, lease, mortgage/ charge created/to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/deeds/writings/papers/agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to any Committee of Board and/or director(s) and/or officer(s) of the Company to give effect to this resolution."

5. **To borrow funds by way of issuance of Non-Convertible Debentures**

To consider and, if thought fit, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and read with relevant Circulars/Notifications issued by the Ministry of Corporate Affairs, from time to time, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and subject to such other applicable laws, rules and regulations and circulars/ notifications/ guidelines/ directions including those issued by Reserve Bank of India from time to time, the Memorandum and Articles of Association of Company and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Investment and Borrowing Committee and/ or any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s), issue and allot, in one or more series/tranches, non-convertible debentures (a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined) (including market linked debentures and covered bonds) ("NCDs") on private placement basis, for cash and on such terms and conditions and at such times at par or at such premium/ discount, as may be considered fit and appropriate by the Board to such person or persons, including one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension funds, provident funds, multilateral financial institutions and individuals as the case may be or such other person/persons as the Board may decide, for the purpose of augmenting resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, meeting long term requirement of funds, general corporate purposes and other purposes as may be decided/agreed from time to time such that total issuance amounts of the NCDs shall not exceed the overall amount of INR 7500 Crores (INR Seven Thousand Five Hundred Crores only) as may be approved by the members at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and are hereby severally authorized to do all such acts, deeds and things and deal with such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements/papers/ writings, as may be required in this regard.”

6. **To consider and approve raising of funds to the tune of INR 500 Crores (Indian Rupees Five Hundred Crores only) by way of Qualified Institutions Placement (“QIP”), in compliance with applicable laws**

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 including Sections 23, 42, 62 and 71 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“**the Act**”) and the Rules made there under to the extent notified and in effect, the applicable provisions, if any, of the Companies Act 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) (including any amendment/modifications thereto or re-enactment thereof, for the time being in force), provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Depository Receipt Scheme 2014, the Foreign Exchange Management Act, 1999 (**“FEMA”**), as amended, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time (**“Governmental Authorities”**), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, the consent, approval and sanction of the Members be and is hereby granted to the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law) to create, offer, issue and allot, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted), with or without a green shoe option, such number of equity shares of the Company with a face value of INR 10 (Rupees Ten) each (**“Equity Shares**”) and/ or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/ or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to

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Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/ or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), or any combination of securities convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts (**"GDRs"**) and/or American Depository Receipts ("**ADRs**") and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("**FCCBs**") and/ or Foreign Currency Exchangeable Bonds ("**FCEBs**") and/ or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/ or holder(s) of the security(ies) and/ or securities linked to equity shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency (all of which are hereinafter collectively referred to as **"Securities"**) or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of Qualified Institutions Placement ("**Qualified Institutional Placement"** or "**QIP**") through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including qualified institutional buyers ("**QIBs**") in accordance with Chapter VI of the ICDR Regulations, (whether residents and/ or non- residents and/ or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/or any other eligible investors, and/or to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals and whether they be holders of the Equity Shares of the Company or not (collectively called the "**Investors**") as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations, in consultation with the lead managers, advisors or other intermediaries for an aggregate amount not exceeding INR 500 Crores (INR Five Hundred Crores only) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VI of ICDR Regulations) or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary(ies) appointed and / or to be appointed by the Company (the "**Issue**").

RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs / ADRs / FCCBs / FCEBs / other securities convertible into equity shares, the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.

RESOLVED FURTHER THAT in case of any issue of Securities made by way of QIP in terms of Chapter VI of the ICDR Regulations, the allotment of the Securities or any combination of Securities as may be decided by the Board shall be completed within 365 days from the date of Resolution passed by the shareholders or such other time as may be allowed under the ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of

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not more than 5% or such other percentage as permitted under applicable law on price calculated in accordance with the pricing formula provided under ICDR Regulations.

RESOLVED FURTHER THAT in the event the Equity Shares are issued pursuant to the QIP in accordance with Chapter VI of the ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including a committee of the Board) decides to open the proposed Issue and in the event eligible convertible securities (as defined under the ICDR Regulations) are issued pursuant to the QIP, the relevant date for the purpose of pricing of such convertible securities and for the purpose of pricing of the Securities by way of GDRs/ADRs/FCCBs/FCEBs or by way of any other issue(s), shall be either the date of the meeting in which the Board of the Company (including a committee of the Board) decides to open the proposed Issue of such convertible securities or the date on which the holder of such convertible securities become entitled to apply for the Equity Shares or the date as specified under the applicable law or regulation, and as may be decided by the Board in this regard.

RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT the Board / committee of directors be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the Issue, all such Equity Shares shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges.

RESOLVED FURTHER THAT the Board / committee of directors be and is hereby authorized to engage, appoint lead manager(s), underwriter(s), guarantor(s), depositories, custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangement(s), memorandum(s), arrangement(s), placement agreement(s)/ underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement/ payment and conversion agency agreement/ any other agreements or documents, etc., with such agencies and also to seek the listing of such Securities on the Stock Exchange(s))/ International Stock Exchanges and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the merchant bankers/ lead managers and/or other advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and/or such Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on

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one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to delegate all or any of its power to any committee of directors (including any officer(s) of the Company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

RESOLVED FURTHER THAT for the purpose aforesaid, all the Directors and Company Secretary of the Company be and are hereby severally authorized to sign all documents and settle all questions, difficulties, or doubts that may arise in regard to the issue, offer and allotment of the securities and utilization of the issue proceeds as it may in its absolute discretion deem fit."

7. **To appoint M/s Pankaj Nigam & Associates, Practising Company Secretaries as Secretarial Auditors of the Company:**

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company be and hereby appoints M/s. Pankaj Nigam & Associates, Company Secretaries who have confirmed their eligibility as per requirements of Regulation 24A of the SEBI Listing Regulations, as Secretarial Auditors of the Company for a period of 5 (five) consecutive years commencing from FY2025-26 till FY2029-30, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.**"**

Registered Office:	For & on behalf of the Board of Directors
Equinox Business Park,	**For UGRO CAPITAL LIMITED**
Tower -3, 4th Floor,	Sd/-
LBS Marg, Off BKC Road	**Satish Kumar**
Kurla (West),	Company Secretary and
Mumbai 400070	Compliance officer
	Membership No: ACS 58892
	Date: 26th April, 2025

NOTES:

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1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to Special Businesses (Item No. 3 to 7) to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulations 36(3) and 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard–2 on General Meetings, of the person seeking re-appointment as Director under Item No. 2, of the Notice, are also annexed to the notice.

2. The Ministry of Corporate Affairs ("MCA") has vide its, various circulars issued from time to time (the latest circular being circular dated September 19, 2024) ("MCA Circulars") and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the said Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

3. **Since the AGM will be held through VC/ OAVM in accordance with the MCA Circulars, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.**

4. Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/ OAVM.

   Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/ JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorisation shall be sent to the Company by email through its registered email address, i.e. cs@ugrocapital.com or physically at the Registered Office of the Company addressed to the Company Secretary atleast 48 hours before the AGM.

5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) ("the RTA") to provide efficient and better services.

   The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the RTA for assistance in this regard.

7. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.

9. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11:00 A.M and 1:00 P.M. up to the date of Annual General Meeting.

10. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, August 2, 2025 to Friday, August 8, 2025 (both days inclusive).

11. Notice of the AGM along with the Annual Report for

Notice (Contd.)

FY 2024-25 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report for FY 2024-25 will also be available on the Company's website on www.ugrocapital.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the National Securities Depository Limited on www.evoting.nsdl.com

12. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 16.

13. Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Transfer Agent as mentioned above. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.

15. In case you have any queries/ complaints or grievances, then please write to us at cs@ugrocapital.com

    Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email to the Company at cs@ugrocapital.com at least 7 days before the Meeting. The same will be replied by the Company suitably.

16. **Information and other instructions relating to e-voting are as under:**

    I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

    II. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Friday, 1st August, 2025. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

    III. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, 1st August, 2025 only shall be entitled to avail the facility of e-voting.

    IV. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Friday, 1st August, 2025; such Member may obtain the User ID and password by sending a request at evoting@nsdl.com or rnt.helpdesk@in.mpms.mufg.com.

    V. The Board of Directors of the Company has appointed Mr. Pankaj Kumar Nigam of M/s. Pankaj Nigam & Associates, Practicing Company Secretary firm, Ghaziabad as scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

    VI. The Scrutinizer, after scrutinizing the votes, will within two working days from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, on www.ugrocapital.com and on the website of National Securities Depository Limited on www.evoting.nsdl.com. The results shall simultaneously be communicated to the Stock Exchanges.

    VII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 8th August, 2025.

    VIII. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM is restricted and hence, will be made available on first come first serve basis. This will not include shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

IX. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, 5th August, 2025 at 9:00 a.m. (IST) and ends on Thursday, 7th August, 2025 at 5:00 p.m. (IST).

The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The procedure to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below

Type of share-holders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

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	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

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c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/ Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and AGM is in active status.

2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pankajnigamcs@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Pallavi Mhatre, Senior Manager at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@ugrocapital.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ugrocapital.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by

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following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. For ease of conduct, Members who would like to ask questions may send their questions on or before Tuesday, 5th August, 2025, 5:00 p.m. (IST) in advance to the AGM mentioning their name, demat account number / folio number, email id, mobile number at cs@ugrocapital.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

17. Share transfer documents and all correspondence relating thereto, should be addressed to the MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400 083 or at their designated email id i.e. rnt.helpdesk@in.mpms.mufg.com The Company, consequent upon introduction of the Depository System ("DS"), entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialised form through NSDL or CDSL.

18. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates etc. Simultaneously, DS offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

20. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.

21. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company and RTA.

22. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited). Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited). These forms will be made available on request.

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DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD–2 ON GENERAL MEETINGS)

Name of Director	Mr. Chetan Kulbhushan Gupta
Date of Birth	11th May 1980, aged 45 years
Date of first appointment on Board	2nd November 2018
Qualifications	Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst and Masters in Management (Masters) from University of Mumbai.
Brief Resume & Expertise in specific functional area	Mr. Chetan Gupta is the Nominee Director of our Company. He holds a Masters in Management (Finance) from the University of Mumbai. 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.
Directorships held in other listed Companies / resigned in the past three years	Nil
Memberships/ Chairmanships of committees of other listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Terms of appointment	Appointed w.e.f. 02-Nov-2018 as a Non-Executive (Nominee) Director liable to retire by rotation
Details of remuneration last drawn	Nil
Details of remuneration sought to be paid	Nil
No. of Board Meetings attended during FY 2024-25	2 out of 5
No. of shares held in the Company including shareholding as a beneficial owner as on 31st March 2025	Nil
Relationship between Directors, KMP and Manager inter-se	None

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 and 4

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto INR 15,000 Crores (INR Fifteen Thousand Crores only) over and above paid up capital and free reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

Further, in order to secure the borrowing(s) availed/to be availed by the Company, it would be necessary to create charge or mortgage on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013, provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of members in the General Meeting by way of special resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No.3 and 4 of the Notice for the approval of Members.

Item No. 5

The Members of the Company at the Annual General Meeting ("AGM") held on 8th August 2024 passed a Special Resolution authorizing the Board of Directors of the Company to offer or invite subscription for Non-convertible Debentures, in one or more series/ tranches for an amount of up to INR 4,500 Crores (INR Four Thousand Five Hundred Crores only) on a private placement basis. The said resolution was valid and effective for one year.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation to subscribe to securities, the Company shall obtain prior approval of its shareholders/members ("Members") by means of a special resolution. Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of issue of non-convertible debentures exceeding the limits prescribed therein, it shall be sufficient to obtain such prior approval only once in a year for all the offers or invitations for such NCDs issued during a period of 1 (one) year from the date of passing of the aforementioned special resolution.

For the purpose of augmenting resources for onward lending by the Company, repayment/refinance of existing debt, working capital requirement, meeting long term requirement of funds, general corporate purposes and other purposes as may be decided/agreed from time to time, the Company may invite subscription for non-convertible debentures (a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined) (including market linked debentures and covered bonds) ("NCDs") to be issued by the Company, in one or more series/tranches on private placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the board of directors of the Company ("Board", which term shall be deemed to include Investment and Borrowing Committee or any other Committee constituted by the Board, to exercise its powers in this regard, including the powers conferred by this Resolution) on the basis of various factors including the interest rate/effective yield determined, based on market conditions prevailing at the time of the issue(s).

Pursuant to Rule 14(1) of the Prospectus and Allotment Rules, the following disclosures are being made by the Company to the Members:

Particulars of the offer including date of passing board resolution	Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed, it shall be sufficient if the company passes a prior special resolution only once in a year for all the offers or invitations for such NCDs during the year. In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/ issue of NCDs (whether secured/ unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures and covered bonds) shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/ issue of NCDs.
Kinds of securities offered and the price at which the security is being offered	Non-convertible debt securities/ NCDs. The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution, in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.
Amount which the company intends to raise by way of such securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed the limit specified in the resolution under Section 42 of the Companies Act, 2013.
Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.

Accordingly, consent of the Members is being sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to INR 7500 Crores (INR Seven Thousand Five Hundred Crores only) as approved by the members.

Notice (Contd.)

This enabling resolution authorises the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time and as set out herein, for a period of one year from the date of passing this resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval of Members.

Item No. 6

The Special Resolution proposed is an enabling resolution to facilitate and meet the capital requirements for business activities and to utilize the issue proceeds for general corporate purposes etc. The resolution contained in the attached Notice pertains to a proposal by the Company to create, offer, issue and allot equity shares, convertible securities and other securities, as stated therein in one or more tranches (referred to as “Securities”).

The members may please note that the resolution is only an enabling resolution and the detailed terms and conditions for the issue will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion of the Board to finalize the terms of the offer.

The proceeds of the proposed Issue shall be utilized for any of the aforesaid purposes to the extent permitted by law. The Securities allotted would be listed on the Stock Exchanges where the shares of the company are listed. The issue and allotment would be subject to the availability of regulatory approvals, if any.

As per Section 62 of the Companies Act, 2013, and as per the rules and regulations applicable under the laws, the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), the approval of existing members is being sought to empower the Board to issue, offer and allot Equity Shares at such price, and if approved at a discount of not more than 5% on the price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VI of the ICDR Regulations or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s) including institutions, incorporated.

The Members’ approval to the resolution would have the effect of allowing the Board to offer and allot Securities otherwise than on pro-rata basis to the existing members.

The enabling Special Resolution also seeks to empower the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include Securities Allotment and Transfer Committee or any other committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a Qualified Institutional Placement as defined by ICDR Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VI of the ICDR Regulations. The pricing of the Equity Shares to be issued to Qualified Institutional Buyers pursuant to Chapter VI of the ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the ICDR Regulations.

The enabling Special Resolution seeks to give the Board the powers to issue Equity Shares as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The equity shares so allotted would be listed. The issue / allotment would be subject to the availability of regulatory approvals, if any.

The allotment of Equity Shares and/or other Securities shall be completed within 365 days from the date of resolution passed by the Members. The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post issue of Securities that may be held by them and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate time and mode). Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges under the provisions of the SEBI Listing Regulations.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

Notice (Contd.)

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for the approval of Members.

Item No. 7

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI Notification dated 12th December, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on 26th April, 2025 have approved subject to approval of Members, the appointment of M/s. Pankaj Nigam & Associates, Peer Reviewed Firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a term of 5(Five) consecutive years to hold office from the FY 2025-26 till FY 2029-30.

Brief Profile of the Secretarial Auditor:

M/s Pankaj Nigam & Associates (PNA) is a practicing firm of Company Secretaries providing multi-disciplinary services with a strong focus on Corporate, Legal, Commercial, FEMA, Indirect Taxation, and Industrial laws.

PNA has a team of 12 qualified and semi-qualified professionals, with some associates, PNA has a robust presence in the NCR region, Mumbai, Bangalore also has expanded its reach to Kolkata and other key business hubs in India.

PNA specializes in compliance management, regulatory approvals, and due diligence for businesses operating in India. The firm is Peer reviewed in terms of the guidelines issued by the ICSI.

M/s. Pankaj Nigam & Associates, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI Listing Regulations read with SEBI Circular dated 31st December, 2024.

Terms and conditions of appointment & remuneration:

a) **Term of appointment:**

5 (Five) consecutive years commencing from 1st April, 2025 upto 31st March, 2030.

b) **Remuneration:**

Rs. 5,00,000/- (Rupees Five Lakhs only) per annum plus applicable taxes. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial auditor, which is in line with the industry benchmark.

c) **Basis of recommendations:**

The Audit Committee and the Board of Directors have approved & recommended the aforementioned proposal for approval of Members taking into account the eligibility of the firm, qualification, experience, independent assessment & expertise of the Partners in providing Secretarial audit related services, competency of the staff and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for the approval of Members.

Registered Office:
Equinox Business Park,
Tower-3, 4th Floor,
LBS Marg, Off BKC Road
Kurla (West), Mumbai 400070

For & on behalf of the Board of Directors
For UGRO CAPITAL LIMITED
Sd/-
Satish Kumar
Company Secretary and Compliance Officer
Membership No: ACS 58892

Date: 26th April, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

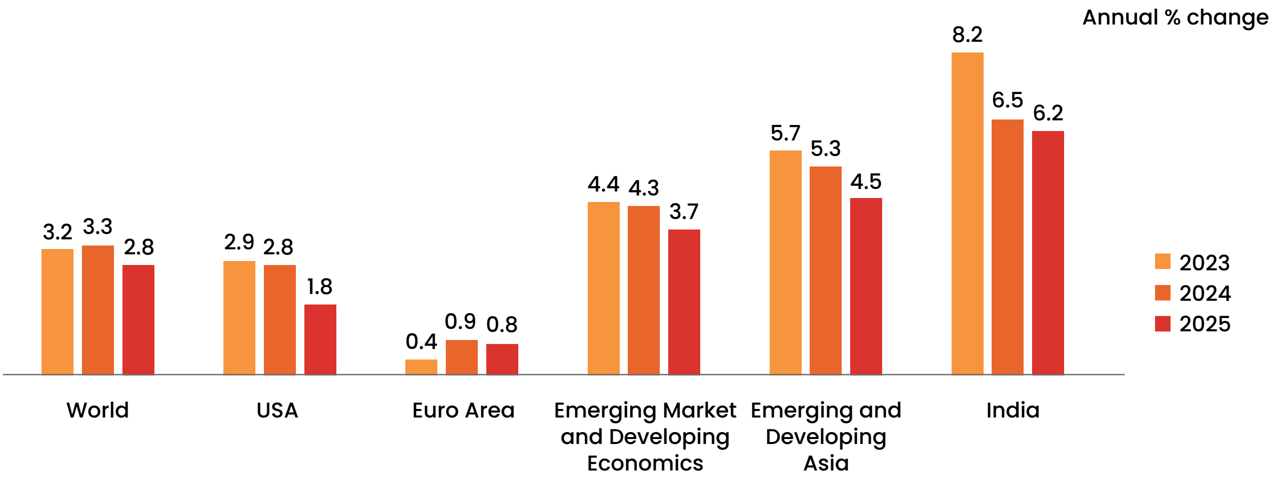
Global Economic Review

Global economic growth remained steady during the year with several large economies showing resilience despite geopolitical tensions, high interest rate and the growing intensity of extreme weather events. Further tightening of financial conditions has also challenged the global trade and industrial production in this financial year. Given continued inflationary pressure, central banks in both advanced emerging markets and developing economies remained cautious in easing monetary policy. The global outlook remains subdued, both advanced economies and emerging market and developing economies are set to grow upward marginally, reflecting upgrade for Asian countries mainly China and India. India has witnessed strong growth momentum despite these geopolitical tensions and uncertainties in the global economic environment. A major push to economic growth has been fuelled by investments and key sectors such as information technology, services, agriculture, and manufacturing. Global trade is expected to be disrupted by new US tariffs and countermeasures from trading partners, leading to historically high tariff rates and negatively impacting economic growth projections. The global landscape is expected to change as countries rethink their priorities and policies in response to these new developments. Central banks priority will be to adjust policies, while smart fiscal planning and reforms are key to handling debt and reducing global inequalities.

As per IMF, global financial conditions remain largely accommodative, again with some differentiation across jurisdictions. Equities in advanced economies have rallied on expectations of more business-friendly policies in the United States. In emerging market and developing economies, equity valuations have been more subdued, and a broad-based strengthening of the US dollar, driven primarily by expectations of new tariffs and higher interest rates in the United States, has kept financial conditions tighter. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Global growth is projected to drop to 2.8% in 2025 and 3% in 2026.

In emerging market and developing economies, growth is expected to slow down to 3.7% in 2025 and 3.9% in 2026, with significant downgrades for countries affected most by recent trade measures, such as China. Global headline inflation is expected to decline at a pace that is slightly slower than what was expected, reaching 4.3% in 2025 and 3.6% in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

World Economic Outlook April 2024



Source: IMF, World Economic Outlook, April 2025

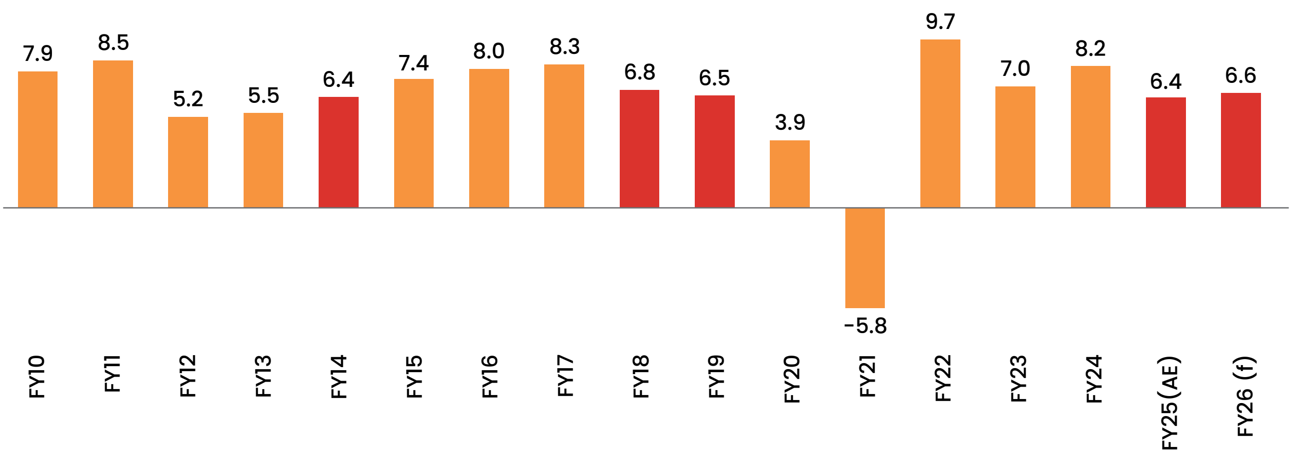
Indian Economic Review

In the past 15 years, India has grown by more than 7% annually, excluding the pandemic years of FY20 and FY21, and is expected to grow by 6.6% in FY26. Despite the prevailing global economic challenges, strong growth in the manufacturing sector, higher-than-expected agricultural output, and robust government spending have made India the world's fastest-growing major economy in CY2024. Along with being one of the fastest growing major economies in the world, India ranked fifth in the world in terms of nominal GDP for CY2023.

In 2024, foreign investment in developing economies declined by 2%, marking the second consecutive year of contraction. Factors such as China's stimulus measures, concerns over India's elevated valuations, and capital repatriation contributed to the slowdown in foreign inflows, echoing similar trends observed in other emerging markets like Mexico, Vietnam, and Indonesia. Despite this deceleration, India has recorded net FII inflows in eight of the past thirteen years.

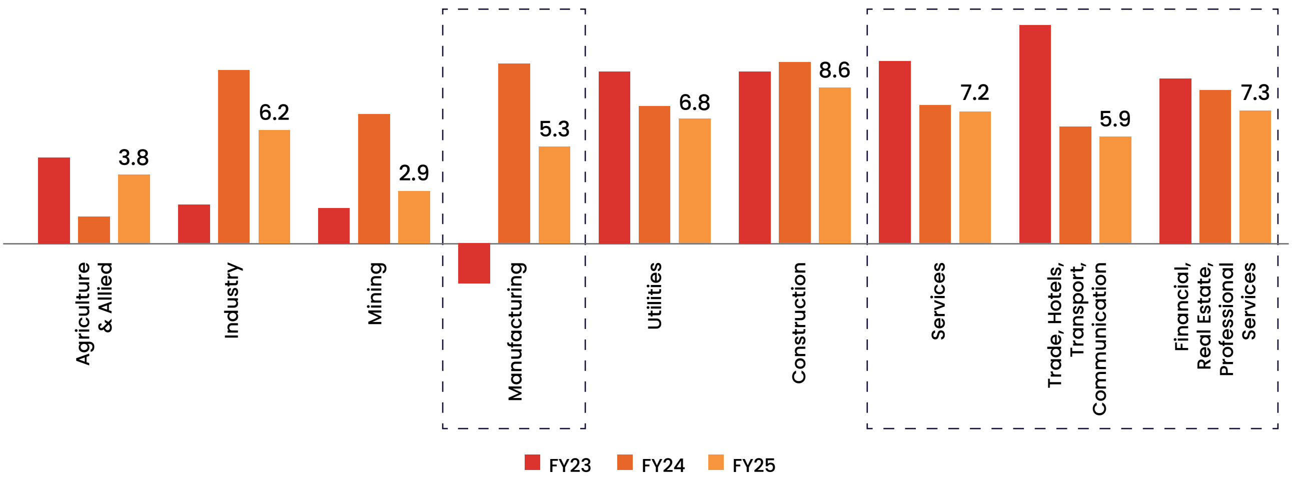
From Fiscal 2021 to Fiscal 2023, the Indian economy has outperformed its global counterparts by witnessing a faster growth.

Real GDP Growth



Source: MSME Sampark Report Third Edition

Growth in growth value added by sectors



Source: MSME Sampark Report Third Edition

As per IMF, growth in India is estimated in the range of 6.5%–6.8%, supported by infrastructure spending, digitalization initiatives, and improved credit growth. India is also benefiting from favorable demographic trends and a growing services sector. However, external risks such as global trade disruptions, crude oil price volatility, and tightening global financial conditions may pose intermittent challenges. Going forward, the Indian economy's performance will hinge on its ability to sustain domestic demand, deepen manufacturing competitiveness, and leverage emerging technologies.

The Union Budget 2023-24's emphasis on bolstering public infrastructure through increased capital expenditure spurred growth and catalyzed private investment with substantial multiplier effects. As a result, the full-year FY24 real GDP reached around INR 172.9 trillion, marking a 7.6% year-on-year increase, buoyed by fixed investment and improved net exports.

The manufacturing sector maintained strong growth momentum, benefiting from favorable demand conditions and lower input prices. On the supply side, significant enhancements in manufacturing and construction activities contributed to overall growth. The agricultural sector has played a pivotal role in India's economic recovery and development, underpinning the nation's resilience and potential. Over the past three years, investment rates have consistently exceeded FY16 levels relative to GDP, driven by all sectors of the economy, indicating confidence in India's future economic prospects.

Industry Overview

Indian NBFCs

The financial sector continues to play a critical role in fostering economic resilience for households and businesses in India. Within this framework, Non-Banking Financial Companies (NBFCs) act as vital drivers of inclusive and sustainable growth by extending credit to underbanked and remote regions, especially Micro, Small, and Medium Enterprises (MSMEs). Their agility, customer-centric models, and technological adoption have enabled effective last-mile delivery of financial services, complementing the role of traditional banks.

The transformative shift in India's financial services landscape over recent years, driven by digital innovations such as neobanking, digital authentication, the proliferation of the Unified Payments Interface (UPI), and rising mobile internet usage, has redefined the dynamics of financial services, particularly credit. This modularisation of financial services has empowered NBFCs to design and deliver specialised, accessible financial products to a broader customer base, improving both reach and relevance.

With a growing focus on digital ecosystems, NBFCs have invested heavily in technology platforms, enhancing service efficiency and accessibility. As of September 2024, the Gross Credit Deployed by NBFCs reached INR 42.9 trillion, reflecting a robust year-on-year growth of 16.2%. This expansion is largely driven by increased demand for retail and working capital credit, and continued support to MSMEs amidst commodity price volatility.

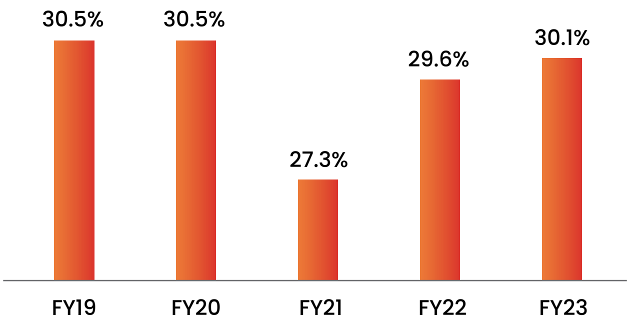
In terms of sectoral distribution, the industry segment remained the largest credit recipient, accounting for INR 15.9 trillion (~37%), followed by the services sector at INR 6.1 trillion (~14.2%), with growth seen in commercial real estate, transport, and trade segments. Looking ahead, NBFC credit is expected to grow in range of 12–14% Y-o-Y, driven by continued momentum in retail and MSME credit, along with rising demand for microfinance and consumption loans. Despite regulatory adjustments such as increased risk weights, the sector remains well-positioned to benefit from strong public expenditure, a revival in private consumption, and favorable credit demand.

On the regulatory front, the Reserve Bank of India's (RBI) Scale-Based Regulation (SBR) framework has enhanced governance and capital discipline within the sector. Additionally, the repo rate cut of 50 basis points in June 2025 is anticipated to ease funding costs and improve liquidity, offering further impetus to the sector's growth.

Indian MSME Sector - The Foundation of a Resilient Economy

The MSME sector stands as a formidable force in the nation's economic landscape, showcasing robust growth and significant contributions across various metrics. With over 6.4 crore MSMEs registered on the Udyam portal, the sector underscores its vibrancy and dynamism. Micro-enterprises dominate this landscape, representing approximately 99.13% of registered MSMEs, followed by small enterprises at 0.7% and medium-sized enterprises constituting the remaining portion. The MSME sector is poised for rapid growth, with India having the largest MSME base in the world after China. The government's push for a self-reliant economy or Atmanirbhar Bharat has led to significant policy support for the sector.

Share of MSME GVA in India's GDP (in %)



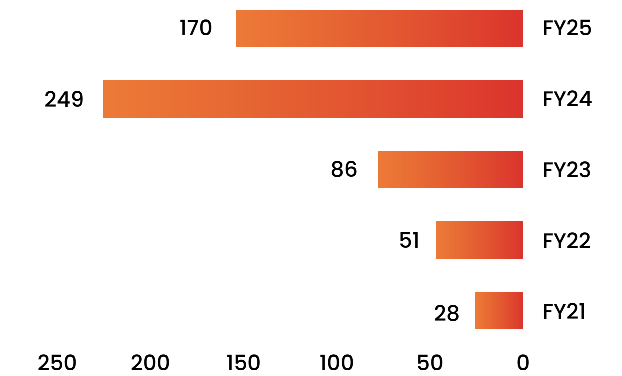
Source: MSME Sampark Report Third Edition

Geographically, the distribution of MSMEs across states reflects diverse regional contributions, with Uttar Pradesh, West Bengal and Tamil Nadu comprising the majority share of MSME activity, collectively contributing a approx. 35% to the sector's overall presence in the country.

Domestic business requires a strong financial stimulus with concessional working capital loans to ensure adequate liquidity is maintained in business operations from the government and financial institutes. The sector's access to credit has been pivotal in driving growth, particularly amidst economic uncertainties and the challenges posed by the COVID-19 pandemic.

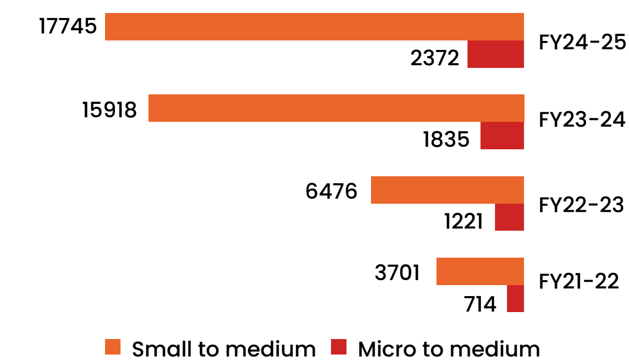
UDYAM registrations have nearly doubled each year since FY21, reflecting rapid formalisation among small businesses. Between 2020 and 2024, the number of small businesses transitioning to medium enterprises grew fivefold, while micro-enterprises scaling up to medium-sized businesses tripled, signaling strong upward mobility within the MSME ecosystem.

MSMEs registered in UDYAM (in lakhs)



Source: MSME Sampark Report Third Edition

Year wise MSMEs sclaed up under UDYAM



Source: MSME Sampark Report Third Edition

Union Budgets FY24–26: A Strong Two-Year Push for MSME Empowerment

Over the last two Union Budgets, the government has taken bold and comprehensive steps to strengthen India's MSME ecosystem through enhanced credit access, digitalisation, global market integration, and inclusive entrepreneurship.

In FY24–25, the focus was on creating a favourable credit environment and improving market access. Key measures included the shift toward digital footprint-based lending, abolition of the Angel Tax, and expansion of SIDBI's branch network. The introduction of Digital Public Infrastructure (DPI) aimed to boost MSME efficiency, profitability, and innovation. Increased support for artisans under the PM Vishwakarma Yojana—with a fivefold jump in allocation to INR 48.2 billion—and planned e-commerce export hubs underscored the push toward formalisation and global reach for indigenous businesses.

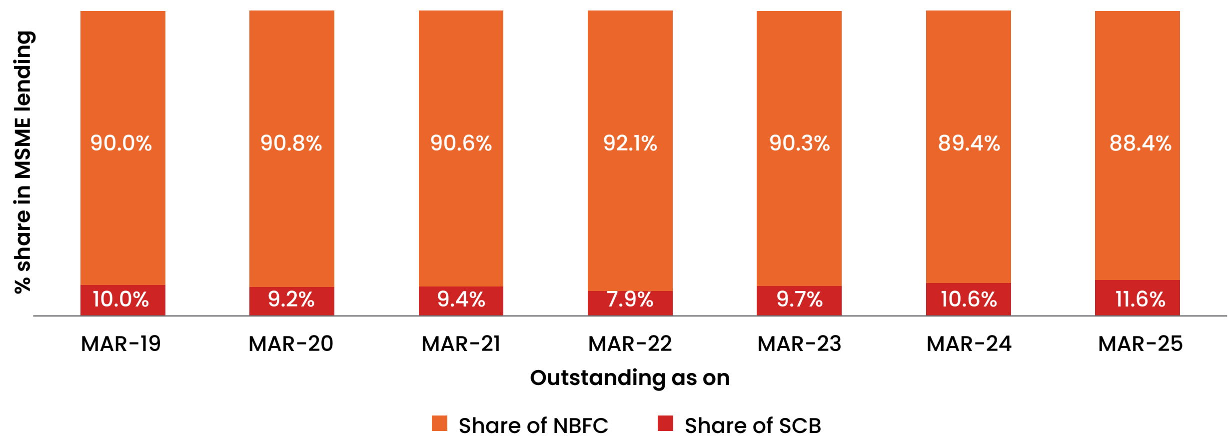
Building on that foundation, the FY25–26 Budget raised the MSME Ministry's allocation by 33.8% to INR 231.7 billion, revised MSME classification norms to allow scaling without losing benefits and promoted tech adoption. The launch of the National Manufacturing Mission, clean tech initiatives, and a new Credit Card scheme for Udyam-registered micro enterprises (offering up to INR 5 lakh in credit) further encouraged formalisation and financial inclusion. Support for export credit, non-tariff barrier navigation, and platforms like BharatTradeNet aims to deepen global integration.

The innovation agenda was backed by a sixfold increase in allocation for New Technology Centres, a doubling of the RAMP initiative budget, and the introduction of INR 100 billion Fund of Funds, along with a Deep Tech Fund and extended start-up incorporation window. Labour-intensive sectors like leather, toys, and footwear were given a boost, along with targeted support for five lakh women, SC, and ST first-time entrepreneurs, reinforcing the government's inclusive growth strategy centred on Garib, Mahilayen, Yuva, and Annadata.

Indian MSME Credit Landscape

India witnessed a sharp jump in MSME lending in FY21 and this increase has been supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme (ECLGS) which provided 100% credit guarantee to lenders. The scheme that was announced by the Government in May 2020 helped the firms to get access to more credit. NBFCs/Fintechs/Banks cater to the underserved MSME pool on account of the higher availability of data on these entities. MSME loans grew at a fast pace, registering a CAGR of 17% between FY16-24. However, in FY19 and FY20, the segment saw a relatively muted growth owing to the NBFC liquidity crisis and a cautious stance taken with respect to lending to MSMEs amid slower economic growth.

Improved credit quality and healthier balance sheets are emerging as key trends in the MSME lending space. As per the latest data, the Gross Non-Performing Asset (GNPA) ratio for MSMEs has dropped to a 12-year low of 2.2% as of September 2024, down sharply from 11% in early 2020. Similarly, GNPA for large borrowers declined from 12.8% to 2.4% over the same period, reflecting a broad-based improvement in asset quality. This decline has been supported by strong credit discipline, regulatory interventions, and improved underwriting standards. Credit growth to MSMEs has remained steady, with medium enterprises showing particularly strong traction, and the share of new-to-credit borrowers increasing consistently, signalling rising formalisation and access. At the lender level, both Scheduled Commercial Banks (SCBs) and NBFCs have witnessed a significant drop in NPAs, with NBFC GNPAs falling from 8.2% in March 2020 to 3.4% in September 2024, and SCBs from 6.8% to 2.4% in the same period. Together, these trends underline a structural shift in the MSME credit ecosystem, driven by policy support, improved borrower performance, and enhanced credit risk management.



Source: CareEdge Research

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.

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

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

Business Overview

UGRO Capital Limited (UGRO), a founding partner of the Priority Sector Lenders Association of India (PSLAI) is committed to addressing India's MSME credit gap, estimated at INR 103 trillion for FY24, through a diversified portfolio of financial products including Secured Business Loans, Business Loans, Machinery Loans, Supply Chain Financing and Embedded Finance. Over the past few years, we have successfully leveraged the Co-lending model through partnerships with 17 financial partners. This strategy has allowed us to scale our off-book Assets Under Management (AUM) proportion to 42% in March 2025, demonstrating our robust liquidity funnel and our capability as a reliable credit underwriter.

Our strong base of over 59 lenders and effective Co-lending partnerships have enabled us to expand all distribution channels and achieve significant overall AUM growth, surpassing the INR 10,000 crore AUM mark in FY25. As of March 31, 2025, UGRO had a workforce of 2,149 employees.

Multi-channel Architecture

At UGRO, our goal is to meet every financial need of every MSME, ranging from short-term working capital loans to long-term secured loans. Our offerings span from INR 25,000 working capital loans to INR 5 crore secured loans, backed by property, machinery, receivables, and other collateral types. Our data-tech models incorporate a broad spectrum of data, including banking, credit bureau, GST, and multiple alternative data sources, enabling us to deliver credit based on a cashflow-based lending method.

We have structured our customer asset origination into four specific channels. The first is our Emerging Market branches, which have seen significant growth, with the number of branches increasing from 150 by March 2024 to 235 by March 2025. Our Prime Intermediated Business channel is where customers engage through our intermediaries and GRO partners. Our Ecosystem and Green asset channel taps into business opportunities within various ecosystems, particularly with OEMs and Rooftop Solar manufacturers. Our Direct & Digital Alliances channel is dedicated to addressing every MSME's financial needs through strategic partnerships & alliances with digital lenders and our embedded finance platform 'MyShubhLife (MSL)'.

Through these diversified channels and innovative data-driven approaches, UGRO remains at the forefront of providing comprehensive financial solutions to India's MSMEs.

Emerging Market (EM)

UGRO operates EM branches located in semi-urban and rural areas, serving businesses with a turnover of less than INR 3 crore. These branches primarily offer low-ticket, high-yielding loans with ticket size ranging from INR 5 lakhs to INR 25 lakhs and an average interest yield of 19%. However, our Company started offering mid to higher range ticket size of loans from this year onwards to cater the emerging market demands. During the year, we expanded our dedicated EM branch network from 127 branches in previous year to 212 branches in March 2025, adding 85 new branches across various states. We've substantially expanded our branch network across Madhya Pradesh, Maharashtra, Tamil Nadu, and Andhra Pradesh, reflecting our strategic focus shift this financial year.

Our sourcing model for EM branches relies on a 'feet on the street' approach, ensuring a strong local presence and engagement. This expansion has given us a nationwide presence for our EM branches, and future expansions will continue within these states during our next phase. Our EM branches operate with the philosophy of meeting every MSME need, providing credit for Secured, Machinery, Rooftop Solar, Supply Chain, and Business Loans, thus serving as a true multi-product channel for our customers.

In tier-2 and tier-3 locations, our EM branches have established a strong presence through various activities such as catchment area marketing, local branding, and co-branding with existing customers. We have also partnered with associations that have a hyper-local presence. These partnerships have led to a series of seminars, workshops, and events in several Tier II and Tier III Emerging Market locations, focusing on government schemes, digital credit, and strategies for success in today's evolving business landscape. Through these efforts, UGRO's EM branches effectively support the growth and success of small and micro enterprises, ensuring that we continue to meet the diverse needs of MSMEs across India.

Prime Intermediated Business

Our Prime Intermediated Business operates through prime branches in metro and tier-1 locations, serving businesses with turnovers ranging from INR 1 crore to INR 15 crore. As of March 2025, we operated 23 Prime Branches. These branches source Secured Business Loans, Business Loans, Machinery Finance, and Rooftop Solar Loans to meet every credit need of MSMEs in prime locations, thereby enhancing the productivity of our GRO Partners and the profitability of this business segment.

FY25 saw a robust engagement program for our intermediaries and GRO Partners. Various events were organized to acknowledge and celebrate their collaborative efforts in helping us achieve the remarkable milestone of surpassing INR 12,000 AUM. These events also encouraged our partners to join UGRO's growth journey. The response was highly positive, with partners showing great enthusiasm for our multi-product offering and incorporating machinery finance and rooftop solar into their portfolio origination with UGRO.

Through these initiatives, our Prime Intermediated Business continues to strengthen its relationships with intermediaries and GRO Partners, driving growth and expanding our reach within the MSME sector.

Ecosystem Channel and Green Asset Financing

Our Machinery Finance business continues to thrive in key segments, including Metal Cutting and CNC Machines, Printing Machines, Packaging Machines, Woodworking, and Medical Equipment Finance. We have strengthened our relationships with over 70 focused Original Equipment Manufacturers (OEMs) across these sectors. Expanding our offerings from the initial 23 prime branches, we now provide Machinery Finance services through the entire UGRO branch network across India. In FY25, we actively participated in various industry exhibitions and expos to increase our visibility of machinery finance products amongst OEMs and their customers.

There has been a substantial push at the ground level for Rooftop Solar by extending rooftop solar financing solutions to micro and small enterprises. Through various initiatives, UGRO is making significant strides in both Machinery Finance and Green Asset Financing, ensuring comprehensive support and innovative solutions for MSMEs across India.

Direct & Digital Alliances

Our Digital Business and Alliances channel leverages partnerships to originate loans in locations beyond our direct geographical reach. Loans are sourced through five sub-channels: Fintech entities including MSL, NBFCs, Anchor partners for retailer finance, cross-selling to our existing customer base, and direct-to-customer through our GroX platform.

In FY25, we went live with our embedded finance platform 'MSL', which holds significant potential and aligns with our vision to address the credit gap, particularly for small and micro enterprises. This initiative aims to reach last-mile MSMEs, furthering our goal of inclusive financial support. We have partnered with several fintech and digital lending companies to fund their last-mile supply chains, with a plan to onboard 1 lakh customers. This strategy will enhance the granularity of our portfolio.

Through these efforts, UGRO's Direct and Digital Alliances channel continues to expand our reach and enhance our product offerings, ensuring we meet the diverse needs of MSMEs across India.

Snapshot of AUM and disbursements across products

(INR in crore)

Product Category	Collateral type	AUM		Net Disbursements	
		FY25	FY24	FY25	FY24
Secured Business Loans	Property	2,479	2,084	1,341	1,175
Business Loans	CGTMSE (2)	3,153	2,914	1,844	2,170
EM Loans	Property	2,596	1,144	1,877	722
Supply Chain Financing	Receivables	274	632	(392)	65
Machinery Loans	Machinery	1,577	1,161	1,034	771
Partnership & Alliances	FLDG	1,181	1,112	975	964
Embedded Finance	-	743	-	973	-
Total		**12,003**	**9,047**	**7,651**	**5,867**

1. Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, EM Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances is secured by FLDG.
2. ~12% of AUM guaranteed by CGTMSE cover

Operationalizing Co-lending Model

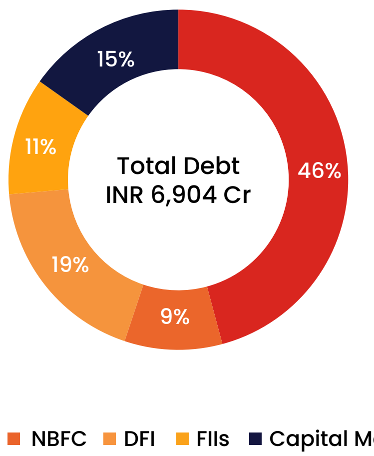
Over the last couple of years, the Company operationalized multiple Co-lending / Co-origination arrangements and emerged as one of the leaders in this business model. As of March, 2025, we have 17 Co-lending / Co-origination partnerships with large Banks and NBFCs. During FY25, we entered into Co-lending partnerships with Bank of Maharashtra and Mahindra and Mahindra Finance, which reiterates the confidence of our lending partners in our business model. There's a strong demand for co-lending across our products, particularly for Secured Business Loans, EM loans and Machinery loans where the off-book share in AUM is close to 50%. Our off-book AUM as on March 2025, stood at INR 5,087 crore (42% of the total AUM), with an aim of achieving our long-term stated goal of 50% off book AUM through Co-lending and Direct Assignments.

Liability Update

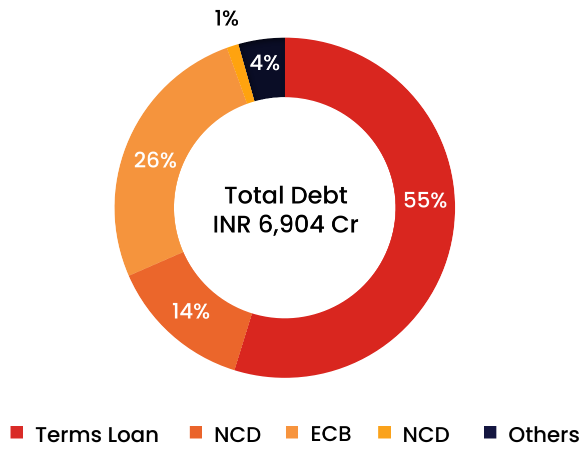
UGRO follows a 3-pronged approach to liability. These include balance sheet-based borrowings from Banks & other financial institutions, co-origination partnerships with larger Banks and loan securitization to raise funding against our asset pool.

During the year, we raised over 4,200 crore by way of borrowings in FY25. This is also a testimony to the fact that the larger lending ecosystem recognizes UGRO's ability to churn out a higher quality portfolio. Our blended liability interest cost on all outstanding debt as of March 2025 stood at 10.6%. Total Debt as of March 2025 stood at INR 6,904 crore. The company has a vast lender base of 59 lenders and looks to consolidate the count of lenders and increase ticket size per lenders with keen focus on lowering cost of borrowing. Our avg debt per lender has increased from approx. INR 83 crore as of March 2024 to INR 115 crore as of March 2025. We have very strong processes and policies to manage our ALM to enable us to better manage our assets and liability.

Liability mix by lender profile



Liability mix by product



(Others Includes CCD, Sub-debt, CC/OD & Securitization)

Credit Underwriting

Our Company has adopted robust and comprehensive risk management capabilities boosted by sectoral expertise, prowess in data analytics and superior technology infrastructure, and powers our journey of accelerated growth with best-in-class governance and asset quality. With the growing needs of the business, the 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 cashflow-based underwriting using the tripod of credit bureau, banking and GST information.

Our Company uses internally developed GRO score 3.0 - an enhanced version of its proprietary scoring model, GRO Score 2.0, thereby creating an industry first cashflow-based scoring model, which leverages data from GST in conjunction with credit bureau and banking information. GRO score 3.0, in addition to analyzing banking and bureau behavior, also extracts and analyses critical information from GST – like sales momentum, purchase behavior, margins, scales of business, counterparty relationships, product mix and filing discipline – to calculate and predict the likelihood of the company repaying the loan. The company has also implemented a predictive modelling driven Early Warning Signals framework to generate trigger alerts for portfolio stage collections activity. The company has in place a supervisory risk evaluation and capital adequacy framework with comprehensive coverage of enterprise level risks. Our Company has undertaken a thorough ICAAP assessment, including identification and review of material risks, assessment of forward-looking business model and operationalization strategy to assess the impact of material risks on the level and quality of capital.

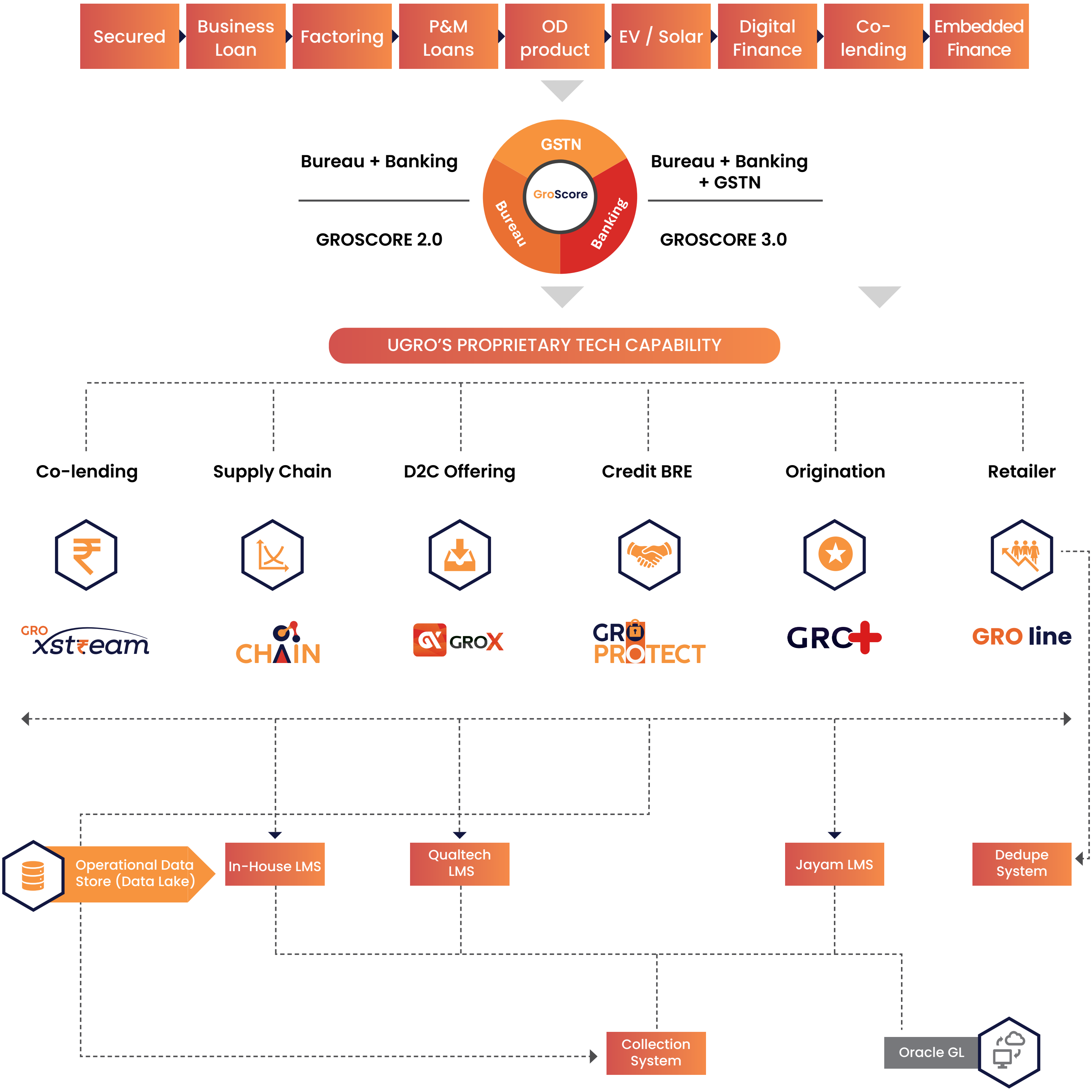
Use of Technology

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 PROTECT	Our centralized credit policy engine which offers flexibility of No-Code real-time policy changes. This powers automated loan application assessments across all platforms in UGRO.
GRO+	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 line	Our Retailer Financing platform provides quick easy self or assisted onboarding for retailers for invoice discounting. This platform also provides easy disbursement of invoices through web and mobile application.
GROX	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 xst₹eam	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.

Our System Architecture supports full SME lending



Segment wise/Product wise performance

Our AUM has increased from INR 9,047 crore in FY24 to INR 12,003 crore in FY25. Across our offered products, our average ticket size stood at ~ INR 9 Lakhs and our average lending rate stood at 17.3% as of Mar 25, which is broken down as follows for each business segment.

Product category	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loans	2,479	14.1%	84
Business Loans	3,153	18.8%	19
EM Loans	2,596	19.0%	16
Supply Chain Financing	274	15.1%	18
Machinery Loans	1,577	14.6%	36
Partnerships & Alliances	1,181	15.4%	4
Embedded Finance	743	26.0%	1
Grand Total	**12,003**	**17.3%**	**9**

Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, EM Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances is secured by FLDG.

Risk Management

The Company has put in place a Board approved Risk Management policy and the Board of Directors of the Company has formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature.. The Audit Committee has additional oversight in the areas of financial risks and controls.

Internal Capital Adequacy Assessment Process (ICAAP):

In accordance with paragraph 83 of the Reserve Bank of India's Master Direction – Non-Banking Financial Company – Scale Based Regulation (SBR), 2023, read with the Scale Based Regulations dated October 22, 2021, the Company has put in place a Board-approved Internal Capital Adequacy Assessment Process (ICAAP) framework. This document outlines the guiding principles for assessing the Company's capital adequacy in relation to its risk profile. Further as per the requirements, the Company undertakes an annual review and reassessment of the ICAAP to ensure continued alignment with its business strategy, risk environment, and regulatory expectations. The review forms an integral part of the Company's overall risk management and capital planning process.

Human Resources

At UGRO, our people are at the heart of everything we do. We firmly believe that our team is the driving force behind our sustained growth and continued success. With this in mind, we strive to create a work environment that not only supports but also motivates individuals to achieve their fullest potential—professionally and personally.

We are continuously evolving our approach to talent and organisational development. UGRO regularly revisits its policies and practices to identify new ways to enhance employee experience and performance.

From focused development programs to productivity tools and performance-linked rewards, we have embedded a comprehensive talent management approach that aligns individual goals with our strategic objectives.

Governance and leadership excellence form another cornerstone of UGRO. Our senior management team—comprising highly experienced professionals from the lending industry—plays an active role in shaping the Company's vision and steering its execution with integrity and foresight. As of March 31, 2025, UGRO had a workforce of 2,149 employees.

Internal control systems and their adequacy

The Company has put in place a Board approved Risk Management policy and the Board of Directors of the Company has formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature.. The Audit Committee has additional oversight in the areas of financial risks and controls.

Credit Rating

India Ratings and Research Private Limited upgraded the long-term rating of the company on bank loan facilities and non-convertible debentures to "IND A+/ Stable" from "IND A/Stable" in this financial year. As of March 2025, our Company's borrowings enjoy the following ratings:

Facility	Ratings
Bank Loan Facilities	IND A+ /Stable, CRISIL A / Stable
Commercial Paper	IND A1+
Non – Convertible debentures	IND A+ /Stable, CRISIL A / Stable, Acuite A /Stable
Sub-ordinated Debt	IND A+ /Stable

Key Financial Information

(INR in crore, except when mentioned otherwise)

Particulars	FY25	FY24
Total AUM	12,003	9,047
Total Net Disbursement	7,651	5,867
Total Income	1,442	1,082
Total Expenditure	1,239	903
Profit before tax	203	179
Profit after tax	144	119
Earnings per share		
- Basic (INR)	15.68	13.39
- Diluted (INR)	14.71	13.20
Net worth	2,046	1,438
Book value per share (INR)	220	157
Ratios		
Off-book AUM (%)	42%	45%
Debt to Equity ratio	3.4x	3.2x
CRAR (%)	19.4%	20.8%
Net Total Income (% of On-Book AUM)	13.7%	14.8%
Cost to Income Ratio (%)	54%	54%
ROA (%)	2.4%	2.8%
ROE (%)[1]	8.7%	9.9%
GNPA (% of AUM)	2.3%	2.0%
NNPA (% of AUM)	1.6%	1.1%

1. Key Financial Information' table '(1) Excluding Equity component of CCDs' and add superscript marking post

Outlook for the company

Our company has invested upfront in headcount, technology and infrastructure in its initial years to build a formidable multi-channel distribution network and proprietary underwriting model that our well-experienced management team can scale multi-fold of our current AUM.

We have set the following goals for FY26:

1. We aim to increase our share of higher yielding products in the overall AUM mix. EM region, embedded financing and Solar rooftop will be our focus areas. We plan to launch new EM branches that will take the EM branch count to 400. We intend to go down the funnel and acquire retailers as part of our customer base through embedded financing and increase our customer base.
2. Co-lending continues to be a key part of our liability strategy. We will continue to expand our co-lending model and increase our off-book AUM mix, in line with our stated goal of 50%.
3. Improving profitability remains one of our key goals. Augmenting the share of higher yielding products coupled with operating leverage and reduced cost of borrowings will help us increase our return on equity.

Key Opportunities

1. **Expanding MSME Credit Market -** MSMEs contribute nearly 30% of India's GDP, with the government aiming to increase this to 50% by 2030. Despite the sector's importance, a significant credit gap of approximately INR 103 trillion exists, primarily due to the lack of formal documentation and credit history. With only 25 million of 63 million MSMEs accessing formal credit, there is a substantial opportunity for NBFCs to fill this void by offering tailored credit solutions through innovative underwriting models.

2. **Digital and Data-Tech Led Lending -** The evolution of GST, increased formalization, and the availability of digital public infrastructure like the Account Aggregator (AA) framework, OCEN, and UPI are transforming the credit landscape. The integration of machine learning and data analytics is enabling NBFCs to adopt cash-flow-based lending models, especially for MSMEs, improving credit access and reducing risk through better assessment.

3. **Co-Lending Framework -** The RBI's co-lending framework allows NBFCs to partner with banks to jointly lend to priority sectors, enabling NBFCs to reach a wider customer base while sharing credit risk. This approach not only improves capital efficiency for NBFCs but also leverages the larger balance sheets of banks to offer more competitive lending rates.

4. **Technology-Driven Efficiency and Reach -** NBFCs continue to lead in delivering last-mile financial services, especially in Tier 2, 3, and 4 cities. With a strong emphasis on digital infrastructure, including omnichannel platforms, AI-driven customer assessment, and seamless disbursals, NBFCs are well-positioned to scale operations and improve the customer experience.

5. **Supportive Government Initiatives -** Government programs such as Pradhan Mantri Mudra Yojana (PMMY), Udyam Registration, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme, ONDC, and GST have strengthened the financial ecosystem and enhanced credit access to the underserved. These programs provide NBFCs a strong base to expand reach and impact.

Key Threats

1. **Funding Constraints and Cost of Capital -** Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India and Company. Any adverse revisions to credit ratings for India and/ or the company by rating agencies may adversely impact our ability to raise additional financing.

2. **Intensifying Competition -** The MSME lending segment is attracting heightened competition from banks, fintechs, and new-age NBFCs. While the market is large and underpenetrated, maintaining a competitive edge will require continuous investment in technology, speed of disbursal, and customer service excellence.

3. **Macroeconomic and Market Volatility -** Economic slowdowns, rising interest rates, or global uncertainties could dampen customer repayment capacity and affect investor sentiment. A downturn in the Indian economy could impact loan performance and increase delinquency levels, affecting the profitability and asset quality of NBFCs.

4. **Regulatory and Policy Risks -** NBFCs are subject to evolving regulatory frameworks. Recent changes, such as increased risk weights on bank exposures to NBFCs, have affected borrowing costs. Unexpected regulatory interventions or compliance requirements may also constrain growth strategies or raise operational costs.

5. **Credit Rating Sensitivity -** NBFCs' ability to raise capital is closely tied to their credit ratings and the sovereign rating of India. Any downgrade in either could lead to reduced access to capital markets or higher borrowing costs, impacting liquidity and expansion plans.

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Director's have pleasure of presenting the 32nd Annual Report of the Company together with the audited financial statements for the Financial Year ended 31st March, 2025 ("Financial Statements").

FINANCIAL HIGHLIGHTS

In compliance with the applicable provisions of the Companies Act, 2013, ("the Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review:

(Rs. in Lakhs)

Particulars	Financial Year ended 31st March, 2025	Financial Year ended 31st March, 2024
Total Income	1,44,184.57	1,08,168.12
Total Expenditure	1,23,872.83	90,291.87
Profit before Tax and exceptional items	20,311.74	17,876.25
Exceptional items	-	-
Profit before tax	20,311.74	17,876.25
Provision for Tax	5,918.75	5,941.77
Profit after tax	14,392.99	11,934.48
Other comprehensive income	729.46	(549.53)
Profit available for appropriation	15,122.45	11,384.95
Appropriations:		
Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934	2,878.60	2,386.90
Balance carried forward to Balance Sheet	12,243.85	8,998.05

DIVIDEND

The Directors do not recommend any dividend on Equity Shares for the financial year ended 31st March, 2025.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Board of Directors of the Company have adopted a Dividend Policy. The said policy is available on the website of the Company under the 'Investor Relations' section at website of the Company at https://www.ugrocapital.com/view-investor-relation/1168/1366.

REVIEW OF OPERATIONS

During the year under review, your Company's total revenue amounted to Rs. 1,44,184.57 lakhs compared to Rs. 1,08,168.12 lakhs in the previous year.

Profit before tax was Rs. 20,311.74 lakhs compared to Rs. 17,876.25 lakhs for the previous year. Profit after tax stood at Rs. 14,392.99 lakhs compared to Rs. 11,934.48 lakhs in the previous year.

SUBSIDIARY COMPANIES

As on 31st March, 2025 your Company has no subsidiaries. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act").

However, during the year ended 31st March, 2025, the Company's Board of Directors and shareholders through their approval dated 02nd May, 2024, and 01st June, 2024, respectively had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), an Embedded Finance Fintech platform, for an enterprise value of Rs. 4,500 lakhs through a combination of equity and cash consideration. Further, the Company had entered into a Share Purchase Agreement (SPA) and Shareholders' Agreement (SHA) on 01st January, 2025, for acquisition of shares of DTPL from its existing shareholders. The completion of the acquisition is subject to satisfaction of certain conditions precedent as specified in the SPA including necessary approvals from the regulators. Post this acquisition, DTPL will become a subsidiary of the Company.

Director's Report (Contd.)

RESERVES

The amounts, if any, proposed to be transferred to the general reserve, statutory reserve and ESOS reserve are mentioned in financial statements.

CHANGE IN SHARE CAPITAL

During the financial year, the Authorized Share Capital of the Company was increased as under:

Rs. 215,00,00,000/- divided into 19,45,00,000 equity shares of Rs. 10/- each and 2,05,00,000 preference shares of Rs. 10/- each, from Rs. 175,00,00,000/- divided into 15,45,00,000 equity shares of Rs. 10/- each and 2,05,00,000 preference shares of Rs. 10/- each, vide special resolution passed by the shareholders of the Company though postal ballot on 01st December 2024.

Further, during the financial year, the Company issued and allotted equity shares under:

i. 1,26,502 fully paid-up equity shares of face value of Rs. 10/- each, to employees on exercise of stock options under "CSL Employee Stock Option Scheme 2017".

ii. 37,878 fully paid-up equity shares of face value of Rs. 10/- each, pursuant to conversion of Compulsorily Convertible Debentures in ratio of 1:1.

iii. 1,89,393 fully paid-up equity shares of face value of Rs. 10/- each, pursuant to conversion of Warrants in ratio of 1:1.

The issued, subscribed and paid-up Equity Share Capital as on 31st March, 2025, was Rs. 93,18,35,940/- consisting of 9,31,83,594 Equity Shares of the face value of Rs. 10/- each, fully paid-up.

As on 31st March, 2025, except as stated below there are no outstanding instruments convertible into equity shares of the Company.

Sr. No	Type of Securities	No of Securities Allotted	Allotment Pursuant to Conversion during the Financial Year	Balance to be Converted
1	Compulsorily Convertible Debentures	97,70,757	37,878	97,32,879
2	Share Warrants	3,81,32,474	1,89,393	3,79,43,081

FUND RAISING

Your Company being a Non-Banking Financial Company is required to raise funds for its business requirements. During the year under review, your Company has borrowed funds through diverse methods viz. term loans, commercial papers, non-convertible debentures, external commercial borrowing, co-lending/co-origination of loans, assignment of portfolio etc. from various private and public Banks/ Financial Institutions/ Development Financial Institutions.

Commercial Papers

The Company has issued and allotted listed/unlisted commercial papers aggregating up to Rs. 48,000 Lakhs on private placement basis in multiple tranches.

Private Placement of Non -Convertible Debentures

The Company has issued and allotted senior, subordinated/ unsubordinated, secured/unsecured, rated, unlisted/listed, redeemable, taxable, transferable, Non-Convertible Debentures aggregating up to Rs. 54,500 Lakhs on private placement basis in multiple tranches.

Public issue of Non- Convertible Debentures

The Company has issued and allotted senior, secured, rated, listed, redeemable, taxable, transferable Non-Convertible Debentures aggregating upto Rs. 20,000 Lakhs through public issue in a single tranche.

Your Company had total borrowings (including NCDs) of Rs. 6,81,873 lakhs as on 31st March 2025. Your Company also raised Rs.1,32,764 lakhs and Rs. 8,779 lakhs through direct assignment and PTC route respectively during the financial year 2025.

PREFERENTIAL ISSUE

In accordance with Chapter V of the SEBI (ICDR) Regulations 2018 read with the Companies Act, 2013 and rules made thereunder the Company had issued and allotted Compulsorily Convertible Debentures ("CCDs") and Convertible Warrants ("Warrants"), both having face value of Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 1,26,464.53 lakh in June 2024, on a preferential basis.

Further, the Company had allotted 97,70,757 CCDs and 3,81,32,474 Warrants respectively in 2 tranches on 06th June, 2024, and 18th June, 2024. Each of the CCDs and Warrants are convertible into 1 equity share within a period of 18 months from the date of allotment of CCDs and Warrants.

Director's Report (Contd.)

The details of allotments is mentioned as below:

Date of Allotment	CCDs	Amount (Rs. In Lakhs) (A)	Warrants*	Amount (Rs. In Lakhs) (B)	Total Amount (Rs. In Lakhs) (A+B)
06th June, 2024	92,36,669	24,384.80	1,76,43,843	46,579.74	70,964.55
18th June, 2024	5,34,088	14,09.99	2,04,88,631	54,089.98	55,499.98
				Total	**1,26,464.53**

**Note: 25% of the Warrant issue price has been paid and the remaining 75% of the Warrant issue price shall be paid upon the exercise / conversion of the Warrant, in accordance with the terms of their issuance. For the purpose of calculation, 100% of the issue price is considered.*

With respect to disclosure under Regulation 32(7A) of SEBI Listing Regulations, the Audit Committee of the Board at its meeting held on 31st July, 2024 had reviewed, and confirmed that the funds raised through preferential issue during the financial year have been fully utilised for the intended object as mentioned in their private placement documents and there was no deviation or variation in utilisation of the said funds.

CREDIT RATING

The Company has availed credit ratings from Crisil Ratings Limited and India Ratings & Research Private Limited with respect to the financial facilities availed/instruments issued by the Company from time to time.

The details of ratings granted to the Company have been given in the Corporate Governance Report for information of the shareholders.

CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio as of 31st March, 2025, stood at 19.41% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15% and out of total CRAR the Tier 1 capital stood at 18.57 % and Tier II Capital at 0.84 %.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Board Composition:

The Board of your Company is comprised of eminent persons with proven competence and integrity. Besides their experience, strong financial acumen, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time. In terms of requirement of SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning, which are detailed in the Corporate Governance Report.

During the financial year, there have been changes in the composition of the Board of Directors. As on 31st March, 2025, your Company has 10 (Ten) Directors on the Board, out of which 6 (Six) are Independent Directors including 1 (One) Woman Director, 1 (One) Executive Director and 3 (Three) are Non-Executive (Nominee) Directors. The Board composition is in compliance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Chetan Kulbhushan Gupta (DIN: 07704601), Non-Executive (Nominee) Director, retires by rotation and, being eligible has offered himself for re-appointment. The Board recommends the same for the approval of the shareholders.

The necessary resolution for the reappointment of Mr. Chetan Kulbhushan Gupta forms part of the Notice convening of the Annual General Meeting. The profile and particulars of experience that qualify Mr. Chetan Kulbhushan Gupta for Board membership are disclosed in the said Notice.

Appointment/Re-appointment of Directors during the financial year:

- Mr. Rohit Goyal was appointed as Non-Executive (Nominee) Director. The shareholders approved the said appointment on 1st June 2024 through Postal Ballot.

Director's Report (Contd.)

- Mr. Suresh Prabhala was appointed as Non-Executive (Nominee) Director. The shareholders approved the said appointment on 1st December 2024 through Postal Ballot.

Resignation of Directors during the financial year:

- Mrs. Deepa Hingorani resigned as Non-Executive (Nominee) Director w.e.f. 25th April 2024 due to her resignation from the Nominee Company.

- Mr. Manoj Sehrawat resigned as Non-Executive (Nominee) Director w.e.f. 30th September 2024 due to his resignation from the Nominee Company.

Key Managerial Personnel:

The details of key managerial personnel of the Company during the year is given below:

Key Managerial Personnel	Designation
Mr. Shachindra Nath	Vice Chairman & Managing Director
Mr. Kishore Lodha	Chief Financial Officer
Mr. Satish Kumar	Company Secretary and Compliance Officer

COMPLIANCE OF RBI REGULATIONS/GUIDELINES/DIRECTIONS

Your Company is a non-deposit taking non-banking financial company registered with the Reserve Bank of India ("RBI") and classified as NBFC – Middle Layer under RBI 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Company continues to comply with all the applicable regulations/guidelines/directions prescribed by the Reserve Bank of India ("RBI"), from time to time.

Further, the Company has also obtained the Certificate of Registration, issued by RBI, authorizing the Company to commence and carry out the factoring business.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has adopted Corporate Governance Code which lays down in detail governance guidelines and practices that are required to be followed while taking decision on various matters. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership and governance of the Company.

Pursuant to the SEBI Listing Regulations, Management Discussion and Analysis and Corporate Governance Report forms part of this Annual Report. The Certificates from M/s Pankaj Nigam and Associates, Practicing Company Secretaries, regarding compliance of the conditions of Corporate Governance as stipulated by the SEBI Listing Regulations are attached to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the 'Business Responsibility and Sustainability Report of the Company for FY 2024-25 is forming part of the Annual Report.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has put in place a Familiarization Programme for Independent Directors. The framework together with the details of the Familiarization Programme imparted during the financial year under review has been uploaded on the website of the Company.

Periodic presentations were made at the Board meetings apprising the Board Members about the finer aspects of the Company's businesses, the challenges posed and an overview of future business plans including:

1. Macro-economic view of the industry in which the Company operates;
2. Budgets, operations and performance of the businesses and relevant regulatory/legal updates in the statutes applicable to the Company;
3. Business model of the Company, risks and opportunities for the businesses and the growth levers for them;
4. Strategic future outlook and the way forward.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age, and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills, and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- Independence - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended from time to time.

DECLARATION OF INDEPENDENCE

The Company has received Declaration of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that he/she is not disqualified from being appointed/ re-appointed/ continue as an Independent Director as per the criteria laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA).

ANNUAL EVALUATION BY THE BOARD OF DIRECTORS

The Board evaluated the effectiveness of its functioning of the Committees and of individual Directors, pursuant to the provisions of the Act and the SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Existence of sufficient skill, experience, time and resources to undertake their duties
- understanding the risks associated with the business, ability to proactively contribute in development of risk management strategy
- understanding of governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee
- demonstration of level of integrity including maintaining utmost confidentiality and identifying disclosing and managing conflicts of interest
- devotion of time to determining the emerging issues that could affect the organization in future

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 05th January, 2017.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole, Chairman and Vice Chairman of the Company were evaluated taking into account the views of other Non-Executive Directors. The Board at its meeting held after the meeting of the Independent Directors, the performance of the Board, its committees, and individual directors were discussed.

Meeting of the Independent Directors Pursuant to Schedule IV of the Act, the Independent Directors met on 17th March, 2025, without the presence of Non-Independent Directors and members of the Management. The meeting of Independent Directors was chaired by Mr. Satyananda Mishra, Non-Executive Chairman and Independent Director. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors, the Board of Directors as a whole, evaluated the performance of the Chairman and Vice Chairman of the Board after taking into account the views of Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

CODE OF CONDUCT

Your Company has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Managerial Personnel.

The confirmation on compliance of the same is obtained from all concerned on an annual basis. All Board Members and Senior Managerial Personnel have given their confirmation of compliance. A declaration duly signed by the Vice Chairman & Managing Director is given under Corporate Governance Report as a separate section in this Annual Report. The Code of Business Conduct and Ethics for the Board of Directors and Senior Managerial Personnel is also posted on the website of the Company.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

The Board meets at regular intervals to discuss and decide on the Company's business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings. The Board / Committee meetings are pre-scheduled well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in the case of special and urgent business, if the need arises, the Board's or Committee's approval is taken by passing resolutions through circulation or by calling the Board/ Committee meetings at short notice, as permitted by law. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to make an informed decision.

The Board of Directors of the Company met 5 (Five) times during the financial year 2024-25. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

As required under the Act, SEBI Listing Regulations and RBI Master Directions, the Company has constituted the following

Director's Report (Contd.)

statutory committees: 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholders Relationship Committee 4) Risk Management Committee 5) Corporate Social Responsibility Committee 6) Asset Liability Committee 7) IT Strategy Committee and 8) Customer Service Committee 9) Review Committee of Wilful Defaulters and Large Defaulters. The Company also has a non-mandatory committee like Securities Allotment and Transfer Committee, Investment and Borrowing Committee and Compliance Committee. Details of all the statutory committees such as terms of reference, composition and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures.

The internal control system is further strengthened through a robust internal audit function, which conducts periodic reviews to assess the design, adequacy, and operating effectiveness of the Company's controls and processes. These audits also cover compliance with applicable regulations, internal policies, and standard operating procedures.

Findings from internal audits are regularly discussed with the management to ensure timely corrective actions. The Audit Committee of the Board provides oversight by reviewing internal audit reports, monitoring the implementation of audit recommendations, and evaluating the overall adequacy and effectiveness of the Company's internal control environment.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirms that, to the best of its knowledge and belief

a) in the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards had been followed along with proper explanations relating to material departure;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit and loss of the Company for that year;

c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the financial statement of the Company had been prepared on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company which are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013

Details of loan, guarantee and investments covered, if any, are provided in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

In terms of the provisions of the Act, the SEBI Listing Regulations and the RBI Directions, the Board of Directors adopted 'Related Party Transaction Policy' to ensure obtaining of proper approvals and reporting of transactions with related parties.

In terms of Section 177 of the Act and Regulation 23 of the SEBI Listing Regulations read with the Related Party Transaction Policy of the Company, transactions with related parties were placed before the Audit Committee for its approval and omnibus approval of the Audit Committee was obtained for related party transactions of repetitive nature. The Audit Committee is periodically on quarterly basis updated with respect to related party transactions executed under omnibus approval. All contracts/arrangements/ transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

During the year under review, no material related party transactions as prescribed in Section 188 of the Act read with Companies (Meetings of the Board and its Powers) Rules, 2014, were entered by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable and required to the Company. Further, during the year under review, the Company had not entered transactions with related parties which could be considered as 'material' in accordance with the Related Party Transaction Policy of the Company. All other transactions with related parties, during the year under review, were in compliance with the Related Party Transaction Policy of the Company.

Disclosure of the related party transactions as required under Regulation 34(3) and 53 (f) of SEBI Listing Regulations and INDAS – 24 are reported in Notes of the audited financial statements of the Company for the financial year ended 31st March, 2024.

The policy on 'Related Party Transactions' is available on the Company's website https://www.ugrocapital.com/view-investor-relation/1167/1280

PARTICULARS OF EMPLOYEES AND REMUNERATION:

A. Information as per Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year:

Name of Director	Ratio to median remuneration
Mr. Shachindra Nath	53.84:1

b) The percentage of increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:

Designation	% of increase in remuneration
Vice Chairman & Managing Director	Nil
Chief Financial Officer	10%
Company Secretary	14%

c) Percentage of increase in the median remuneration of employees during the financial year ended 31st March, 2025: 0%

d) Number of permanent employees on the rolls of the Company as on 31st March, 2025: 2149 employees

e) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year was 14.08% vis a vis an increase of 10.56% in the salaries of Managerial Personnel

f) Affirmation that the remuneration is as per remuneration policy of the Company: Yes

B. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The statement containing particulars of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available at registered office of the Company. The said statement is open for inspection at the registered office of the Company. Any member interested in obtaining these particulars will be provided with the same, upon receipt of a written request delivered at the registered office of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED AFTER 31st MARCH, 2025

There are no material changes and commitments affecting the financial position of the Company subsequent to the close of the financial year 2024-25 till the date of this report.

The Board of Directors of our Company held on 02nd May , 2024, approved the borrowing limit under 180(1)(c) of the Companies Act 2013, upto a total amount of ₹ 10,00,000 Lakh. In this regard the Investment and Borrowing Committee in their meeting held on 20th March, 2025, approved:

- The raising of funds through issuance of Non-Convertible Debentures of face value of Rs.1,000 each ("NCDs") for an amount up to Rs.10,000 Lakhs ("Base Issue Size") with an option to retain oversubscription up to Rs.10,000 Lakhs ("Green Shoe Option"), for an aggregate amount of up to Rs. 20,000 Lakhs. The issue opened for subscription on 03rd April, 2025 ("Issue Opening Date") and was closed on 17th April, 2025 ("Issue Closing Date").

CONSERVATION OF ENERGY

A. Conservation of energy and Technology absorption-

Since your Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

Your Company is vigilant on the need for conservation of energy.

Director's Report (Contd.)

B. Foreign exchange earnings and Outgo-

(Rs. in lakhs)

Sr. No.	Particulars	Financial Year ended 31st March, 2025	Financial Year ended 31st March, 2024
1.	Exchange earned	-	-
2.	Exchange outgo		
	-Debt securities	269.98	262.64
	-Borrowings (other than debt securities)	575.41	61.91
	-Other expenses	55.69	23.67
	-Finance costs	4,512.04	2,986.70
	-Other non-financial assets	98.65	211.83
	Property, plant and equipment	29.19	-
	Total	**5,540.96**	**3,546.75**

REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration policy of the Company comprising of the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters have been provided in the Corporate Governance Report which is which forms part of the Annual Report and is also available on Company's website at https://www.ugrocapital.com/view-investor-relation/1160/1366.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle blower Policy in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the SEBI Listing Regulations and the same has been hosted on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1160/1366.

Any incidents that are reported are investigated and suitable action is taken in line with the said Policy. A report indicating the number of cases reported, investigations conducted including the status update is presented before the Audit Committee, on a quarterly basis. All incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

This Policy, inter alia, provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for the Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Company has also taken software containing structural digital database for maintaining names of persons with whom unpublished price sensitive information is shared.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for the implementation of the Code. The Code is available on the website of the company at https://www.ugrocapital.com/view-investor-relation/1156/1366.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company follows a strict zero tolerance sexual harassment at workplace and adopted the policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year ended 31st March, 2025, is as follows:

Number of complaints filed during the financial year	3
Number of complaints disposed during the financial year	3
Number of complaints pending at the end of the financial year	0

STATUTORY AUDITOR'S AND THEIR REPORT

M/s Sharp and Tannan, Chartered Accountants (Firm Registration No. 109983W) was appointed as Statutory Auditors at the

30th Annual General Meeting ("AGM") held on 8th August 2023 for a period of three years commencing from the conclusion of the 30th AGM till the conclusion of 33rd AGM of the Company.

Further, the report of the Statutory Auditors is provided in the financial section of the Annual Report. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers

INTERNAL AUDIT

The internal audit function provides assurance to the Audit Committee, the Board of Directors, and Senior Management on the effectiveness of the Company's internal controls, risk management, and governance systems and processes.

At the beginning of each financial year, an annual risk based internal audit plan is prepared and basis the risk assessment conducted and approved by the Audit Committee. Internal audit reports, prepared in accordance with the approved plan, are reviewed by the Audit Committee on a quarterly basis. These reviews include significant audit observations and corresponding action taken reports.

Additionally, the Audit Committee holds independent meetings with the internal auditors, without the presence of management, to ensure objectivity and maintain the independence of the internal audit function.

The Company has engaged KKC & Associates, Chartered Accountants, to support the internal audit department in performing internal audits in line with the scope approved by the Audit Committee.

SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made there under, Pankaj Nigam & Associates, Company Secretaries, has been appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor for the financial year 2024-25 is enclosed as Annexure II to this report.

The report is self-explanatory and does not contain any qualification or adverse remark. Therefore, it does not call for any further comments.

Further, the Company has received certificate of Non-Disqualification of Directors from Pankaj Nigam and Associates, Company Secretaries. The same is enclosed as Annexure III to this report.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2025.

DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION, MODERNIZATION AND DIVERSIFICATION

During the year under ended 31st March, 2025, the Company's Board of Directors and shareholders through their approval dated 02nd May, 2024, and 01st June, 2024, respectively had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), a prominent Embedded Finance Fintech platform, for an enterprise value of Rs. 4,500 lakhs through a combination of equity and cash consideration. Further, the Company had entered into a Share Purchase Agreement (SPA) and Shareholders' Agreement (SHA) on 01st January, 2025, for acquisition of shares of DTPL from its existing shareholders. The completion of the acquisition is subject to satisfaction of certain conditions precedent as specified in the SPA including necessary approvals from the regulators. Post this acquisition, DTPL will become a subsidiary of the Company.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31st March, 2025 is available on the Company's website at https://www.ugrocapital.com/investor-relation.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee ("RMC") to frame, implement and monitor the risk management plan of the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature. The Company has an elaborate risk charter and risk management policy. The Audit Committee has additional oversight in the area of financial risks and controls. The Risk Management Policy is available on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1946/1280. Further details on RMC are furnished in the Corporate Governance Report.

EMPLOYEE STOCK OPTIONS DISCLOSURE

Your Company believes that its success and ability to achieve its objectives is largely determined by the quality of its workforce and recognises that not only good employment opportunities, but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company. In recognition of the said objective, the Company adopted and implemented CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Employee Stock Option Scheme 2022 ("ESOS 2022") ("collectively ESOS Schemes") to attract, retain, motivate and incentivize employees of the Company.

The Board of Directors confirm that the ESOS 2017 and

Director's Report (Contd.)

ESOS 2022 are in compliance with the provisions of the act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations ("SBEB"), 2021, as amended.

During the financial year 2024-25, the Company granted 1,20,000 stock options under ESOS 2017 and Nil stock options under ESOS 2022.

Disclosure in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is forming part of this annual report which is available on the website of the Company at the following link: https://www.ugrocapital.com/view-investor-relation/1947/1280.

The certificate from secretarial auditor, M/s Pankaj Nigam & Associates, Company Secretaries confirming implementation of the ESOS Schemes in accordance with the SBEB will be available for inspection of the shareholders at the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1175/1366.

During the year, the Company has spent Rs. 1.00 Lakh on CSR activities. A report pursuant to Section 135 of the Act & Rules made thereunder is annexed to this report as an Annexure I.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Section 124(5) of the Companies Act, 2013, any dividend amount that remains unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to the Unpaid Dividend Account is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company had declared an interim dividend during the financial year 2018–19. In respect of shareholders who have not claimed the said dividend, the corresponding unpaid amount, along with the underlying shares, is due to be transferred to the IEPF during the financial year 2025–26, in compliance with the statutory timeline.

The Company has also sent out individual intimations to the concerned shareholders regarding the proposed transfer, in accordance with the applicable regulatory requirements.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records in terms of Section 148(1) of the Act.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

DETAILS OF FRAUD REPORTED BY AUDITORS

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board, under Section 143(12) of the Act.

GENERAL DISCLOSURES

i. There is no proceeding initiated/ pending against the Company under the Insolvency and Bankruptcy Code, 2016.

ii. There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGMENT

Your Director's would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. Your Director's also thank the shareholders, clients, vendors, investors, banks and other stakeholders for placing their faith in the Company and contributing to its growth. We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing patronage.

For and on behalf of Board of Directors

sd/-
Satyananda Mishra
Non-Executive Chairman (Independent Director)
DIN- 01807198

sd/-
Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618

Place: Mumbai
Date: 26th April 2025

Annexure-I

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company.**

   The CSR policy has been laid out for the Company to comply with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. We, at UGRO, are committed to spending up to 2% of the average net profits for the preceding three financial years on CSR projects/ programs related to activities specified in Schedule VII to the Companies Act, 2013 or such activities as may be notified from time to time. The CSR committee was constituted by the Board of Directors of the Company, at its meeting held on 13th August 2018, to meet the requirements of the Companies Act, 2013.

   The Committee has adopted CSR policy and same is uploaded on the Company's website at https://www.ugrocapital.com/view-investor-relation/1175/1366.

2. **Composition of CSR Committee as on 31st March, 2025:**

Sr. No.	Name of Director	Designation Nature Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Satyananda Mishra	Chairman, Independent Director	1	1
2	Mr. Rajeev Kumar Agarwal	Member, Independent Director	1	1
3	Mr. Shachindra Nath	Member, Vice Chairman & Managing Director	1	1

3. **The web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company-**

   Composition of the CSR committee shared above and is available on the Company's website on https://www.ugrocapital.com/view-investor-relation/1650/1366.

   CSR Policy- https://www.ugrocapital.com/view-investor-relation/1175/1366.

   CSR Project Approved by the Board- https://www.ugrocapital.com/view-investor-relation/1802/1366.

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not applicable

5. (a) **Average net profit of the company as per sub-section (5) of section 135:** Rs. 346.21 lakhs

   (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** Rs. 6.92 lakhs

   (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Rs.6.57 lakhs

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs. . 0.35 lakhs (rounded off as Rs.1 lakh as approved by the Board at its meeting held on 26th July 2024)

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 1 lakh

   (b) **Amount spent in Administrative overheads:** NA

   (c) **Amount spent on Impact Assessment, if applicable:** NA

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Rs.1 lakh

   (e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.1 lakh	-			-	

Director's Report (Contd.)

(f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs.)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	6.92 lakhs
(ii)	Total amount spent for the Financial Year	7.57 lakhs*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.65 lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.65 lakh

**The Company had spent Rs. 1 Lakh in the financial year 2024-25 as approved by the Board in its meeting held on 31st July 2024, in addition to the excess amount of Rs. 6.57 Lakhs it has taken as set off in the financial year 2024-25.*

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
Nil								

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.-** Not applicable

For and on behalf of Board of Directors

Sd/-
Satyananda Mishra
Non-Executive Chairman (Independent Director)
DIN- 01807198

Sd/-
Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618

Place: Mumbai
Date: 26th April 2025

Annexure - II

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
UGRO Capital Limited
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UGRO Capital Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable;

(ii) The Securities Contracts (regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines/Circulars prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021;
- (f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (h) SEBI Master Circular: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dt. May 21, 2024

(vi) The Reserve Bank of India Act, 1934.

(vii) All Master Directions, Master Circulars, Notifications, Guidelines issued by the Reserve Bank of India to the extent applicable to Systemically important non-deposit taking non-banking financial company

(viii) Prevention of Money Laundering Act, 2002

During the period under review, provisions of the following Act/ Regulations are not applicable to the Company:

a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Director's Report (Contd.)

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India

b) The listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013, the RBI Act, 1934 and the SEBI LODR Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We have examined the systems and processes of the Company are in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guideline**s.**

We further report that during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

i) The Company's Board of Directors and shareholders through their approval dated May 02, 2024, and June 01, 2024, respectively had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), for an enterprise value of Rs. 4,500 lakhs through a combination of equity and cash consideration. Necessary approvals from the regulators are under consideration till date.

ii) The Company has issued and allotted listed/unlisted commercial papers aggregating upto Rs. 480,00,00,000/- (Rupees Four Hundred Eighty Crores) on private placement basis in multiple tranches.

iii) The Company has issued and allotted senior, subordinated/unsubordinated, secured/unsecured, rated, unlisted/listed, redeemable, taxable, transferable,Non-Convertible Debentures aggregating upto Rs. 545,00,00,000/- (Rupees Five Hundred Forty-Five Crores) on private placement basis in multiple tranches

iv) The Company has issued and allotted senior, secured, rated, listed, redeemable, taxable, transferable Non-Convertible Debentures aggregating upto Rs. 200,00,00,000/- (Rupees Two Hundred Crores) through public issue in a single tranche.

v) The Company has allotted 126,502 equity shares under CSL Employee Stock Option Scheme 2017 to its eligible employees who exercised the stock options.

vi) The Company has allotted Compulsorily Convertible Debentures (“CCD”) and Warrants on preferential basis for an amount aggregating upto Rs. 12,64,64,52,984/- (Rupees One Thousand Two Hundred Sixty-Four Crores Sixty-Four Lakhs Fifty-Two Thousand Nine Hundred Eight-Four Only).

vii) The Company vide special resolution passed by the shareholders of the Company though postal ballot on 01st December 2024, had altered clause (v) of the Memorandum of Association of the Company by increasing the authorised share capital of the Company from Rs. 175,00,00,000/- divided into 15,45,00,000 equity shares of Rs. 10/- each and 2,05,00,000 preference shares of Rs. 10/- each to Rs. 215,00,00,000/- divided into 19,45,00,000 equity shares of Rs. 10/- each and 2,05,00,000 preference shares of Rs. 10/- each.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343G000206621

Date: 26.04.2025
Place: Ghaziabad

Encl: Annexure A

Director's Report (Contd.)

Annexure A

To,

The Members
UGRO Capital Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343G000206621

Date: 26.04.2025
Place: Ghaziabad

Annexure - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
UGRO Capital Limited
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UGRO Capital Limited having CIN L67120MH1993PLC070739 and having registered office at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Shachindra Nath	00510618	22/06/2018
2	Satyananda Mishra	01807198	05/07/2018
3	Hemant Bhargava	01922717	08/02/2022
4	Suresh Prabhala	02130163	01/10/2024
5	Karuppasamy Singam	03632212	05/07/2018
6	Sekar Karnam	07400094	08/02/2022
7	Chetan Kulbhushan Gupta	07704601	02/11/2018
8	Rajeev Krishnamuralilal Agarwal	07984221	05/07/2018
9	Tabassum Abdulla Inamdar	07637013	01/08/2023
10	Rohit Goyal	05285518	25/04/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343G000206621

Date: 26 /04 /2025
Place: Ghaziabad

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

UGRO Capital Limited upholds corporate governance as a foundational pillar of its operations, viewing it as a framework of systems, principles, and practices that ensure accountability, transparency, and fairness in all business dealings. The Company recognizes its fiduciary responsibilities and remains committed to serving the interests of its shareholders, customers, employees, bankers, regulators, and other stakeholders with integrity. Believing that strong board practices and transparent disclosures are essential to long-term value creation, UGRO Capital has embedded corporate governance principles across all levels of its functioning. The Board of Directors provides strategic oversight, while the leadership team executes strategic management aligned with the Company's vision and values. Beyond mere regulatory compliance, UGRO Capital strives to uphold the highest standards of ethical conduct and responsible governance. It continuously evolves its governance frameworks to meet emerging challenges and stakeholder expectations, ensuring timely and accurate disclosures, particularly in relation to its financial performance. The Board and its Committees are constituted in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the RBI Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023.

BOARD OF DIRECTORS AND COMPOSITION

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and provides guidance to the Company. Further, the Board is fully aware of its fiduciary responsibilities and recognizes its responsibilities towards the long-term interest of its stakeholders by upholding the highest standards of governance in all matters concerning the Company.

All the Directors of the Company are well qualified, people of proven competence and possess the highest level of personal and professional ethics, integrity and values. The Directors of the Company exercise their objective judgment independently. The Directors actively participate in all strategic issues, which are crucial for the long-term development of the Company. Detailed profile of the Directors is available on the Company's website at the weblink : https://www.ugrocapital.com/about#our-team.

The composition of the Board of your Company is in conformity with the provisions of the Act, RBI Master Directions and SEBI Listing Regulations, as amended from time to time, and is also governed by the Articles of Association of the Company.

As on 31st March, 2025, the Board comprised of ten directors, viz. one Executive Director (Vice Chairman & Managing Director), six Independent Directors and three Non-Executive (Nominee) Directors. The Chairman of the Board is a Non-Executive (Independent) Director.

The Company believes in providing appropriate representations to the large shareholders in the proceedings of the Board and Committees. Accordingly, our existing Articles of Association allows each Large Shareholder as defined therein the right to nominate a representative as Non- Executive Director on the Board of the Company. In view of the same, the Board has representation from ClearSky Investment Holdings Pte Ltd, Samena Fidem Holdings and Danish Sustainable Development Goals Investment Fund.

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment, in compliance with the Act and the SEBI Listing Regulations.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors (IDs), the Board of Directors have confirmed that the Independent Directors meet the criteria of independence as mentioned under the Act and the SEBI Listing Regulations. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website https://www.ugrocapital.com/. During the financial year 2024-25, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee ('NRC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse background and diverse experience.

Corporate Governance (Contd.)

As on 31st March 2025, Mr. Satyananda Mishra is the Non-Executive (Independent) Chairman and Mr. Shachindra Nath is the Vice Chairman & Managing Director of your Company. Mr. Chetan Gupta, Mr. Suresh Eshwara Prabhala and Mr. Rohit Goyal were Non- Executive (Nominee) Directors of your Company and they did not receive any sitting fees or remuneration from the Company. Mr. Satyananda Mishra, Mr. Rajeev Krishnamuralilal Agarwal, Mr. Karuppasamy Singam, Mr. Karnam Sekar, Mr. Hemant Bhargava and Ms. Tabassum Abdulla Inamdar were the Independent Directors of your Company.

Apart from reimbursement of expenses incurred in the discharge of their duties and sitting fees, none of these Directors had any other pecuniary relationships or transactions with the Company or Promoters or its Directors, during the two immediately preceding financial years or during the current financial year.

The details about names and categories of Directors, DIN, their attendance at the Board Meetings held during the year, at the last Annual General Meeting (AGM) and also the number of Directorships and Committee positions held by them in Indian public limited companies, and names of the listed entities where they hold Directorship and category of such Directorship are provided below:

Name of the Directors	Category of Director	DIN	Details of Attendance			Total Number of Directorships and Committee Memberships/ Committee Chairmanships/ Chairpersonship of public limited companies #			Directorships in other listed entities and Category	
			Number of Board Meetings		Last AGM (08.08.2024)	Director-ships	Committee Memberships+	Committee Chairmanships/ Chairpersonship+		
			Held	Attended						
Mr. Satyananda Mishra	Non- Executive Chairman (Independent Director)	01807198	5	5	Yes	3	3	1	1. Paradeep Phosphates Ltd	Independent Director
Mr. Shachindra Nath	(Vice Chairman & Managing Director)	00510618	5	5	Yes	1	0	0	Nil	Nil
Mr. Karnam Sekar	Independent Director	07400094	5	5	Yes	4	3	1	Laurus Labs Limited	Independent Director
Mr. Hemant Bhargava	Independent Director	01922717	5	5	Yes	3	3	2	1. ITC Limited 2. SMC Global Securities Limited	1. Independent Director 2. Independent Director
Mr. Karuppasamy Singam	Independent Director	03632212	5	5	Yes	1	2	0	Nil	Nil
Mr. Rajeev Krishnamuralilal Agarwal	Independent Director	07984221	5	5	Yes	6	9	4	1. Star Health and Allied Insurance Company Ltd. 2. ACC Ltd. 3. MKVentures Capital Limited 4. One 97 Communications Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director
Ms. Tabassum Abdulla Inamdar	Independent Director	07637013	5	4	No	1	0	0	Nil	Nil
Mr. Chetan Gupta	Non-Executive Director (Nominee-Equity investor)	07704601	5	2	No	1	0	0	Nil	Nil
Mr. Rohit Goyal*	Non-Executive (Nominee-Equity investor)	05285518	5	3	No	1	1	0	Nil	Nil
Mr. Suresh Eshwara Prabhala*	Non- Executive (Nominee-Equity investor)	02130163	5	1	N.A.	2	0	0	Tarsons Product Limited	Non- Executive (Nominee) Director

Notes:

 # Excludes Directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act. None of the Directors holds Directorships in more than 20 Companies as stipulated in Section 165 of the Act.

+ Committees considered are Audit Committee and Stakeholders Relationship Committee including in UGRO.

** Mr. Rohit Goyal and Mr. Suresh Eshwara Prabhala were appointed as Non- Executive (Nominee) Director w.e.f 25th April 2024 and 01st October 2024 respectively. Accordingly, attendance is calculated on pro- rata basis from the date of appointment of the Director.*

Corporate Governance (Contd.)

NUMBER OF BOARD MEETINGS

The Board of Directors met five (5) times during the financial year under review on 02nd May 2024, 31st July 2024, 22nd October 2024, 24th January 2025 and 18th February 2025.

The requisite quorum was present during all the meetings.

The Board met at least once in a calendar quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days. These meetings were well attended.

SHARES/CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

As on 31st March 2025, the Company allotted Convertible Warrants to its Non-Executive Directors, as mentioned below:

Name of Director	Designation	No. of Convertible Warrants
Mr. Hemant Bhargava	Independent Director	9,469
Ms. Tabassum Abdulla Inamdar	Independent Director	18,939

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 46 of the SEBI Listing Regulations, the details of familiarisation programs are available on the website of the Company at the web-link:

https://www.ugrocapital.com/view-investor-relation/1166/1358

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Members of the Board are committed to ensure that the Board is in compliance with the highest standards of Corporate Governance.The table below summarises the key skills, expertise, competencies and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board.

CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS OF THE COMPANY

The core skills / expertise / competencies identified by the Board pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations and available with the Board are as given below:

Sr. No.	Name of Director	Skills / Expertise / Competencies
1	Mr. Satyananda Mishra	Corporate Governance
2	Mr. Shachindra Nath	Financial Service Sector
3	Mr. Karuppasamy Singam	Banking and Regulatory Compliance
4	Mr. Rajeev Krishnamuralilal Agarwal	Regulatory Compliance
5	Mr. Karnam Sekar	Banking
6	Mr. Hemant Bhargava	Finance
7	Ms. Tabassum Abdulla Inamdar	Banking, Insurance and Financial Service Sector
8	Mr. Chetan Gupta	Finance and Investments
9	Mr. Suresh Eshwara Prabhala	Finance and Strategy
10	Mr. Rohit Goyal	Financial Service Sector

BOARD PROCEDURE

The Company sends detailed agenda setting out the business to be transacted at the meeting(s) to each Director. All the agenda items are supported by detailed notes, supporting documents and presentations, if any, to enable the Board to take informed decisions. A soft copy of the Board/Committee Meeting agenda is hosted on the Board portal to provide web- based solution.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the management apprises the Board at every meeting about performance of the Company, as well as the current market conditions including the Company's business, key milestones and challenges.

The Board provides overall strategic directions and periodically reviews strategy, business plans, annual operating plan and capital expenditure budgets, investment and exposure limits, compliance report(s) of all laws applicable to the Company, approval and adoption of quarterly/half yearly/ annual results, risk assessment and minimization procedures etc.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to systematize the decision-making process at the Board and Committee meetings in an informed and efficient manner.

COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of the delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Your Company has 12 (twelve) Board level Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Committee, Risk Management Committee, IT Strategy Committee, Securities Allotment & Transfer Committee, Compliance Committee, Investment & Borrowing Committee, Customer Service Committee and Wilful Defaulters - Review Committee.

The composition and functioning of these Committees is in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Committee, IT Strategy Committee, Customer Service Committee and Wilful Defaulters - Review Committee are also in accordance with RBI Master Directions.

During the year under review, all recommendations received from its Committees were deliberated and accepted by the Board.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

a) Audit Committee

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.

As on 31st March 2025, the Committee comprised of three Independent Directors and one Non- Executive (Nominee) Director.

The Committee met (5) times during the financial year on 02nd May 2024, 31st July 2024, 21st October 2024, 24th January 2025 and 18th February 2025. The gap between two meetings did not exceed one hundred and twenty days.

The composition of the Audit Committee and particulars of attendance at the meetings of the Committee held in FY 2024-25 are given below:

Sr. No.	Name of Director	Category	No. of Meetings Held	No. of Meetings attended
1	Mr. Hemant Bhargava	Chairman of the Committee (Independent Director)	5	5
2	Mr. Shachindra Nath*	Member (Vice Chairman & MD)	5	4
3	Mr. Satyananda Mishra*	Member (Independent Director)	5	4
4	Mr. Karuppasamy Singam	Member (Independent Director)	5	5
5	Mr. Karnam Sekar*	Member (Independent Director)	5	4
6	Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	5	5
7	Ms. Tabassum Abdulla Inamdar*	Member (Independent Director)	5	3
8	Mr. Rohit Goyal**	Member (Non-Executive Director)	5	Nil

**ceased to be member w.e.f. 24th January 2025*
***inducted as a member w.e.f. 24th January 2025*

All the Members of the Audit Committee possess strong accounting and financial management knowledge. The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18(1) of the SEBI Listing Regulations.

The terms of reference of this Committee are wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI Listing Regulations.

The Committee acts as a link between the Statutory Auditors/ Internal Auditors and the Board of Directors of the Company. It is authorized to, inter alia, review and monitor the Auditor's independence and performance, effectiveness of the audit processes, oversight of the Company's financial reporting process and the disclosure of its financial information and reviewing the same with the management. Further, the Committee also reviews the quarterly and annual financial results/statements and the Auditors' Report thereon before submission to the Board for approval. The Committee also reviews reports of the Statutory and the Internal Auditors and meets with them to discuss their findings, suggestions and other related matters.

The Committee recommends to the Board the appointment and remuneration payable to the Chief Financial Officer, Statutory Auditors and Internal Auditors.

The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) and reviews all the information as prescribed in Regulation 18(3) read with Paragraph B of Part C of Schedule II of the SEBI Listing Regulations. Generally, all items listed in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in its terms of reference. The Committee is also authorised to oversee the functioning of the Whistle Blower Policy/Vigil Mechanism as well as review the Report on compliance under the Code of Conduct for Prevention of Insider Trading as adopted by the Company pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Corporate Governance (Contd.)

The Chief Financial Officer, the Statutory Auditors and Internal Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

Mr. Hemant Bhargava, Chairman of the Audit Committee was present at the 31st Annual General Meeting of the Company held on 8th August 2024 through video conferencing and other audio-visual means.

b) Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations.

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, and recommend candidates for Board membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company and also in line with the appropriate legislations, devise policy on Board diversity, determine overall compensation policies of the Company.

The terms of reference of the Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the SEBI Listing Regulations.

The scope of the Committee further includes review and recommend to the Board remuneration applicable to the Executive Vice-Chairman & Managing Director, setting out performance parameters and review of the same. The Committee is also empowered to identify persons who are qualified to become Directors and who may be appointed at a senior management level in accordance with the criteria laid down and recommend to the Board.

The Committee has also formulated the criteria for determining the qualifications, positive attributes and independence of Director and recommended to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Senior Management Personnel.

Performance Evaluation Criteria for Independent Directors:

The Nomination and Remuneration Committee, inter alia, determines the performance evaluation criteria for Independent Directors on parameters such as participation and contribution by a director, effective deployment of knowledge and expertise, ability to challenge views of others in a constructive manner, integrity and maintenance of confidentiality and independence of behavior and judgment.

As on 31st March 2025 the Committee comprised of five Independent Directors.

The Committee met thrice during the year under review on 2nd May 2024, 24th January 2025 and 18th February 2025.

All the meetings were well attended by all the Directors.

The composition of the Nomination and Remuneration Committee and particulars of attendance at the meetings of the Committee held in FY 2024-25 are given below:

Sr. No.	Name of Director	Category	No. of meetings held	No. of meetings attended
1	Mr. Rajeev Krishnamuralilal Agarwal	Chairman of the Committee (Independent Director)	3	3
2	Mr. Hemant Bhargava	Member (Independent Director)	3	3
3	Mr. Satyananda Mishra	Member (Independent Director)	3	3
4	Mr. Karnam Sekar	Member (Independent Director)	3	3
5	Mr. Karuppasamy Singam	Member (Independent Director)	3	3
6	Mr. Manoj Kumar Sehrawat*	Member (Non-Executive Director)	3	Nil

**ceased to be member and resigned as a director w.e.f. 30th September 2024*

Stakeholders' Relationship Committee

The constitution, roles and terms of reference of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Mr. Rajeev Krishnamuralilal Agarwal, Independent Director is the Chairman of the Committee.

As on 31st March 2025 the Committee comprised of all three Independent Directors.

The Committee met twice during the financial year on 26th July 2024 and 17th January 2025. The meetings were attended by all the Directors.

The composition of the Stakeholders Relationship Committee and particulars of attendance at the meeting of the Committee held in FY 2024-25 is given below:

Corporate Governance (Contd.)

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rajeev Krishnamuralilal Agarwal	Chairman of the Committee (Independent Director)	2	2
Mr. Karuppasamy Singam	Member (Independent Director)	2	2
Mr. Satyananda Mishra	Member (Independent Director)	2	2

Mr. Satish Kumar, Company Secretary and Compliance Officer is the Compliance Officer. Mr. Rajeev Krishnamuralilal Agarwal, Chairman of the Committee was present at the 31st Annual General Meeting of the Company held on 8th August 2024 through video conferencing and other audio-visual means.

Details of complaints/grievances received from Investors and attended by the Company during the financial year 2024-25 are given in below Table.

Status of Investor Complaints

Sr. No.	Nature of Security	No. of complaints pending as on 1st April 2024	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on 31st March 2025
1	Equity Shares	Nil	Nil	Nil	Nil
2	Non-Convertible Debentures	Nil	3	3	Nil

Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee has been constituted by the Board of Directors in accordance with section 135 of the Act, with powers, inter alia, to make donations/contributions to any Charitable and/ or CSR projects or programs. The Company is required to spend at least two percent of the Company's average net profits during the three immediately preceding financial years in pursuance of its CSR Policy for the Company's CSR initiatives.

The role of this Committee also includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act, as also to monitor the CSR Policy from time to time etc.

The CSR Policy of the Company is displayed on the website of the Company at the web-link:

https://www.ugrocapital.com/view-investor-relation/1175/1280.

As at 31st March, 2025, the CSR Committee comprised of two Independent Directors and one Executive Director. The Chairman of the Committee is an Independent Director.

The Committee held one meetings during the financial year under review. The Committee met on 26th July 2024.

The composition of the Committee and particulars of attendance at the meeting of the Committee held in FY 2024-25 is given below:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Satyananda Mishra	Chairman of the Committee (Independent Director)	1	1
Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	1	1
Mr. Shachindra Nath	Member (Vice Chairman & MD)	1	1

Asset Liability Committee

The Asset Liability Committee has been constituted by the Board in compliance with the RBI requirements.

The Asset Liability Committee is responsible for ensuring adherence to the asset/liability mismatch tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company; to review the liquidity risk management, inter alia including, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk; to oversee the liquidity position, etc.

As at 31st March, 2025, the Committee comprised of four Independent Directors, one Non- Executive (Nominee) Director and one Executive Director.

Pursuant to the provisions of Articles of Association of the Company, the Managing Director is the Chairman of the Asset Liability Committee.

The Committee met four times during the financial year on 02nd May 2024, 31st July 2024, 21st October 2024 and 24th January 2025.

The composition of the Committee and particulars of attendance at the meetings:

Corporate Governance (Contd.)

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Shachindra Nath	Chairman of the Committee (Vice Chairman & MD)	4	4
2	Mr. Satyananda Mishra	Member (Independent Director)	4	4
3	Mr. Karnam Sekar	Member (Independent Director)	4	4
4	Mr. Manoj Kumar Sehrawat*	Member (Non-Executive Director)	4	2
5	Mr. Chetan Gupta	Member (Non-Executive Director)	4	1
6	Mr. Hemant Bhargava	Member (Independent Director)	4	4
7	Ms. Tabassum Abdulla Inamdar	Member (Independent Director)	4	3

**ceased to be member and resigned as a director w.e.f. 30th September 2024*

Risk Management Committee

The constitution of the Risk Management Committee is in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations and Master Directions issued by RBI.

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations viz. to formulate a detailed risk management policy; to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; to periodically review the risk management policy; to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken etc.

As at 31st March, 2025 the Risk Management Committee comprised of three Independent Directors and one Non-Executive (Nominee) Director including one Executive Director.

The Committee met five times during the financial year on 02nd May 2024, 31st July 2024, 22nd October 2024, 24th January 2025 and 18th February 2025.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2024-25 are given below:

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karnam Sekar	Chairman of the Committee (Independent Director)	5	5
2	Mr. Shachindra Nath	Member (Vice Chairman & MD)	5	5
3	Mr. Satyananda Mishra	Member (Independent Director)	5	5
4	Mr. Karuppasamy Singam*	Member (Independent Director)	5	4
5	Mr. Manoj Kumar Sehrawat**	Member (Non-Executive Director)	5	2
6	Mr. Chetan Gupta	Member (Non-Executive Director)	5	0
7	Mr. Hemant Bhargava*	Member (Independent Director)	5	4
8	Ms. Tabassum Abdulla Inamdar#	Member (Independent Director)	5	1

**ceased to be member w.e.f. 24th January 2025*
***ceased to be member and resigned as a director w.e.f. 30th September 2024*
#inducted as member w.e.f. 24th January 2025

IT Strategy Committee

The Company has formulated IT Strategy Committee in compliance with the requirements of Reserve Bank of India ("RBI"), Master Circular - Information Technology framework for NBFC sector dated 8th June, 2017.

The scope of the Committee, inter alia, includes review and approval of IT strategy and policy documents, information security and IT Infrastructure arrangements and any other matter related to IT governance.

The Committee met four times during the financial year on 30th July 2024, 21st October 2024, 17th December 2024 and 27th March 2025.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2024-25 are given below:

Corporate Governance (Contd.)

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karuppasamy Singam	Chairperson of the Committee (Independent Director)	4	4
2	Mr. Shachindra Nath	Member (Vice Chairman & MD)	4	2
3	Ms. Tabassum Abdulla Inamdar	Member (Independent Director)	4	4
4	Mr. Karnam Sekar*	Member (Independent Director)	4	4
5	Mr. Rohit Goyal#	Member (Non-Executive Director)	4	4

**inducted as member w.e.f 2nd May 2024*
 # inducted as member w.e.f 24th January 2025

PARTICULARS OF SENIOR MANAGEMENT

As on 31st March 2025, the Company is having following Senior Managerial Personnel and Key Managerial Personnel:

Sr. No.	Name of Key Managerial Personnel/Senior Management Personnel	Designation
1	Mr. Shachindra Nath (KMP)	Vice Chairman & Managing Director
2	Mr. Kishore Kumar Lodha (KMP)	Chief Financial Officer
3	Mr. Anuj Pandey	Chief Executive Officer
4	Mr. Sunil Lotke	Chief Legal and Compliance Officer
5	Mr. Amit Mande	Chief Revenue Officer
6	Ms. Rajni Khurana	Chief People Officer
7	Mr. Sharad Agarwal	Chief Operations and Technology Officer
8	Ms. Irem Sayyed	Chief Credit Officer
9	Ms. Kavita Shedge	Head - Internal Audit
10	Mr. Satish Kumar (KMP)	Company Secretary and Compliance Officer

REMUNERATION

Policy on Remuneration for Directors and senior management and criteria for determining qualifications, positive attributes and independence of a Director:

The success of an organisation in achieving good performance and good governing practices depends on its ability to attract and retain quality individuals with requisite knowledge and experience as Executive and Non-Executive Directors and employees.

The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of an individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of Director:

i. All Board appointments will be based on merit, in the context of the skills, experience, diversity and knowledge for the Board as a whole to be effective.

ii. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision-making.

iii. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and spirit by the Directors.

Based on recommendations of the NRC, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

Your Company has a well-defined Remuneration Policy for its Directors, Key Managerial Personnel and senior management. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act, principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc. and Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs issued by the Reserve Bank of India. The NRC while determining the remuneration of the Directors ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the employees to ensure the quality required to run the Company successfully.

While considering the remuneration, the NRC ensures a balance between fixed and performance-linked variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and it shall ascertain that some part of the remuneration is linked to the achievement of corporate performance targets.

The Nomination and Remuneration Policy is available on the website of the Company i.e. https://www.ugrocapital.com/view-investor-relation/1160/1358.

The Board and the NRC regularly keep track of the current and emerging market trends in terms of compensation levels and practices within the relevant industries. This information is used to review the Company's remuneration policies from time to time.

The cost to company is reviewed annually and increments are given to eligible employees based on their position, performance and market dynamics as decided from time to time.

Corporate Governance (Contd.)

SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES:

The Company has re-appointed Mr. Shachindra Nath, as the Vice Chairman & Managing Director of the Company for a period of three years w.e.f. 22nd June, 2023 to 21st June, 2026 and his notice period for resignation is 360 (three hundred and sixty) days.

Details of Stock Option granted to Executive Directors

Name of Director	No. of Options granted	Grant Price	Grant Date
Mr. Shachindra Nath	Nil	N.A.	N.A.

For disclosures with respect to remuneration of Mr. Shachindra Nath, Vice Chairman & Managing Director, please refer Directors Report.

During the financial year 2024-25, the Company did not advance loans to any of its Directors.

REMUNERATION PAID TO INDEPENDENT DIRECTORS

Independent Directors are paid remuneration in the form of sitting fees within the limits prescribed under the Act and as approved by the Board of Directors. The details of the sitting fees paid to the Independent Directors during the year are as follows:

Sr. No.	Name of the Director	Sitting Fees (INR)
1	Mr. Satyananda Mishra	25,00,000/-
2	Mr. Karuppasamy Singam	25,00,000/-
3	Mr. Rajeev Krishnamuralilal Agarwal	25,00,000/-
4	Mr. Karnam Sekar	24,00,000/-
5	Mr. Hemant Bhargava	21,00,000/-
6	Ms. Tabassum Abdulla Inamdar	15,00,000/-

The Non-Executive Directors (other than Independent Directors) are not entitled to receive sitting fees and any other monetary benefits.

None of the Non-Executive Directors and Independent Directors has any material pecuniary relationship or transactions with the Company, its promoters, its Directors and its senior management. None of the directors are inter-related to each other.

CODE OF CONDUCT

The Board has laid down Code of Conduct for the Board members, Senior Management and Employees of the Company ("Code"). The Code have been posted on the Company's website at the web-link: https://www.ugrocapital.com/view-investor-relation/1154/1272.

The Board has also laid down a Code of Conduct for Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Vice Chairman & Managing Director to this effect is enclosed at the end of this Report as an Annexure A.

MD & CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Vice Chairman & Managing Director and Chief Financial Officer of the Company have jointly certified to the Board regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March, 2025. The said Certificate is attached herewith to this Report as an Annexure C.

The Vice Chairman & Managing Director and the Chief Financial Officer also jointly give quarterly certification on financial results and the same is placed before the Board along with the financial results.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings and Special Resolutions passed:

Financial Year	Date and Time	Venue	Business Transacted by Special Resolutions
2023-24	8th August 2024 11:30 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1) Authorization for borrowing money under section 180(1)(c) of the Companies Act, 2013 2) Authorization to sell, lease, charge and/or mortgage property/assets of the company under section 180 (1) (a) of the Companies Act, 2013 3) To borrow funds by way of issuance of non-convertible debentures 4) To consider and approve raising of funds to the tune of INR 500 crores (Indian rupees five hundred crores only) by way of qualified institutions placement ("QIP") or through any other method, in compliance with applicable laws.

Corporate Governance (Contd.)

Financial Year	Date and Time	Venue	Business Transacted by Special Resolutions
2022-23	8th August 2023 03:30 PM	BSE International Convention Hall, 1st Floor, Phiroze Jeejee bhoy Towers, Dalal Street, Fort, Mumbai - 400001.	1) To approve alteration of Articles of Association of the Company 2) Authorization for borrowing money under Section 180(1)(C) of the Companies Act, 2013 3) Authorization to sell, lease, charge and/or mortgage property/ assets of the Company under section 180(1)(a) of the Companies Act, 2013 4) To borrow funds by way of issuance of Non-Convertible Debentures 5) To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores Only) by way of Qualified Institutions Placement ("QIP") or through any other method, in compliance with applicable laws 6) Appointment of Mr. Satyananda Mishra as a Director and his re-appointment as an Independent Director of the Company for the second term 7) Appointment of Mr. Rajeev Krishnamuralilal Agarwal as a Director and his re-appointment as an Independent Director of the Company for the second term 8) Appointment of Mr. Karuppasamy Singam, as a Director and his re-appointment as an Independent Director of the Company for the second term 9) To approve appointment of Mrs. Deepa Agar Hingorani as Director of the Company
2021-22	12th August 2022 11:00 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1) To adopt Common Seal of the Company and approve alteration of Articles of Association of the Company 2) Authorization for borrowing money under Section 180 (c) of the Companies Act, 2013 3) Authorization to sell, lease, charge and/or mortgage property of the Company under Section 180 (1)(a) of the Companies Act, 2013 4) To borrow funds by way of issuance of Non-Convertible Debentures 5) To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores only) by way of Qualified Institutions Placement ("QIP") or through any other method, and in compliance of applicable laws

Details of Extraordinary General Meetings held during the Financial Year:

No Extra-ordinary General Meetings of the Shareholders were held during the financial year 2024-25.

Postal Ballot:

During the financial year 2024-25, the Company had passed the following Resolutions through Postal Ballot:

Postal Ballot No. 1

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 1	1	To consider and approve issuance of Compulsory Convertible Debentures (CCDs) on preferential basis to the identified investors	Special Resolution
	2	To consider and approve issuance of Convertible Warrants on preferential basis to the identified investors	Special Resolution
	3	Approval for acquistion of Datasigns Technologies Private Limited	Special Resolution
	4	Further issue of equity shares in consideration for acquisition of Datasigns Technologies Private Limited	Special Resolution
	5	To increase the aggregate limit of investment by Non-Resident Indians ("NRIs")/ Overseas Indian Citizens ("OCIs") in share capital of the Company	Special Resolution
	6	To approve appointment of Mr. Rohit Goyal (DIN: 05285518) as Non-Executive (Nominee) Director of the Company	Special Resolution

a) Scrutinizer details:

Mr. Pankaj Kumar Nigam (ICSI Membership No. FCS 7343) was appointed as Scrutinizer to conduct and scrutinize the postal ballot process and votes cast (through remote e-voting only) in a fair and transparent manner.

Corporate Governance (Contd.)

b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)						Result
	Item no. 1	Item no.2	Item no.3	Item no.4	Item no.5	Item no.6	
Votes in favour of the resolution	99.4744	99.4742	98.4417	98.4414	99.9983	99.9989	Passed with requisite majority on 1st June 2024
Votes against the resolution	0.5256	0.5258	1.5583	1.5586	0.0017	0.0011	
Total	100.00	100.00	100.00	100.00	100.00	100.00	

c) Procedure for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 2nd May 2024 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on cut-off date i.e. Friday, 26th April 2024 and who had registered their e-mail addresses Company/RTA/Depositories/Depository Participants. Hard copy of the Postal Ballot Notice along with the Postal Ballot Form and pre-paid business reply envelope were not sent to the Members for the Postal Ballot in accordance with the said MCA Circulars and Members were required to communicate their assent or dissent only through the remote e-voting system.

The newspaper advertisements to this effect were published, both in Business Standard newspaper (English) having nation-wide circulation and Navshakti (Marathi) having circulation in the state of Maharashtra on 3rd May 2024 and 4th May 2024 in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.

The remote e-voting facility was provided by National Securities Depository Limited (NSDL). The remote e-voting period commenced from 9.00 a.m. (IST) on 3rd May 2024 and concluded at 5:00 p.m. (IST) on 1st June 2024. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 3rd June 2024. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 3rd June 2024 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company (www.ugrocapital.com) NSDL and were also displayed at the Registered Office and the Corporate Office of the Company.

Postal Ballot No. 2

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 2	1	Increase in Authorised Share Capital of the Company	Special Resolution
	2	Alteration in Capital clause of the Memorandum of Association of the Company	Special Resolution
	3	Amendment in the mode of discharge of consideration for the acquisition of Datasigns Technologies Private Limited	Special Resolution
	4	To approve appointment of Mr. Suresh Eshwara Prabhala (DIN:02130163), as Non-Executive (Nominee) Director of the Company	Special Resolution
	5	To approve amendment in 'CSL Employee Stock Option Scheme 2017'	Special Resolution

a) Scrutinizer details:

Mr. Pankaj Kumar Nigam (ICSI Membership No. FCS 7343) was appointed as Scrutinizer to conduct and scrutinize the postal ballot process and votes cast (through remote e-voting only) in a fair and transparent manner.

b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)					Result
	Item no. 1	Item no.2	Item no.3	Item no.4	Item no.5	
Votes in favour of the resolution	99.9910	99.9919	99.8906	99.9977	99.3624	Passed with requisite majority on 1st December 2024
Votes against the resolution	0.0090	0.0081	0.1094	0.0023	0.6376	
Total	100.00	100.00	100.00	100.00	100.00	

c) **Procedure for Postal Ballot:**

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 22nd October 2024 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on cut-off date i.e. Friday, 25th October 2024 and who had registered their e-mail addresses Company/RTA/Depositories/Depository Participants. Hard copy of the Postal Ballot Notice along with the Postal Ballot Form and pre-paid business reply envelope were not sent to the Members for the Postal Ballot in accordance with the said MCA Circulars and Members were required to communicate their assent or dissent only through the remote e-voting system.

The newspaper advertisement to this effect were published, both in Business Standard newspaper (English) having nation-wide circulation and Navshakti (Marathi) having circulation in the state of Maharashtra on 30th October 2024 in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.

The remote e-voting facility was provided by National Securities Depository Limited (NSDL). The remote e-voting period commenced from 9.00 a.m. (IST) on 2nd November 2024 and concluded at 5:00 p.m. (IST) on 1st December 2024. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 3rd December 2024. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 3rd December 2024 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company (www.ugrocapital.com) and NSDL and were also displayed at the Registered Office and the Corporate Office of the Company.

MEANS OF COMMUNICATION

The Company, from time to time and as may be required, interacts with its shareholders, debenture holders and investors through multiple channels of communication such as announcement of financial results, annual report, media releases, dissemination of information on the website of the Company, BSE Limited and National Stock Exchange of India Limited. The details of unpaid/unclaimed Dividend are also uploaded on the website at the web-link: https://www.ugrocapital.com/view-investor-relation/1863/1358

i. The Company publishes its quarterly, half-yearly and annual results in Business Standard/ Free Press Journal (all India editions), Mumbai Lakshadeep and Navshakti (Mumbai edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.

ii. The Company also publishes certain key Notices as per statutory requirements in Business Standard and/or Free Press Journal and/or Mumbai Lakshadeep and/or Navshakti.

iii. The Annual Report of the Company, the quarterly/ half yearly and the annual financial results and official press releases are displayed on the Company's website at https://www.ugrocapital.com/investor-relation.

iv. The Company discloses to the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), all information required to be disclosed under Regulation 30 and 51 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the online portal of BSE and NSE.

v. The Company also makes presentations to international and national institutional investors and analysts which are also uploaded on stock exchanges.

These presentations and other disclosures which are required to be disseminated on the Company's website under the SEBI Listing Regulations have been uploaded on the website of the Company and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures.

vi. The Company has provided a dedicated e-mail address (whistleblower@ugrocapital.com) under its Vigil Mechanism, for reporting concerns by all employees, directors, customers, dealers, vendors, suppliers or other stakeholders associated with the Company.

vii. The Company's website is a comprehensive reference on the organization's management, vision, mission, policies, corporate governance, corporate social responsibility, sustainability, investors, corporate benefits, products and services, updates and news.

GENERAL SHAREHOLDERS INFORMATION:

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L67120MH1993PLC070739.

Corporate Governance (Contd.)

32nd Annual General Meeting

Date : 8th August 2025

Time : 11:00 a.m.

Venue/Mode of AGM: Video Conferencing ("VC") /Other Audio Visual Means ("OAVM")

Financial year of the Company

The financial year covers the period from 1st April to 31st March.

Book Closure

Book Closure will be from 2nd August 2025 to 8th August 2025 (both days inclusive) for the purpose of AGM.

Registered Office and Corporate Office of the Company

Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400 070.

Corporate Identification Number (CIN): L67120MH1993PLC070739

Listing Details

B. Equity Shares

The Company has listed its equity shares on the following Stock Exchanges:

Name and Address of the Stock Exchange	Stock Symbol / Scrip Code	ISIN
BSE Limited Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001	511742	INE583D01011
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	UGROCAP	

The requisite listing fees for FY 2024-25 have been paid in full to both the Stock Exchanges.

None of the Company's securities have been suspended from trading.

C. Non-Convertible Debentures (NCDs) and Commercial Papers

During the financial year, your Company has issued listed/ unlisted Non-Convertible Debentures and Commercial Papers.

The Company has paid the requisite listing fees for FY 2024-25 in full.

Debenture Trustee

Pursuant to Regulation 53 of the SEBI Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed and public NCDs are given below:

Sr. No.	Debenture Trustee	Contact Details
1.	Beacon Trusteeship Limited	5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400051 Tel no. 022-26558759
2	Catalyst Trusteeship Limited	901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai- 400013 Tel no. 022-49220555
3	IDBI Trusteeship Services Limited	Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001 Tel no. 022-40807022
4	MITCON Credentia Trusteeship Services Limited	1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 Tel no. 022-22828200
5	Vardhman Trusteeship Private Limited	3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal - 700001 Tel no. 022 - 4264 8335

Distribution of Shareholding:

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2025 is given below:

A. Shareholding pattern by size as on 31st March 2025:

Category (shares)	Number of Shareholders	Number of Shares held	% of Total Share Capital
1 to 500	35131	3625476	3.8907
501 to 1000	2489	1903653	2.0429
1001 to 2000	1266	1861074	1.9972
2001 to 3000	508	1278251	1.3718
3001 to 4000	230	810703	0.87
4001 to 5000	166	781900	0.8391
5001 to 10000	292	2096121	2.2495
10001 and above	308	80826416	86.7389
TOTAL:	**40390**	**93183594**	**100**

B. Shareholding pattern by ownership as on 31st March 2025:

Sr. No.	Category	Total Holders	Total shareholding	% of holding
1	Promoter Company/ entity	1	2027709	2.1760
2	Persons Acting in Concert to Promoter	1	46300	0.0497
3	Body Corporate - Ltd Liability Partnership	28	692309	0.7430
4	Alternate Investment Funds	1	3012	0.0032
5	Directors and their relatives (excluding independent Directors and nominee Directors)	1	148076	0.1589
6	Foreign Company	2	30232558	32.4441
7	Foreign Portfolio Investors	41	10157975	10.9010
8	Hindu Undivided Family	597	806952	0.8660
9	Insurance Companies	2	1723599	1.8497
10	Foreign Direct Investment	1	15238095	16.3528
11	Key Managerial Personnel	2	30001	0.0322
12	Non-Resident Indians (NRIs)	956	3238330	3.4753
13	Other Bodies Corporate	214	5326242	5.7159
14	Public	38543	23512436	25.2324
TOTAL		**40390**	**93183594**	**100.00**

Dematerialisation of Shares and Liquidity

As on 31st March 2025, 99.95 % percent of the total equity capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

The details are as follows:

	No. of Shares as on 31st March, 2025	Percentage (%)
Dematerialised	9,31,41,594	99.95
Physical	42,000	0.05
Total	9,31,83,594	100.00

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

As on 31st March 2025, the Company did not have any outstanding GDRs/ADRs. Further, the Company has issued Compulsory Convertible Debentures and Convertible Warrants having face value of Rs. 10/- each, as mentioned below:

Sr. no.	Type of Convertible Security	Total no. of Convertible Securities issued during FY 2024-25	No. of Securities converted as on 31st March 2025	Conversion date	No. of Securities outstanding for conversion as on 31st March 2025	Impact on Equity
1.	Compulsory Convertible Debentures ("CCDs")	97,70,757	37,878	11th September 2024	97,32,879	Increase in paid up share capital post conversion of CCDs
2.	Convertible Warrants ("Warrants")	3,81,32,474	1,89,393	9th December 2024	3,79,43,081	Increase in paid up share capital post conversion of Warrants

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

The Company enters into derivative transactions to hedges its exposure to foreign exchange risk and interest rate risk on account of foreign currency loans. The Company has hedged all its foreign currency borrowings for its full tenure and is in compliance with applicable RBI guidelines in this regard.

Credit Rating

During the year under review, rating agencies reaffirmed/issued ratings to the Company, as under:

Rating agency	Type	Rating
India Ratings & Research Private Limited	Bank Loan (Long Term)	IND A/Stable
CRISIL Ratings Limited	Bank Loan (Long Term)	CRISIL A-/Positive
CRISIL Ratings Limited	Tier II Bond	CRISIL A-/Positive
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A-/Positive

Corporate Governance (Contd.)

Rating agency	Type	Rating
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A-/ Positive
CRISIL Ratings Limited	Commercial Paper	CRISIL A1
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A/Stable
Acuite Rating & Research Limited	Non-Convertible debentures (long term)	ACUITE A/Stable
Acuite Rating & Research Limited	Non-Convertible debentures (Market Linked Debentures)	PP-MLD/ACUITE A/Stable
Acuite Rating & Research Limited	Non-Convertible debentures (Market Linked Debentures)	PP-MLD/ACUITE AA-/CE/Stable
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1

Plant Locations

The Company is a Non-Banking Financial Company having its Registered Office and Corporate office at Equinox Business Park, 4th Floor, Tower 3, Off BKC, LBS Road, Kurla (West), Mumbai- 400070.

However, there are no plants as the Company is not a manufacturing entity.

Registrar and Share Transfer Agent and Share Transfer System

The Company's Registrar and Share Transfer Agent is MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited). All shares transfers and related operations are conducted by:

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited),
C 101, 247 Park,
L B S Marg, Vikhroli (W),
Mumbai - 400 083
Tel: +91 22 49186000
Fax: +91 22 49186060,
Website: www.in.mpms.mufg.com
E-mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

Norms for furnishing of PAN, KYC, Bank details and Nomination

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The forms for updating the same are available at https://www.ugrocapital.com/investor-relation#INVESTOR_DOWNLOADS.

In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

The Company has dispatched a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular.

Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

Secretarial Audit/Reconciliation of Share Capital Audit

In terms of the Act, the Company appointed Pankaj Nigam & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for FY 2024-25.

The Secretarial Audit Report is annexed to the Board's Report.

Pankaj Nigam & Associates, Company Secretaries carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted Equity Share capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the financial year 2024-25 issued by Pankaj Nigam & Associates, Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the BSE and NSE within 60 days of the end of the financial year.

Address for Correspondence

1. **Equity Shares**

   Shareholders may correspond with the Registrar and Transfer Agents at:

   MUFG Intime India Private Limited
   (Formerly known as Link Intime India Private Limited),
   C 101, 247 Park,
   L B S Marg, Vikhroli (W),
   Mumbai - 400 083
   Tel: +91 22 49186000
   Fax: +91 22 49186060,
   Website: www.in.mpms.mufg.com
   E-mail: rnt.helpdesk@linkintime.co.in

   on all matters relating to transfer, transmission, dematerialisation of shares, payment of dividend, change of address, change in bank details and any other query relating to the equity shares of the Company.

   Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised mode.

2. **Non-Convertible Debentures**

   MUFG Intime India Private Limited also acts as Registrar and Transfer Agents for the Non-Convertible Debentures of the Company.

   Complaints or queries/requests relating to public issuances of Debentures can be forwarded to Email Id: bonds.helpdesk@linkintime.co.in.

   Complaints or queries/ requests with respect to the Company's Privately Placed Debentures may be directed to Email Id: cs@ugrocapital.com

   Debenture holders would have to correspond with the respective Depository Participants for debentures held in dematerialized mode.

OTHER DISCLOSURES

Disclosures on materially significant related party transactions:

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. The details of the transaction with related parties are placed before the Audit Committee from time to time.

There were no material related party transactions during the financial year that have a conflict with the interest of the Company.

Statutory Compliance, Penalties and Strictures

The Company has complied with all the requirements of regulatory authorities.

Details of fines paid during FY 2024-25:

1. BSE and NSE imposed fine of Rs. 23,600/- (Incl. GST @18%) each, for non-compliance of regulation 60 of SEBI (LODR) Regulations, 2015. The Company had submitted clarification to the Exchanges within prescribed timeline and fine was paid by the Company within the prescribed timeline.

   The Company allotted NCDs under Series I and IV of issuance, the first interest payment date was due on 27th March 2024 and the record date intimation was due to be made on 28th February 2024. However, since the said ISINs of series I (INE583D07414) and IV (INE583D07463) were not available on the BSE listing portal and NSE NEAPs portal, the Company was unable to file/upload the intimation on the prescribed due date i.e., 28th February, 2024. Nevertheless, once the said ISINs were available on both the exchanges portals, the Company filed the requisite intimation with NSE and BSE on 4th March 2024. Hence, the fine was levied.

2. BSE and NSE imposed fine of Rs. 99,120/- (Incl. GST @18%) each for non-compliance of regulation 17(1A) of SEBI (LODR) Regulations, 2015. The Company had submitted clarification to the Exchanges within prescribed timeline and fine was paid by the Company within the prescribed timeline. The Company believes that it has complied with Regulation 17(1A) of SEBI (LODR) Regulations, 2015 as applicable on the date of his appointment. It is pertinent to note that SEBI vide SEBI (LODR) (Third Amendment) Regulations, 2024 dated 13.12.2024 amended Regulation 17(1A) by inserting a proviso that stated 'the listed entity shall ensure compliance with this sub-regulation at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy- five years'. This amendment reinforces the Company's interpretation of the regulation as it stood at the time of the appointment. Furthermore, Company had referred to the ruling in Nectar Life Sciences Ltd. vs SEBI & NSE, where the Hon'ble SAT clarified that "prior" approval is not a mandatory condition under the said Regulation.

   Subsequently during September 2024, Company had launched its public issue of Non-Convertible Debenture and in order to meet the eligibility criteria i.e., to clear all outstanding fines/penalties as given in the Regulation (5) of SEBI (Issue And Listing Of Non-Convertible Securities) Regulations, 2021, the Company had, without prejudice to its legal position and the waiver application already file, paid the penalty under protest.

Corporate Governance (Contd.)

Whistle Blower Policy

The Company has a Whistle Blower Policy and has established necessary vigil mechanism for Directors, employees, customers, dealers, vendors and suppliers or other stakeholders associated with the Company to report concerns about unethical behaviour. No individual has been denied access to the Audit Committee.

All employees, Directors, customers, dealers, vendors, suppliers or other stakeholders associated with the Company can make protected disclosures by sending an email at the designated email id: whistleblower@ugrocapital.com

The Whistle Blower Policy has been hosted on the Company's website at the web-link: https://www.ugrocapital.com/view-investor-relation/1162/1358.

Details of Compliance with mandatory requirement and adoption of the non-mandatory requirements:

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company.

The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations, is as under:

- **Modified opinion(s) in Audit Report**:

  The auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

- **Separate Posts of Chairman and Managing Director and CEO**:

  As on the date of this report, the Chairman of the Board is a Non-Executive (Independent) Director and his position is separate from that of the Vice-Chairman & Managing Director. They are not related to each other.

Policy for determining Material Subsidiaries:

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at https://www.ugrocapital.com/view-investor-relation/1179/1358.

Policy on dealing with related party transactions:

The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.ugrocapital.com/view-investor-relation/1167/1358.

Disclosure of commodity price risks and commodity hedging activities: Not applicable

Certificate from Company Secretary in Practice for non-debarment/disqualification and on Corporate Governance:

The Company has received certificate of non-disqualification of directors from M/s Pankaj Nigam and Associates, Practicing Company Secretaries. The same is enclosed as Annexure III to the Director report. The certificate on Corporate Governance is enclosed with this report as an Annexure B.

Disclosure in relation to recommendation made by Committees of the Board

During the year under review, all recommendations of the Board Committees have been accepted by the Board.

Total fees paid to the Statutory Auditors

The details of total fees for all the services paid by the Company to the Statutory Auditors are given below:

Statutory Auditor	Nature	(Amt in ₹)
M/s Sharp and Tannan Associates	Statutory audit fees	36,72,963/-
	Tax audit	4,75,000/-
	Limited Review + Reimbursement of Expenses	26,75,194/-
	Certification + Reimbursement of Expenses	18,50,000/-
	TOTAL	**86,73,157/-**

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Please refer the Directors Report for the said disclosure.

Details of subsidiaries/material subsidiary:

During the financial year 2024-25, your company did not have any subsidiary.

Disclosure on loans or advances:

There have been no loans or advances extended by the Company, in the nature of loans, to any firms or companies where the Directors of the Company hold an interest.

The disclosures of the compliance with corporate governance requirements:

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

Disclosure with respect to demat suspense account/ unclaimed suspense accounts:

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the SEBI Listing Regulations, the details in respect of the unclaimed Equity Shares lying in the suspense account are as under:

Sr. No.	Description	No. of shareholders	No. of shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on date of Listing	0	0
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2025	0	0

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted IND AS from 1st April 2019 and accordingly, these Financial Statements together with the Financial Statements for the comparative reporting period have been prepared with the recognition and measurement principles stated therein, prescribed under Section 133 of the Act, read with relevant Rules issued thereunder and the other accounting principles generally accepted in India.

Annexure A

DECLARATION REGARDING CODE OF CONDUCT OF THE COMPANY

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March, 2025.

For UGRO Capital Limited

Sd/-
Shachindra Nath
Vice Chairman & Managing Director

Date: 26/04/2025
Place: Mumbai

Corporate Governance (Contd.)

Annexure B

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

UGRO Capital Limited
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

We have examined the compliance of the conditions of Corporate Governance by UGRO Capital Limited ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para-C, D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

Date: 26/04/2025
Place: Ghaziabad

Sd/-
(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No.: 7979
UDIN: F007343G000206190

Annexure C

MD & CFO CERTIFICATE

To,
The Board of Directors
UGRO Capital Limited
Equinox Business Park,
Mumbai

Dear Madam/Sir(s),

A. We have reviewed audited financial statements and the cash flow statement for the quarter and financial year ended 31st March 2025 and that to the best of our knowledge and belief:

 (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

 (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and financial year ended 31st March 2025 which are fraudulent, illegal or violative of the Company's code of conduct;

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

D. We have indicated to the auditors and the Audit Committee:

 (i) significant changes, if any in internal control over financial reporting during the quarter and financial year ended 31st March 2025;

 (ii) significant changes in accounting policies, if any during the quarter and financial year ended 31st March 2025 and that the same have been disclosed in the notes to the financial statements;

 (iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and

 (iv) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618

Sd/-
Kishore Lodha
Chief Financial Officer

Date : 26/04/2025
Place: Mumbai

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I.	Details of the listed entity	
1.	Corporate Identity Number (CIN) of the Listed Entity	L67120MH1993PLC070739
2.	Name of the Listed Entity	UGRO Capital Limited
3.	Year of incorporation	1993
4.	Registered office address	Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070
5.	Corporate address	Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070
6.	E-mail	cs@ugrocapital.com
7.	Telephone	+91 22 41821600
8.	Website	www.ugrocapital.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ('BSE') National Stock Exchange of India Limited ('NSE')
11.	Paid-up Capital as on 31st March, 2025	Rs. 931,835,940
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Satish Kumar-Company Secretary and Compliance Officer cs@ugrocapital.com +91 22 41821600
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14,	Name of assessment or assurance provider	Not applicable
15.	Type of assessment or assurance obtained	Not applicable

Business Responsibility & Sustainability Report (Contd.)

II. Products/services

16 Details of business activities *(accounting for 90% of the turnover)*:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured loans, emerging market loans, machinery loans, unsecured business loans and supply chain financing.	98%

17 Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*:

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Non-Banking Finance Company engaged in lending and allied activities	64990 Other financial service activities, except insurance and pension funding activities.	98%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	235	235
International	0	0	0

19 Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States and union territories)	15
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable: The Company is a Non-Banking Finance Company and is into lending business in India

c. A brief on types of customers:

As a financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable segments of our society i.e. MSME. We typically cater MSMEs that have turnover ranging from Rs. 10 lacs to Rs 200 crores.

These could be engaged in trading, manufacturing or service industry. Mostly these MSMEs come from target sectors like healthcare, Light Engineering, FMCG and food processing etc. Almost all our customers are credit tested and have existing credit history and bureau presence.

Business Responsibility & Sustainability Report (Contd.)

IV. Employees

20 Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	2149	1944	90.4%	205	9.6%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	2149	1944	90.4%	205	9.6%

Note - Details related to workers are not applicable as we have not employed any workers during the reporting period

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	1	1	100%	0	0

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	3	0	0%

22 Turnover rate for permanent employees and workers ***(Trends for the past 3 years)***

	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)			FY 2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	31%	29%	40%	28%	39%	63%	36%	60%

Business Responsibility & Sustainability Report (Contd.)

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
The Company does not have any holding/ subsidiary/associate companies/joint ventures				

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover - 1,395.90 Crores

(iii) Net worth - 2,046.39 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)#	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)*	Yes	3	3	-	2	-	-
Shareholders	Yes	0	0	-	3	-	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	500	16	-	444	19	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	No	0	0	-	0	0	-

* *Investors includes debenture holders of the Company*

\# *All applicable grievance policies are available on the website of the Company https://www.ugrocapital.com/investor-relation#subcategory-policies*

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26 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion	Opportunity	MSME sector is backbone of Indian economy contributing 30% to GDP and employing ~ 11 Cr people, MSME's are expected to play a crucial role in India's overall economic growth to its mission to become a $5 trillion GDP country however, only 35% of total addressable demand is currently served through formal credit channel and thus credit availability is a huge pain point for MSMEs in India and acts as one of the deterrents to their growth. Currently there is a wide credit gap of ~ INR 40 Lakh Cr in MSME financing which is currently reliant on informal sources of finance and cannot be completely addressed by traditional underwriting models.	-	Positive. UGRO has developed a unique credit underwriting model which is scalable and templatized by adopting a sectoral lending approach. The Company through its Data analytics prowess and technology strength has automated the lending tripod of Banking, Bureau and GST in its AI / ML driven scoring model GRO Score which support < 60 mins of in principle credit decisioning for MSMEs.
2	Climate Change	Opportunity	The Sustainable Development Goals (SDGs), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. To support UN in achieving SDG's, the Government of India is implementing the National Action Plan on Climate Change which provides an overarching policy framework for all climate actions including mitigation and adaptation. It comprises eight core Missions in specific areas of solar energy, enhanced energy efficiency, sustainable habitat, water, sustaining Himalayan ecosystems, Green India, sustainable agriculture and strategic knowledge for climate change.	-	Positive. UGRO through its sectoral lending approach is naturally equipped to create an impact by lending to businesses engaged in supporting Green Energy. By virtue of the sectoral lending approach UGRO's lending directly promotes use of Electric Vehicles and Rooftop Solar which are instrumental in reducing the overall carbon footprint.

3	Data Security and Privacy	Risk	The Company has access to vast amount of data related to its borrowers. A data leak in any form or through any medium poses a large threat to company and it can suffer from financial loss, reputational harm, loss of consumer trust and brand erosion.	The Company has implemented the following controls for data security: -Robust encryption protocols and data masking mechanisms to protect client personal data. -Strict access control procedures, based on need-to-know and least privilege principles. -Regular Information Security audits and vulnerability assessments, to identify and eliminate potential data security risks in the company's systems. -Regular data backups and disaster recovery plans are defined, to ensure data integrity and availability in case of system failures or breaches. In addition to this, the Company has a well defined information security framework, that provides overall strategy to protect data, infrastructure and IT systems.	Negative

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1 a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	https://www.ugrocapital.com/investor-relation#CORPORATE_GOVERNANCE								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Nil. However, the Company adheres to Fair Practices Code issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organization acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC) and may over a period develop tangible commitments, goals and targets.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements -

- Obtaining data is a huge challenge. First identifying and then how to obtain this. For an organization like U GRO that is focused on funding MSME sector, this is the biggest problem as this is an unorganized sector with borrowers having limited records/ reported information. There is no standard format that can be used to extract data that is credible. Hence, we have to rely on crude methods like survey.
- Data storage and analysis. ESG analysis by investors and others and ESG integration within companies require a huge talent pool and it is a big challenge as it is a relatively newer field. Most companies lack qualified internal resources to implement ESG initiatives effectively. Instead, they must rely on external consultants. While this comes at a cost, it may be an effective way to outsource and comply with the need.
- Implementation at borrower level. The real impact will come only if borrowers agree to changes suggested by us in the way they do business. But this is hindered by two things. First, the lender's influence on borrower. If U GRO is not the only / biggest lender to the borrower, chances that we will be able to influence borrower behavior are very low. Second, borrower's capacity to undertake / implement the suggested changes, as our target segment is small MSME who may not be able to spare funds from their already limited working capital.

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8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors of the Company	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No	
10.	Details of Review of NGRBCs by the Company:		
	Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**	**Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)**
		P1 P2 P3 P4 P5 P6 P7 P8 P9	**P1 P2 P3 P4 P5 P6 P7 P8 P9**
	Performance against above policies and follow up action	As a governance practice, all the policies of the Company are reviewed on an annual basis or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the BOD as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.	
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.	
		P1 P2 P3 P4 P5 P6 P7 P8 P9	
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Evaluation is a continuous process and is done internally.	
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:		
	Questions	**P1 P2 P3 P4 P5 P6 P7 P8 P9**	
	The entity does not consider the Principles material to its business (Yes/No)	Not applicable	
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable	
	The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	Not applicable	
	It is planned to be done in the next financial year (Yes/No)	Not applicable	
	Any other reason (please specify)	Not applicable	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	On an ongoing basis, the Company carries out familiarisation programs for its directors, as required under the SEBI Listing Regulations and on an ongoing basis keeps the Directors and KMP abreast on matters relating to the industry, business models, risk metrices, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel	All the Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Directors and Senior Management'. A declaration signed by the Vice Chairman & Managing Director to this effect is enclosed to the Corporate Governance Report forming part of the Annual Report.		
Employees other than BOD and KMPs	UGRO is committed to continuous learning and capability building. New employees are onboarded through a structured induction program designed to equip them with essential knowledge and skills from day one. We invest considerable time and resources in employee training and development to ensure our teams remain at the forefront of industry trends and emerging technologies. In addition, periodic awareness campaigns on key topics are conducted through internal communication channels such as emails, physical and digital posters, and banners. These initiatives cover a wide range of subjects, including Anti-Money Laundering (AML), Information Security, and Prevention of Sexual Harassment (POSH).		100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Please refer Corporate Governance Report which forms part of the Annual Report 2025				
Settlement	Nil				
Compounding fee	Nil				

Non Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-

The aspects about Anti-Corruption/Anti-bribery are a part of 'Code of Conduct and Business Ethics' of the Company.

UGRO CAPITAL LIMITED strictly prohibits any form of bribery or corruption, whether direct or indirect. The Company expects all individuals associated with it to comply with applicable anti-bribery laws and regulations. U GRO is unwavering in its commitment to promoting ethical business practices and maintaining a corruption-free environment.

UGRO CAPITAL LIMITED is dedicated to conducting its business in a fair, honest, ethical, and integrity-driven manner. This Anti Bribery and Anti-Corruption Policy delineates the principles and guidelines that all employees, agents, contractors, and representatives must strictly adhere to when conducting business on behalf of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. : NA

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8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2024-25	FY 2024-23
Number of Days of accounts payables	The Company being an NBFC, this is not applicable	

9. **Open-ness of business**
   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Being a financial services company, these disclosures are not applicable to us.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not Applicable		
Capex			

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** - No

   b. If yes, what percentage of inputs were sourced sustainably? - NA

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. -**

   Given the service-oriented nature this is not applicable for our Company.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. -**

   Given the nature of our operations, Extended Producer Responsibility (EPR) does not apply to our business.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits**		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1944	1944	100%	1944	100%	-	-	1944	100%	-	-
Female	205	205	100%	205	100%	205	100%	-	-	205	100%
Total	2149	2149	100%	2149	100%	205	100%	1944	100%	205	100%
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

* The Maternity Leave benefit has been extended to all female employees of the Company.

** The Paternity Leave benefit has been extended to all male employees of the Company

b. **Details of measures for the well-being of workers:** NA

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.49%	**0.46%**

Note Total Revenue = Revenue from Operations + Other Income.
Expense includes Group Term Life +Group Medical Insurance + Group Accidental insurance for the vendors.
The expenses considered above are as per Financial Statements (Amortised expenses and does not represent actual fund flow)

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2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	3.3%	NA	Y	2.26%	NA	Y
Others-please specify	0	0	0	0	0	0

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.- Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.-** Yes, the Company has in place a policy on equal opportunities, which is made accessible to all the employees through the Company's intranet. We strive to provide equal opportunities to all employees and qualified applicants without discrimination on the grounds of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or special ability.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	83.67%	-	-
Female	87.5%	87.5%	-	-
Total	99%	83.9%	-	-

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No *(If Yes, then give details of the mechanism in brief)*
Permanent Employees	Yes - The Company has in place a Grievance Redressal policy (Applicable only to employees of the Company)
Other than Permanent Employees	NA

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**2149**	**0**	**0**	**1678**	**0**	**0**
- Male	1944	0	0	1497	0	0
- Female	205	0	0	181	0	0

8. **Details of training given to employees and workers:**

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	1944	1105	56.8%	1130	58.1%	1497	86	5.74%	40	2.67%
Female	205	95	46.3%	65	31.7%	181	34	18.78%	10	5.52%
Total	2149	1200	55.8%	1195	55.6%	1678	120	7.15%	50	2.98%

9. **Details of performance and career development reviews of employees and worker:**

Category	FY (2024-25)			PY (2023-24)		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
			Employees			
Male	1944	1413	72.7%	1497	1033	69.00%
Female	205	156	76.1%	181	147	81.22%
Total	2149	1569	73.01%	1678	1180	70.32%

10. **Health and safety management system:**

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. -

No, however, all our corporate offices and branches have basic provisions for proper ventilation, branch hygiene & sanitation, emergency exits, first aid boxes etc.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?-

As a responsible business entity, we understand the importance of providing a workplace that is free of work-related hazards and risks. In order to ensure the best interest of our employees and to safeguard the health and wellbeing of all, we put active efforts towards providing a work environment that uplifts the mental and physical wellness of all. We comply with all necessary requirements of a safe workplace, and we conduct routine checks to eliminate any possible risk that might exist in our premises

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c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)- Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-

Yes. UGRO has insured its employees under group term insurance, health insurance and accidental insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place-

We adhere to all the relevant regulations and laws governing workplace health and safety. The Company has provided Fire Extinguishers to all the locations and briefed employees on how to use it. Also, company has provided water dispenser where we use water jars.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. -

No corrective actions pertaining to above mentioned parameters was necessitated by UGRO during the year under review.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity-

Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. Based on this, the key stakeholders identified by the Company are its customers, investors, lenders, shareholders, regulators, value chain partners, employees and the society.

Your Company understands the impact of its policies, decisions, products & services and associated operations on the stakeholders. In line with its policies, practices and processes, the Company engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

The Company also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Multiple channels - physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, WhatsApp bot etc.	Frequent and need based	To inform about the performance, major developments and other relevant updates regarding the Company.
Customers	No	Multiple channels - physical and Digital	Frequent and need based	Servicing throughout the lifecycle of the customer and address queries / grievances that the customer may have.
Employees	No	Email, Website, WhatsApp bot	As required	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth.

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PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/ C)
Employees						
Permanent	1359	1305	96%	986	959	97.26%
Other than permanent	0	0	0	0	0	0
Total employees	1359	1305	96%	986	959	97.26%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F/ D)
Employees										
Permanent										
Male	1944	0	-	1944	100%	1,497	0	-	1,498	100%
Female	205	0	-	205	100%	181	0	-	181	100%
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration/ wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) *	1	3,50,00,000	0	0
Key Managerial Personnel **	2	1,38,75,003	0	0
Employees other than BoD and KMP	1941	6,50,000	205	6,75,000

* Remuneration of Vice Chairman & Managing Director has been considered.
** Remuneration of Chief Financial Officer and Company Secretary has been considered.

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b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Gross wages paid to females as % of total wages	11.55%	11.95%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? -** Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
Yes, The Company has in place a Grievance policy.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	0	Disposed	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-2025 Current Financial Year	FY 2023-2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	0
Complaints on POSH as a % of female employees / workers	1%	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

UGRO has formed a Grievance Redressal Committee for all employees including the persons with disabilities and transgender persons to report any discrimination. The mechanism will be easily accessible and ensure confidentiality and non-retaliation. All complaints will be investigated promptly, and appropriate action will be taken by the Grievance Redressal Committee.

9. **Do human rights requirements form part of your business agreements and contracts? -** Yes

Business Responsibility & Sustainability Report (Contd.)

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others - please specify	0

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. - Not applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	14,08,558	9,77,000
Total fuel consumption (E)	0	0
Energy consumption sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	14,08,558	9,77,000
Total energy consumed (A+B+C+D+E+F)	14,08,558	9,77,000
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00010	0.00009
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.0023087	0.0020592
Energy intensity in terms of physical output	NA	NA
Energy intensity *(optional)* - the relevant metric may be selected by the entity	NA	NA

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **No**

Business Responsibility & Sustainability Report (Contd.)

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - No**

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	23,600	19,037
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	23,600	19,037
Total volume of water consumption (in kilolitres)	23,600	19,037
Water intensity per rupee of turnover (Water consumed / Revenue from operations)	0.00000188	0.00000181
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.00003868	0.00004156
Water intensity in terms of physical output	NA	NA
Water intensity (optional) - the relevant metric may be selected by the entity	NA	NA

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

4. **Provide the following details related to water discharged:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	
- **No treatment**		
- **With treatment - please specify level of Treatment**		
(ii) To Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Business Responsibility & Sustainability Report (Contd.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. - ***No***

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx		NA	
SOx		NA	
Particulate matter (PM)		NA	
Persistent organic pollutants (POP)		NA	
Volatile organic compounds (VOC)		NA	
Hazardous air pollutants (HAP)		NA	
Others - please specify		NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NA**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	NA	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensityper rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity *(optional)* - the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

Business Responsibility & Sustainability Report (Contd.)

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- T**he Company being an NBFC this is not applicable**

9. Provide details related to waste management by the entity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	Not Applicable	
E-waste ***(B)***		
Bio-medical waste ***(C)***		
Construction and demolition waste ***(D)***		
Battery waste ***(E)***		
Radioactive waste ***(F)***		
Other Hazardous waste. Please specify, if any. ***(G)***		
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total ***(A+B + C + D + E + F + G+ H)***		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity *(optional)* - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

Business Responsibility & Sustainability Report (Contd.)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. - Not applicable

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, your Company is in compliance with applicable environmental norms				

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. -8

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Associated Chambers of Commerce and Industry of India	National
2	Confederation of Indian Industry	National
3	Fintech Association for Consumer Empowerment	National
4	Finance Industry Development Council	National
5	PHD Chamber of Commerce and Industry	National
6	Digital Lenders Association of India	National
7	IMA CEO/CFO Forum	National

Business Responsibility & Sustainability Report (Contd.)

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
8	Internet Mobile Association of India	National
9	PSL Association of India	National
10	Federations of Indian Chambers of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not applicable	

PRINCIPLE 8	Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Nil		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

   The Company, being an NBFC, has put in place a Board approved grievance redressal mechanism under the RBI's Fair Practices Code which prima facie deals with the grievances of the customers. The said mechanism also receives and deals with the grievances received from public at large.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directly sourced from MSMEs/ small producers	44.02%	52.57%
Sourced directly from within the district and neighbouring districts	We ensure to source all input materials locally, wherever feasible.	

Business Responsibility & Sustainability Report (Contd.)

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Rural	-	1.39%
Semi-urban	4.21%	0.35%
Urban	14.35%	15.13%
Metropolitan	81.43%	83.14%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. -

   The Company has in place Grievance Redressal Mechanism (GRM) to resolve the issues/ complaints/ grievances raised by the customers. The GRM includes multiple channels of raising complaints and escalation matrix to resolve the complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA*
Safe and disposable usage	NA
Recycling and/or safe disposal	NA

*The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured loans, emerging market loans, machinery loans, unsecured business loans and supply chain financing and does not manufacture any products.

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending during the year		Received during the year	Pending during the year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	500	16	-	444	19	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

Note: The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured loans, emerging market loans, machinery loans, unsecured business loans and supply chain financing and does not manufacture any products.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

   Yes, your Company being a Non-Banking Finance Company has implemented Cyber Security framework as per RBI's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The Company has developed Cyber security and Privacy policies, related controls are monitored through tools and governance methods.

   The link to online privacy policy is https://www.ugrocapital.com/privacy-Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services :

   Establishment of 24x7 Security Operations Center (SOC):
   A dedicated 24x7 in-house SOC has been implemented to actively monitor, detect, and respond to cybersecurity threats in real-time. This ensures round-the-clock visibility and faster incident handling to protect customer data and critical systems.

   Deployment of Extended Detection and Response (XDR):
   To enhance advanced threat detection capabilities, we have implemented an XDR solution that integrates telemetry across endpoints, servers and network. This provides better correlation, faster threat hunting, and improved response to sophisticated threats such as malware and ransomware.

   Secure VPN Access with MFA:
   Access to our infrastructure is strictly restricted through a secure Virtual Private Network (VPN). To further enhance security, Multi-Factor Authentication (MFA) has been enforced specifically for elevated and privileged access, ensuring only authorized and verified users can connect to critical internal systems.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: No data breach instances were observed

   b. Percentage of data breaches involving personally identifiable information of customers: Not applicable

   c. Impact, if any, of the data breaches: Not applicable

INDEPENDENT AUDITOR'S REPORT

To The Members of UGRO Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **UGRO Capital Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Impairment of loans including Expected Credit Loss (ECL)	
Total loans as at March 31, 2025 was Rs. 791,910.95 lakh (net of ECL), (Refer Note 6 to the financial statements) Impairment provision as at March 31, 2025: Rs. 10,794.49 lakh, (Refer Note 6 to the financial statements) Ind AS 109, *Financial Instruments* requires the Company to provide for impairment of its financial assets using the ECL approach. The Company has Board approved Policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to ECL model. ECL model involves an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the loans and advances. In the process, a significant degree of judgement has been applied by the management of the Company including but not limited to the following matters: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; c) Staging of loans and estimation of behavioural life; d) Models developed by the Company that derive key assumptions used within the provision calculation such as Probability of Default (PD) and Loss Given Default (LGD). Since, the impairment of loans including ECL requires a significant level of estimation and given its significance to the overall audit, we have ascertained impairment of loans including ECL as a key audit matter.	Our audit procedures were focussed on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following: Process understanding and Test of Controls: 1. Read the Company's Board approved Policy on ECL and accounting policies for estimation of ECL loss on financial assets (as explained in Note 2B - (14)(c) to the financial statements) and evaluated the appropriateness of the same with the principles of the Standard Ind AS 109 and Prudential Norms laid down by Reserve Bank of India (RBI). 2. Tested the design and effectiveness of internal controls over the completeness and accuracy of the Exposure At Default (EAD) and the classification thereof into stages consistent with the definitions applied in accordance with the approved Policy, including the appropriateness of the qualitative factors to be applied. Test of details: 3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following: a. Evaluated underlying data related to estimates and judgements used for developing ECL models. b. Verified that PD is computed as per the internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time. Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach and an internal model which factors post default recovery rates and collateral value in case of secured loans. c. Verified whether appropriate staging of assets have been performed basis their days past due. Ensured the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. d. Verified the impairment provision for Stage 3 exposures considering the management's estimate of future cash flows for those exposures and checked the resultant provision. e. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan. f. Verified the ECL provision on restructured cases pursuant to the RBI Circular, on a sample basis. g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy. h. Verified the impairment provision under the Standard, Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning Norms (IRACP) (including standard asset provisioning) to determine the need to create an Impairment Reserve. i. Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness. j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Standard.

Auditor's Report (Contd.)

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A**' a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under aforesaid section which are required to be commented upon by us; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has no pending litigations on its financial position in its financial statements – (Refer Note 41 to the financial statements);

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 59(g)(1) to the financial statements);

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest

Auditor's Report (Contd.)

in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement;

(v) The Company neither declared nor paid dividend during the year. Accordingly, the Company is not required to comply with Section 123 of the Act; and

(vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 25037457BMMBFP7817

Mumbai, April 26, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's property, plant and equipment and intangible assets;

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment; and

(B) The Company is maintaining proper records showing full particulars of intangible assets;

(b) The Company physically verifies the property, plant and equipment to cover all items once in a period of three years considering the value and materiality involved which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further, the Company has physically verified its property, plant and equipment in the previous financial year. No material discrepancies were noticed on such physical verification;

(c) There are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(c) of the Order is not applicable to the Company. However, the Company has repossessed properties under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Arbitration and Conciliation Act, 1996 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly, disclosed as non-current assets held for sale. (Refer Note 11 of the financial statements)

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the year; and

(e) There are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company's principal business is to give loans. Accordingly, the Paragraph 3(ii)(a) of the Order is not applicable to the Company; and

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, during the year, in aggregate from banks and/or financial institutions on the basis of security of loans. The quarterly returns / statements filed by the Company with such banks and/or financial institutions are in agreement with the books of account.

(iii) (a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are, *prima facie*, not prejudicial to the Company's interest;

(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act / Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest are not received as stipulated, the impact thereof is taken by the Company in course of its periodic regulatory reporting;

(d) In respect of the aforesaid loans and advances, Rs. 18,903.11 lakh is overdue for more than ninety days (Refer Note 50(a) C to the financial statements), we have been informed that the Company has taken all reasonable steps, including legal actions to recover the principal and the interest, as the case may be;

(e) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(e) of the Order is not applicable to the Company; and

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has neither, directly or indirectly, granted any loan, or provided guarantee for security to any of its directors or to any other persons in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, reporting on the Paragraph 3(iv) of the Order is not applicable to the Company.

Auditor's Report (Contd.)

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, reporting on the Paragraph 3(v) of the Order is not applicable to the Company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148 of the Act for any of the products of the Company. Accordingly, reporting on the Paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, cess and any other statutory dues to the appropriate authorities, though there has been a slight delays in a few cases. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable; and

(b) In our opinion, there are no statutory dues referred to (a) above, which have not been deposited on account of any dispute.

(viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting on the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has, applied the term loans for the purpose for which the loans were obtained;

(d) On an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes;

(e) The Company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on the Paragraph 3(ix)(e) of the Order is not applicable to the Company; and

(f) The Company does not have subsidiaries, joint ventures or associate companies. Accordingly, reporting on the Paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has raised monies by way of initial public offer or further public offer (debt instruments) during the year and has been applied for the purposes for which those are raised.

(b) The Company has made preferential allotment and private placement of shares during the year in accordance with the requirements of Sections 42 and 62 of the Act and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, we report that no material fraud by the Company nor on the Company has been noticed or reported during the year, other than the instances of fraud noticed and reported by the management to the regulator - (Refer Note 66 to the financial statements);

(b) We have not come across of any instances of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2025. Accordingly, reporting on the Paragraph 3(xi)(b) of the Order is not applicable to the Company; and

(c) We have been informed, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, reporting on the Paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) The Company is in compliance with Sections 177 and 188 of the Act with respect to applicable transaction with the related parties and the relevant details of such related party transactions have been disclosed in the financial statements as required under the applicable Indian Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and the nature of its business; and

Auditor's Report (Contd.)

(b) We have considered the internal audit reports for the period under audit issued to the Company.

(xv) In our opinion, the Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the provisions of Section 192 of the Act is not applicable. Accordingly, reporting on Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company;

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activity without any valid Certificate of Registration (CoR) from the Reserve Bank of India. Accordingly, reporting on Paragraph 3(xvi)(b) of the Order is not applicable to the Company;

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on the Paragraph 3(xvi)(c) the Order is not applicable to the Company; and

(d) The Group to which the Company belongs has no CIC as part of the Group. Accordingly, reporting on the Paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the preceding financial year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We, further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assuranace that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to Section 135(5) of the Act. Accordingly, reporting on the Paragraph 3(xx)(a) of the Order is not applicable to the Company; and

(b) There are no unspent amounts towards Corporate Social Responsibility ongoing projects requiring a transfer to a Special account in compliance with the provisions of Section 135(6) of the said Act. Accordingly, reporting on the Paragraph 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, reporting on the Paragraph 3(xxi) of the Order is not applicable to the Company.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 25037457BMMBFP7817

Mumbai, April 26, 2025

Auditor's Report (Contd.)

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **UGRO Capital Limited** (the 'Company'), as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 25037457BMMBFP7817

Mumbai, April 26, 2025

BALANCE SHEET
as at March 31, 2025

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	18,924.19	8,835.15
Bank balances other than cash and cash equivalents above	4	35,515.31	36,652.91
Derivative financial instruments	5	1,861.21	-
Loans	6	791,910.95	543,221.03
Investments	7	10,340.31	5,918.60
Other financial assets	8	3,741.68	2,021.19
		862,293.65	**596,648.88**
Non-financial assets			
Current tax assets (net)	9	192.83	275.18
Deferred tax assets (net)	23	-	295.94
Property, plant and equipment	10	2,637.12	449.60
Non-current assets held for sale	11	24,317.90	10,142.11
Right-of-use assets	12	6,174.65	4,775.08
Intangible assets under development	13	564.63	-
Other intangible assets	14	7,420.07	7,760.87
Other non-financial assets	15	13,230.37	7,650.29
		54,537.57	**31,349.07**
TOTAL ASSETS		**916,831.22**	**627,997.95**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	5	-	65.00
Payables	16		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	448.65
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		76.78	821.57
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		63.34	89.85
Debt securities	17	198,271.42	139,483.13
Borrowings (other than debt securities)	18	488,769.33	322,322.27
Subordinated liabilities	19	3,370.81	3,519.13
Other financial liabilities	20	8,362.92	7,654.85
		698,914.60	**474,404.45**

BALANCE SHEET
as at March 31, 2025

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Non-financial liabilities			
Current tax liabilities (net)	21	2,743.86	2,895.67
Provisions	22	7,161.12	5,987.17
Deferred tax liabilities (net)	23	2,396.12	-
Other non-financial liabilities	24	976.58	874.49
		13,277.68	**9,757.33**
TOTAL LIABILITIES		**712,192.28**	**484,161.78**
EQUITY			
Equity share capital	25	9,194.54	9,159.16
Other equity	26	195,444.40	134,677.01
TOTAL EQUITY		**204,638.94**	**143,836.17**
TOTAL LIABILITIES AND EQUITY		**916,831.22**	**627,997.95**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Tirtharaj Khot
Partner
Membership Number : (F) 037457

Sd/-
Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Sd/-
Hemant Bhargava
Independent Director and
Chairman - Audit Committee
DIN : 01922717

Sd/-
Kishore Kumar Lodha
Chief Financial Officer

Sd/-
Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 26, 2025

Place : Mumbai
Date : April 26, 2025

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2025

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	27	95,880.37	70,463.05
Net gain on derecognition of financial instruments under amortised cost category	28	38,290.51	30,746.33
Net gain on fair value changes	29	280.58	147.85
Fees and commission income	30	5,138.47	3,438.95
Total revenue from operations		**139,589.93**	**104,796.18**
Other income	31	4,594.64	3,371.94
Total income		**144,184.57**	**108,168.12**
Expenses			
Finance costs	32	62,776.96	44,292.40
Net loss on fair value changes	33	3.50	1.54
Impairment on financial instruments	34	17,307.77	11,627.96
Employee benefits expenses	35	23,558.42	18,285.41
Depreciation and amortization	36	4,638.49	3,533.10
Other expenses	37	15,587.69	12,551.46
Total expenses		**123,872.83**	**90,291.87**
Profit before exceptional items and tax		**20,311.74**	**17,876.25**
Exceptional items		-	-
Profit before tax		**20,311.74**	**17,876.25**
Tax Expense:			
(1) Current tax		3,379.16	3,647.61
(2) Deferred tax		2,392.33	2,477.20
(3) Excess/Short provision of tax of earlier years		147.26	(183.04)
Total tax expenses		**5,918.75**	**5,941.77**
Profit for the year (A)		**14,392.99**	**11,934.48**

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2025

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(23.77)	(40.71)
- Income tax relating to items that will not be reclassified to profit or loss		6.92	11.85
Sub-total (B)		**(16.85)**	**(28.86)**
Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		1,052.92	(734.58)
- Income tax relating to items that will be reclassified to profit or loss		(306.61)	213.91
Sub-total (C)		**746.31**	**(520.67)**
Other comprehensive income/(expense) for the year (net of tax) (D)=(B)+(C)		**729.46**	**(549.53)**
Total comprehensive income for the year (E)= (A) + (D)		**15,122.45**	**11,384.95**
Earnings per equity share (Face Value of Rs.10 each)	40		
Basic (Rs.)		**15.68**	**13.39**
Diluted (Rs.)		**14.71**	**13.20**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

Sd/-
Tirtharaj Khot
Partner

Membership Number : (F) 037457

Place : Mumbai
Date : April 26, 2025

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Sd/-
Hemant Bhargava
Independent Director and
Chairman - Audit Committee

DIN : 01922717

Sd/-
Kishore Kumar Lodha
Chief Financial Officer

Sd/-
Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 26, 2025

STATEMENT OF CASH FLOWS
for the period ended March 31, 2025

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities :		
Profit before tax	**20,311.74**	**17,876.25**
Adjustments for:		
Interest income on loans	(91,243.71)	(67,587.95)
Cash inflows from interest on loans	88,094.17	62,972.94
Interest income on debt securities	(307.75)	(247.21)
Interest on income tax	(6.87)	(7.39)
Employee stock option expense	432.41	449.87
Depreciation and amortisation	4,638.49	3,533.10
Impairment on financial instruments	17,307.77	11,627.96
Net gain on sale of financial instruments / fair valuation of financial instruments	(38,571.09)	(30,894.18)
Net loss on fair value changes	3.50	1.54
Finance cost on borrowings	55,544.54	38,951.71
Cash outflow towards finance cost borrowings	(51,782.46)	(38,288.62)
Provision for gratuity and compensated absences (net of payment)	(254.02)	370.46
Interest on other financial assets	(100.98)	(77.51)
Interest on lease liabilities	767.98	516.45
Gain on pre-closure of lease	(20.65)	(25.66)
Operating profit before working capital changes	**4,813.07**	**(828.24)**
Changes in working capital:		
(Increase)/decrease in loans	(238,705.89)	(146,794.71)
(Increase)/decrease in other non-financial assets	(5,580.08)	(2,315.48)
(Increase)/decrease in other financial assets	(1,749.72)	502.89
(Increase)/decrease in derivative financial assets	(1,861.21)	-
Increase/(decrease) in derivative financial liabilities	(65.00)	55.73
Increase/(decrease) in trade payables	(1,219.84)	(55.30)
Increase/(decrease) in other non-financial liabilities	102.09	113.72
Increase/(decrease) in other financial liabilities	(951.68)	(1,538.73)
Increase/(decrease) in provisions	1,404.19	(433.73)
Cash (used in) operating activities	**(243,814.07)**	**(151,293.85)**
Income taxes paid (Net of refund)	(3,589.00)	(2,200.68)
Net cash (used in) operating activities (A)	**(247,403.07)**	**(153,494.53)**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work-in-progress)	(2,594.80)	(273.48)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	1,135.07	(19,491.05)
Sale/realisation of investments	167,815.59	74,499.38
Purchase of investments	(171,998.53)	(74,296.29)
Interest received from investments	346.05	282.52
Payments for intangible assets	(2,695.79)	(3,766.11)
Net cash generated from / (used in) investing activities (B)	**(7,992.41)**	**(23,045.03)**

STATEMENT OF CASH FLOWS
for the period ended March 31, 2025

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year (net)	773.40	34,598.90
Proceeds from money received against share warrants (net)	25,042.43	-
Proceeds from compound financial instruments (net)	21,520.86	-
Share issue expense	(26.47)	(1,001.88)
Principal payment of lease liabilities	(2,136.39)	(1,270.48)
Total borrowing and debt securities repaid	(233,226.74)	(190,137.37)
Total borrowing and debt securities availed	453,542.31	339,170.77
Net cash generated from financing activities (C)	**265,489.40**	**181,359.94**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**10,093.92**	**4,820.38**
Cash and cash equivalents as at the beginning of the year	**8,835.15**	**4,014.77**
Cash and cash equivalents as at the end of the year	**18,929.07**	**8,835.15**
Components of cash and cash equivalents:		
Cash on hand		
Balance with banks :		
in current accounts	17,928.61	8,835.15
in fixed deposits (maturing within a period of three months)	1,000.46	-
TOTAL	**18,929.07**	**8,835.15**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

Sd/-
Tirtharaj Khot
Partner

Membership Number : (F) 037457

Place : Mumbai
Date : April 26, 2025

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Sd/-
Hemant Bhargava
Independent Director and
Chairman - Audit Committee

DIN : 01922717

Sd/-
Kishore Kumar Lodha
Chief Financial Officer

Sd/-
Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 26, 2025

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2025

A. Equity Share Capital (Refer Note 25) (Rupees in lakh)

As at March 31, 2025

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the current reporting period
9,159.16	-	9,159.16	35.38	9,194.54

As at March 31, 2024

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the previous reporting period
6,932.11	-	6,932.11	2,227.05	9,159.16

B. Other equity (Refer Note 26)

As at March 31, 2025 (Rupees in lakh)

Particulars	Reserves & Surplus											Total
	Statutory reserve u/s 45-IC	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Money received against share warrants	Re-valuation Surplus	
Balance at the beginning of the current reporting period	5,583.91	-	-	1,046.00	106,914.77	20,902.09	712.40	-	-	(482.16)	-	-	134,677.01
Total Comprehensive Income for the current year	-	-	-	-	-	(16.85)	-	-	-	746.31	-	-	729.46
Transfer to retained earnings	-	-	-	-	-	14,392.99	-	-	-	-	-	-	14,392.99
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,878.60	-	-	-	-	(2,878.60)	-	-	-	-	-	-	-
Share based Payment for the year	-	-	-	-	-	-	432.41	-	-	-	-	-	432.41
Premium on ESOP exercised during the year	-	-	-	-	164.06	-	-	-	-	-	-	-	164.06
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	-	-	61.84	-	(61.84)	-	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issue expense	-	-	-	-	(26.47)	-	-	-	-	-	-	-	(26.47)
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity component of Compulsorily Convertible Debentures	-	-	19,534.24	-	-	-	-	-	-	-	-	-	19,534.24
Money received against share warrants	-	-	-	-	-	-	-	-	-	-	25,167.43	-	25,167.43
Issue of shares through private placement upon conversion of share warrants	-	-	-	-	481.06	-	-	-	-	-	(125.00)	-	356.06
Issue of shares through private placement upon Conversion of CCD	-	-	(75.69)	-	92.90	-	-	-	-	-	-	-	17.21
Balance at the end of the current reporting period	**8,462.51**	**-**	**19,458.55**	**1,046.00**	**107,688.16**	**32,399.63**	**1,082.97**	**-**	**-**	**264.15**	**25,042.43**	**-**	**195,444.40**

B. Other equity (Refer Note 26) (Continued)

As at March 31, 2024

(Rupees in lakh)

Particulars	Reserves & Surplus												Total
	Statutory reserve u/s 45-IC	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Money received against share warrants	Revaluation Surplus	
Balance at the beginning of the current reporting period	3,197.01	-	-	1,046.00	75,352.48	11,354.58	483.62	-	-	38.51	-	-	91,472.20
Total Comprehensive Income for the current year	-	-	-	-	-	(28.86)	-	-	-	(520.67)	-	-	(549.53)
Transfer to retained earnings	-	-	-	-	-	11,934.48	-	-	-	-	-	-	11,934.48
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,386.90	-	-	-	-	(2,386.90)	-	-	-	-	-	-	-
Share based Payment for the year	-	-	-	-	-	-	449.89	-	-	-	-	-	449.89
Premium on ESOP exercised during the year	-	-	-	-	507.57	-	-	-	-	-	-	-	507.57
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	-	-	192.32	-	(192.32)	-	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	-	-	28.79	(28.79)	-	-	-	-	-	-
Share issue expense	-	-	-	-	(1,001.88)	-	-	-	-	-	-	-	(1,001.88)
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	
Premium on equity shares issued	-	-	-	-	31,864.28	-	-	-	-	-	-	-	31,864.28
Balance at the end of the previous reporting period	**5,583.91**	**-**	**-**	**1,046.00**	**106,914.77**	**20,902.09**	**712.40**	**-**	**-**	**(482.16)**	**-**	**-**	**134,677.01**

As required by Section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

Sd/-
Tirtharaj Khot
Partner

Membership Number : (F) 037457

Place : Mumbai
Date : April 26, 2025

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Sd/-
Hemant Bhargava
Independent Director and
Chairman - Audit Committee

DIN : 01922717

Sd/-
Kishore Kumar Lodha
Chief Financial Officer
Place : Mumbai
Date : April 26, 2025

Sd/-
Satish Kumar Chelladurai
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2025

1. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of registration bearing ref. no. 13.00325 as non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer under the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, issued by the Reserve Bank of India ("RBI"). The Company is also registered under Registration of Factors (Reserve Bank) Regulations, 2022 dated January 14, 2022, as NBFC – Factor, vide Certificate of registration bearing ref. no. N-13.02475 dated January 9, 2024, issued by RBI, authorizing the Company to commence and carry out the factoring business. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components, Micro enterprises and Light Engineering.

The financial statements are approved for issue by the Company's Board of Directors on April 26, 2025.

2A. Material Accounting Policies

(1) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as updated on March 21, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(2) Basis of preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values as at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(3) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (the 'Act') applicable for Non-Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, *Statement of Cash Flows*. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards and the Stock Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(4) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

(5) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

(6) Key accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment and intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2B. Other Accounting Policies:

(1) Revenue recognition

Revenue (other than those items to which Ind AS 109, *Financial Instruments* is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115, *Revenue from Contracts with Customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Standard.

Specific policies for the Company's different sources of revenue are explained below:

(a) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(b) Other financial charges:

Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(c) Dividend income:

Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(d) Net gain or loss on fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/ loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

(e) Advisory fees and other income:

Advisory fees and Other Income are recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(f) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

(2) Property, plant and equipment (PPE)

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Estimated useful life of assets is as below:

Category of PPE	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II to the Act
Office equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(3) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization, and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as Intangible assets under development.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of Softwares is considered as 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(4) Impairment of tangible and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/ amortisation if there were no impairment.

(5) Leases

The Company follows Ind AS 116, *Leases* for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company has elected not to apply the requirements of the Standard to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Finance lease

The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

(6) Income taxes

Income tax expense represents the sum of the tax currently payable, deferred tax and any excess/ short provision of earlier years.

(a) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(7) Employee Benefits

(a) Retirement benefit costs and termination benefits

Defined contribution plans –

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed Provident Fund Scheme, Employee State Insurance Scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans –

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out half yearly. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(b) Short term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

(c) Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since the amount is recoverable if an employee leaves the organization within a year.

(d) Share-based Payment

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, *Share-based payment*. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding amount. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the retained earnings within equity and if the grant lapses before the vesting period, the cumulative discount recognised as expense in respect of such grant is credited to the statement of profit and loss.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(8) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fees, arranger fees, stamping expense and rating expense etc. The Company recognizes interest expense and other ancillary costs on the borrowings as per Effective Interest Rate Method (EIR) which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the statement of profit and loss.

(9) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(10) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

(11) Foreign currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee (Rs.). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

(12) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(13) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

(14) Financial instruments

(a) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(b) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(c) Classification and subsequent measurement of financial instruments

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate Method

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed-off, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

- **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI and other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Category of financial instrument	Manner of recognition of loss allowance
Financial assets measured at amortised cost	Recognised in profit or loss with corresponding adjustment in the carrying value through a loss allowance account.
Debt investments measured at FVTOCI	Recognised in profit or loss with corresponding adjustment in OCI. The loss allowance is accumulated in the 'Reserve for debt instruments through OCI', and is not adjusted with the carrying value of the financial asset.

Impairment methodology:

Overall impairment methodology

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
Credit quality	Not deteriorated significantly since its initial recognition.	Deteriorated significantly since its initial recognition	Objective evidence of impairment
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12-month ECL	Life-time ECL	Life-time ECL
ECL Computation	(PD * LGD * EAD)	(PD * LGD * EAD)	Expected Cash Flow basis

For loans, cash credit and term loans measured at amortised cost

(1) Definition of default:

A default shall be considered to have occurred when any of the following criteria are met:

i) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
ii) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

(2) Portfolio segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

(3) Probability of Default (PD):

An internally developed statistical model that computes rating at a loan level and categorizes them from Least Risk to High Risk is used for the computation of PD. These internal credit score bands along with external default performance from bureau have been observed and calibrated to derive benchmarked 12-month PD rates. These benchmarked 12-month PD rates have been categorized across 5 Bands viz Risk Band 1 (RB1 – Least Risk) to Risk Band 5 (RB5 – Highest Risk) for secured and unsecured asset types respectively.

Since, PD benchmarks for each Risk band have been determined separately for “Secured” and “Unsecured” category, therefore, from a segmentation point, all the business segments are classified into either Secured or Unsecured category. Business segments, wherever risk coverage is available, is factored over and above the PD benchmarks depending on the nature of coverage.

The PD applied in the ECL (Expected Credit Loss) computation model is based on the recomputed/refreshed/updated Risk band/ rating at a loan level. All the loans are rated and Risk Bands are recomputed every quarter using the latest credit bureau scrub. For the loan disbursed in the current/latest quarter, wherever the band from credit bureau scrub is not available, the Risk Band at point of origination is applied. Wherever the band is not available at a loan level (either at origination/scrub), the average PD across the 5 Risk Bands shall be applicable for the respective Secured and Unsecured categories.

The 12-month PD shall continue to be applicable in calculating expected credit loss for Stage 1 assets and Lifetime PD shall be applicable for Stage 2 assets.

Life-time PD:
Life-time PD is applied for Stage 2 accounts.
Life-time PDs are computed based on survival approach. Survival analysis is statistics for analysing the expected duration of time until default event happens.

(4) Loss given default:

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults. UGRO Capital Limited calculates LGD at a loan level considering the type of advance (Secured/Unsecured) & the collateral (financial/ property/ machine/ physical) available.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

Financial liabilities and equity instruments

- **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

- **Compound financial instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

Financial liabilities

A financial liability is any liability that is:

➢ Contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

➢ a contract that will or may be settled in the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

- **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written-off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(15) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

(16) Hedge

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(17) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(18) Non-current assets held for sale

Assets acquired in satisfaction of debt (SOD) are treated as non-current assets held for sale. Assets acquired in satisfaction of debts are disclosed in the balance sheet at outstanding principal loan amount or fair market value (as per valuation reports) whichever is lower. In case the fair market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the statement of profit and loss under impairment on financial instruments. In case of sale of repossessed assets, the gain/ loss on sale is adjusted in the statement of profit and loss under impairment on financial instruments.

(19) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

(20) Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of the Balance Sheet.

(21) Recent accounting pronouncements

The Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For the year ended March 31, 2025, the MCA has notified Ind AS 117, Insurance Contracts, and amendments to Ind AS 116, Leases, relating to sale and leaseback transactions, applicable to the Company, w.e.f., April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation, has determined that the new pronouncement is not applicable to the Company.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

3. Cash and cash equivalents

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balances with banks		
- in current accounts*	17,928.61	8,835.15
- in fixed deposits with banks (original maturity less than 3 months)	1,000.46	-
Less: Impairment loss allowance**	4.88	-
Total	**18,924.19**	**8,835.15**

*Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.

**Impairment loss allowance is calculated on fixed deposits with banks.

4. Bank balances other than cash and cash equivalents above

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Unclaimed dividend on equity shares*	1.27	1.27
Fixed deposits with banks and financial institutions*	35,523.85	36,658.98
Less: Impairment loss allowance**	9.81	7.34
Total	**35,515.31**	**36,652.91**

*Earmarked balances with banks and financial institutions are to the tune of Rs. 34,245.75 lakh (Previous year: Rs. 34,482.48 lakh).

**Impairment loss allowance is calculated on fixed deposits with banks and financial institutions.

5. Derivative financial instruments

(Rupees in lakh)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Notional Amounts	Fair value - Assets	Fair value - Liabilities	Notional Amounts	Fair value - Assets	Fair value - Liabilities
Part I						
(i) Currency derivatives:						
- Currency swaps*	93,328.83	1,861.21	-	37,694.23	-	65.00
(ii) Interest rate derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	**93,328.83**	**1,861.21**	**-**	**37,694.23**	**-**	**65.00**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Currency derivatives	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives*	93,328.83	1,861.21	-	37,694.23	-	65.00
Total Derivative Financial Instruments	**93,328.83**	**1,861.21**	**-**	**37,694.23**	**-**	**65.00**

* This refers to Cross-Currency Interest Rate Swap and Full Currency Swap.

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk (Refer Note 59(c)).

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

6. Loans

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Loans at amortised cost		
(A)		
Supply chain receivables	29,416.07	57,952.22
Term loans	773,289.37	497,018.17
Total Gross Loans	**802,705.44**	**554,970.39**
Less: Impairment loss allowance	10,794.49	11,749.36
Total Net Loans	**791,910.95**	**543,221.03**
(B)		
Secured by book debts	29,645.96	63,321.39
Secured by property	385,934.69	186,160.58
Secured by machinery	91,440.72	72,365.46
Unsecured	295,684.07	233,122.96
Total Gross Loans	**802,705.44**	**554,970.39**
Less: Impairment loss allowance	10,794.49	11,749.36
Total Net Loans	**791,910.95**	**543,221.03**
(C)		
Loans in India		
Public sector	-	-
Others	802,705.44	554,970.39
Total Gross Loans	**802,705.44**	**554,970.39**
Less: Impairment loss allowance	10,794.49	11,749.36
Total - Net (a)	**791,910.95**	**543,221.03**
Loans outside India (b)	**-**	**-**
Total - Net (a)+(b)	**791,910.95**	**543,221.03**

Notes **:**

1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2025 and March 31, 2024.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.
3. Gross loans classified as unsecured include quasi-secured loans backed by First Loss Default Guarantee (FLDG) and loans partly secured by Government Guarantee Schemes.

7. Investments

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments - at FVTPL		
Security receipts	1,645.99	1,692.13
Debt securities	999.25	-
Investments - at Amortised Cost		
Debt securities*	7,695.89	4,227.29
Less: Impairment loss allowance	0.82	0.82
Total Net Investments	**10,340.31**	**5,918.60**
Investments in India	10,341.13	5,919.42
Investments outside India	-	-
Total – Gross	**10,341.13**	**5,919.42**
Less: Impairment loss allowance	0.82	0.82
Total – Net	**10,340.31**	**5,918.60**

Note : For valuation methodology Refer Note 53.

*Earmarked amount of the debt securities with banks are to the tune of Rs. 4,190.37 lakh (Previous year: Rs. 4,190.37 lakh).

8. Other financial assets

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	1,599.71	1,280.10
Other receivables	2,145.14	744.26
Less: Impairment loss allowance	3.17	3.17
Total	**3,741.68**	**2,021.19**

9. Current tax assets (net)

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax assets		
Advance tax and tax deducted at source [Net of provision for tax Rs.5,779.98 lakh (Previous year: 2,139.48 lakh)]	192.83	275.18
Total	**192.83**	**275.18**

10. Property, plant and equipment

(Rupees in lakh)

Particulars	As at March 31, 2025				As at March 31, 2024			
	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total
At cost as at the beginning of the year	**815.95**	**362.50**	**123.33**	**1,301.78**	**570.18**	**351.33**	**103.97**	**1,025.48**
Additions during the year	1,046.76	883.07	664.97	2,594.80	245.77	11.17	19.36	276.30
Disposals during the year	-	-	-	-	-	-	-	-
At cost as at the end of the year	**1,862.71**	**1,245.57**	**788.30**	**3,896.58**	**815.95**	**362.50**	**123.33**	**1,301.78**
Accumulated depreciation as at the beginning of the year	**472.00**	**362.35**	**17.82**	**852.18**	**319.11**	**318.27**	**8.80**	**646.18**
Depreciation/amortisation for the year	280.32	70.76	56.21	407.28	152.89	44.08	9.03	206.00
Disposals during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at the end of the year	**752.32**	**433.11**	**74.03**	**1,259.46**	**472.00**	**362.35**	**17.82**	**852.18**
Net carrying amounts as at the end of the year	**1,110.39**	**812.46**	**714.27**	**2,637.12**	**343.95**	**0.15**	**105.50**	**449.60**

11. Non-current assets held for sale

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current assets held for sale	24,317.90	10,142.11
Total	**24,317.90**	**10,142.11**

Note:
'Non-current assets held for sale' covers immovable property and machinery which are repossessed in satisfaction of debts. These assets are classified as 'Non-current assets held for sale' till the time assets acquired are finally disposed.

Non-current assets held for sale is measured at lower of principal outstanding of the loan and fair market value of the repossessed assets against the said loan account. If fair market value is less then the principal outstanding, then impairment loss is recorded for the difference amount. Impairment loss recorded for measuring Non-current assets held for sale for the year ended March 31, 2025 is Rs. 58.36 lakh (Previous year Rs. 120.22 lakh).

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

12. Right-of-use assets

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	**7,896.97**	**5,337.03**
Remeasurement of assets	20.65	25.66
Additions during the year	3,290.52	2,777.70
Deletion during the year	(152.35)	(243.42)
As at the end of the year	**11,055.79**	**7,896.97**
Accumulated depreciation as at the beginning of the year	**3,121.89**	**1,972.95**
Depreciation for the year	1,759.25	1,148.94
Accumulated depreciation as at the end of the year	**4,881.14**	**3,121.89**
Net carrying amount as at the end of the year	**6,174.65**	**4,775.08**

13. Intangible assets under development

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Softwares	564.63	-
Total	**564.63**	**-**

The ageing for Intangible assets under development as on March 31, 2025 is as follows:

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	564.63	-	-	-	564.63
Projects temporarily suspended	-	-	-	-	-
Total	**564.63**	**-**	**-**	**-**	**564.63**

14. Other intangible assets

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Softwares :		
At cost as at the beginning of the year	**12,384.00**	**7,186.49**
Additions during the year	2,131.16	5,197.51
Disposal during the year	-	-
At cost as at the end of the year	**14,515.16**	**12,384.00**
Accumulated amortisation as at the beginning of the year	**4,623.13**	**2,444.96**
Amortisation for the year	2,471.96	2,178.17
Disposal during the year	-	-
Accumulated amortisation as at the end of the year	**7,095.09**	**4,623.13**
Net carrying amounts as at the end of the year	**7,420.07**	**7,760.87**

Note: No revaluation of any class of asset was carried out during the year.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

15. Other non-financial assets

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Advances to vendors and employees	6,877.84	3,218.01
Goods and services tax input credit receivable	3,598.45	2,125.74
Prepaid expenses	2,754.08	2,306.54
Total	**13,230.37**	**7,650.29**

16. Payables

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
Due to micro and small enterprises	-	448.65
Due to creditors other than micro and small enterprises	76.78	821.57
Other payables		
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises		
- Accrued employee benefits	49.70	54.44
- Payable to customers	13.64	35.41
Total	**140.12**	**1,360.07**

The ageing for trade payables as on March 31, 2025 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	22.15	-	0.04	3.43	51.16	76.78
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**22.15**	**-**	**0.04**	**3.43**	**51.16**	**76.78**

The ageing for trade payables as on March 31, 2024 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	448.65	-	-	-	-	448.65
Others	715.40	8.49	8.94	64.50	24.24	821.57
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**1,164.05**	**8.49**	**8.94**	**64.50**	**24.24**	**1,270.22**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Details of dues to micro, small and medium enterprises

The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
1. The principal amount remaining unpaid at the end of the accounting year.	-	448.65
2. The interest amount remaining unpaid at the end of the accounting year.	-	-
3. The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
The balance of MSMED parties as at the end of the year	**-**	**448.65**

17. Debt securities

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	At amortised cost	Total	At amortised cost	Total
Secured				
Redeemable non-convertible debentures	177,157.08	177,157.08	123,627.37	123,627.37
Liabilities arising out of securitization transactions	8,734.62	8,734.62	3,758.93	3,758.93
Unsecured				
Commercial Paper	7,839.91	7,839.91	6,849.59	6,849.59
Redeemable non-convertible debentures	2,477.50	2,477.50	5,247.24	5,247.24
Liability component of compound financial instruments	2,062.31	2,062.31	-	-
Total	**198,271.42**	**198,271.42**	**139,483.13**	**139,483.13**
Debt securities in India	198,271.42	198,271.42	139,483.13	139,483.13
Debt securities outside India	-	-	-	-
Total	**198,271.42**	**198,271.42**	**139,483.13**	**139,483.13**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Redeemable non-convertible debentures (Secured): (Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemp-tion	Date of Allotment	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
10.28% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	26,000	20/Feb/29	20/Feb/25	25% of issue size after 1.5 years after issue date 25% of issue size after 3 years after issue date 25% of issue size after 3.5 years after issue date 25% of issue size after 4 years after issue date	26,000.00	-
10% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	7,500	30/Jan/29	30/Jan/25	Bullet Repayment	7,500.00	-
10.27% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	24,990	30/Jan/28	30/Jan/24	Half-Yearly Repayment	21,420.00	24,990.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	350	12/Jan/28	12/Jan/22	Bullet Repayment	3,500.00	3,500.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	260	29/Dec/27	29/Dec/21	Bullet Repayment	2,600.00	2,600.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	460	17/Dec/27	17/Dec/21	Bullet Repayment	4,600.00	4,600.00
10.38% Secured Rated Unlisted Redeemable Non-Convertible Debentures	100,000	24,960	12/Dec/27	12/Dec/23	Half-Yearly Repayment starting from June 2025 followed by moratorium of 2 instalments	24,960.00	24,960.00
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	3,500	25/Jun/27	25/Jun/24	Half-Yearly Repayment	2,916.67	-
10.40% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	343,942	24/Apr/27	24/Oct/24	Bullet Repayment	3,439.42	-
RESET RATE Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	7,500	11/Jan/27	11/Jul/24	Quarterly Repayment	6,000.00	-
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	690,819	24/Oct/26	24/Oct/24	Bullet Repayment	6,908.19	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Redeemable non-convertible debentures (Secured):

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
10.50% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	2,800	26/Sep/26	27/Sep/23	Half-Yearly Repayment	1,400.00	2,333.33
10.02% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,000	50,000	07/Aug/26	07/Feb/25	Bullet Repayment	5,000.00	-
11% Secured Rated Listed Redeemable Non-Convertible Debentures Series V	1,000	464,198	27/May/26	27/Feb/24	Bullet Repayment	4,641.98	4,641.98
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures Series IV	1,000	341,527	27/May/26	27/Feb/24	Bullet Repayment	3,415.27	3,415.27
10.15% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	965,239	24/Apr/26	24/Oct/24	Bullet Repayment	9,652.39	-
G-SEC Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	250	15/Apr/26	19/Dec/22	Bullet Repayment	2,500.00	2,500.00
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	08/Mar/26	08/Mar/23	Bullet Repayment	5,000.00	5,000.00
10.35% Secured Rated Listed Redeemable Non-Convertible Debentures Series III	1,000	258,511	27/Feb/26	27/Feb/24	Quarterly Repayment	1,292.56	2,585.11
9.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	5,000	05/Jan/26	02/Jul/24	Bullet Repayment	5,000.00	-
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures Series III	1,000	492,811	26/Sep/25	26/Sep/22	Bullet Repayment	4,928.11	4,928.11
10.25% Secured Rated Listed Redeemable Non-Convertible Debentures Series I	1,000	271,193	27/Aug/25	27/Feb/24	Bullet Repayment	2,711.93	2,711.93
10.75% Secured Rated Listed Redeemable Non-Convertible Debentures Series II	1,000	664,571	27/Aug/25	27/Feb/24	Bullet Repayment	6,645.71	6,645.71
G-SEC Linked Secured Rated Unlisted Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	500	29/May/25	29/Mar/22	Bullet Repayment	5,000.00	5,000.00
1% XIRR Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	3,000	10/May/25	10/Nov/23	Bullet Repayment	3,000.00	3,000.00
10.40% Secured Rated Listed Non- Convertible Debentures Series III	1,000	440,106	05/May/25	05/May/22	Bullet Repayment	4,401.06	4,401.06

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Redeemable non-convertible debentures (Secured):

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
8.56% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	18/Mar/25	18/Sep/23	Bullet Repayment	-	5,000.00
10.25% Secured Rated Listed Non-Convertible Debentures	1,000,000	250	19/Jan/25	19/Jan/22	Bullet Repayment	-	2,500.00
11.55% Rated Unlisted Secured Redeemable Taxable Non-Convertible Debentures	100,000	2,500	31/Dec/24	26/Mar/21	Yearly Repayment	-	833.33
10.35% Secured Rated Listed Redeemable Non-Convertible Debentures Series II	1,000	115,499	26/Dec/24	26/Sep/22	Bullet Repayment	-	1,154.99
10.25% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	2,500	06/Dec/24	06/Jun/23	Quarterly Repayment	-	1,249.98
10.35% Secured Rated Unlisted Redeemable Non-Convertible Debentures	10,000	50,000	29/Aug/24	29/Aug/22	Quarterly Repayment	-	1,250.00
10% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	2,000	24/Aug/24	24/Feb/23	Bullet Repayment	-	2,000.00
10.15% Secured Rated Listed Non- Convertible Debentures Series II	1,000	78,011	05/Aug/24	05/May/22	Bullet Repayment	-	780.11
Total						**174,433.29**	**122,580.91**

Redeemable non-convertible debentures (Unsecured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
10.25% Unsecured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	18/Apr/26	24/Jan/24	Quarterly Repayment	2,500.00	5,000.00
11.50% Unsecured Rated Unlisted Redeemable Taxable Non-Convertible Debentures	1,000,000	100	31/Dec/24	17/Mar/22	Yearly Repayment	-	333.33
Total						**2,500.00**	**5,333.33**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Commercial papers (Unsecured):

(Rupees in lakh)

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
UGRO/2024-25/CP-55	500,000	3/Jul/25	5/Mar/25	Redeemable at PAR at the end of 120 days from the date of allotment	2,500.00	-
UGRO/2024-25/CP-53	500,000	18/Jun/25	20/Dec/24	Redeemable at PAR at the end of 180 days from the date of allotment	3,000.00	-
UGRO/2024-25/CP-54	500,000	21/May/25	21/Jan/25	Redeemable at PAR at the end of 120 days from the date of allotment	2,500.00	-
UGRO/2023-24/CP-33	500,000	11/Jul/24	12/Feb/24	Redeemable at PAR at the end of 150 days from the date of allotment	-	2,000.00
UGRO/2023-24/CP-32	500,000	9/Jul/24	12/Feb/24	Redeemable at PAR at the end of 148 days from the date of allotment	-	3,000.00
UGRO/2023-24/CP-28	500,000	17/Apr/24	20/Oct/23	Redeemable at PAR at the end of 180 days from the date of allotment	-	2,000.00
Total					**8,000.00**	**7,000.00**

Liabilities arising out of securitization transactions:

Terms of repayment	As at March 31, 2025	As at March 31, 2024
Monthly Repayment	8,779.06	3,843.26

Notes:-

1) The Rate of interest on the securitization transactions vary from 8.00% to 12.00% for the year ended March 31, 2025 and for the year ended March 31, 2024.
2) The Rate of interest on the Commercial Papers vary from 8.00% to 10.00% for the year ended March 31, 2025 and for the year ended March 31, 2024.
3) All Non-Convertible Debentures are redeemable at par.
4) The above Secured Non-Convertible Debentures are secured by hypothecation of receivables under financing activities. The Company has maintained the required Security Cover.
5) Above borrowings were used fully for the purpose for which the same were obtained.
6) There was no defaults in the repayment of the above borrowings.
7) The amount disclosed above represent the principal outstanding as at March 31, 2025 and as at March 31, 2024.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

Liability component of Compound Financial Instruments (Unsecured):

Tenor/ Period of Maturity (in years)	Amount outstanding (in ₹ lakh)	Date of Allotment	Redemption Date/ Schedule
1.5	2,036.77	6-Jun-24	5-Dec-25
1.5	123.15	18-Jun-24	17-Dec-25

Notes:-

1) The Company has raised the funds through total allotment of the 9,770,757 Compulsorily Convertible Debentures (CCDs) having face value Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 25,794.80 Lakhs in June, 2024.
2) The allotment was made in 2 tranches on Jun 06,2024 and June 18,2024. Each of the CCDs are convertible into 1 equity share within a period of 18 months from the date of allotment of CCD.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

3) The Rate of Interest on CCDs is at 12.00% XIRR.
4) The CCD is classified as Compound Financial Instruments as it meets the Fixed for fixed test criteria as per Ind AS 109 and the above mentioned figures is the Liability component of the Compound Financial Instrument.

18. Borrowings (other than debt securities)

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	239,207.80	239,207.80	191,027.83	191,027.83
From other parties	138,975.83	138,975.83	75,900.31	75,900.31
External commercial borrowings	94,416.45	94,416.45	39,019.14	39,019.14
(b) Loans repayable on demand				
Cash credit	804.81	804.81	906.72	906.71
Bank overdraft	15,364.44	15,364.44	15,468.28	15,468.28
Total	**488,769.33**	**488,769.33**	**322,322.27**	**322,322.27**
Borrowings in India	394,352.88	394,352.88	283,303.13	283,303.13
Borrowings outside India	94,416.45	94,416.45	39,019.14	39,019.14
Total	**488,769.33**	**488,769.33**	**322,322.27**	**322,322.27**
Secured	486,888.12	486,888.12	315,923.39	315,923.39
Unsecured	1,881.21	1,881.21	6,398.88	6,398.88
Total	**488,769.33**	**488,769.33**	**322,322.27**	**322,322.27**

Term Loan from Banks (Secured):

Terms of repayment	As at March 31, 2025	As at March 31, 2024
Bullet Repayment	14,953.00	7,053.00
Monthly Repayment	63,118.49	73,492.17
Quarterly Repayment	166,016.00	113,726.86
Half-yearly Repayment	-	400.00
Total	**244,087.49**	**194,672.02**

Term Loan from Others (Secured):

Terms of repayment	As at March 31, 2025	As at March 31, 2024
Bullet Repayment	-	1,100.00
Monthly Repayment	63,841.95	30,667.48
Quarterly Repayment	73,751.09	40,205.33
Total	**137,593.04**	**71,972.82**

Term Loan from Others (Unsecured):

Terms of repayment	As at March 31, 2025	As at March 31, 2024
Monthly Repayment	-	920.00
Quarterly Repayment	1,875.00	4,375.00
Half-yearly Repayment	-	-
Total	**1,875.00**	**5,295.00**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

External Commercial Borrowings (Secured):

(Rupees in lakh)

Terms of repayment	As at March 31, 2025	As at March 31, 2024
Bullet Repayment	25,715.33	25,329.23
Half-yearly Repayment starting from September 2025 onwards	4,095.00	4,095.00
Half-yearly Repayment starting from August 2025 onwards	8,270.00	8,270.00
Yearly Repayment starting from November 2026 onwards	25,309.50	-
Yearly Repayment	29,939.00	-
Total	**93,328.83**	**37,694.23**

The Company has total External Commercial Borrowings (ECBs) of Rs.3,495.53 lakh, Rs. 14,014.80 lakh, Rs. 8,205.00 lakh and Rs.67,613.50 lakh having original maturity of two, three, four and five years respectively (Previous year Rs.17,124.23 lakh, Rs.8,205.00 lakh and Rs. 12,365.00 lakh having maturity of three, four and five years respectively) for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time. In terms of the RBI guidelines, the borrowings has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The charges for raising of the aforesaid ECBs have been amortised over the tenure of such ECBs.

Notes:

1) The rate of interest on the above borrowings vary from 9.00% to 13.00% for the year ended March 31, 2025 and for the year ended March 31, 2024.
2) The above secured borrowings are secured by hypothecation of receivables under financing activities. The Company has maintained the required security cover.
3) Out of the above, the Company holds sanctioned borrowings amounting to Rs.213,062 lakh as at March 31, 2025 (Previous year: 120,500 lakh) which is guaranteed by a director.
4) Term Loans were used fully for the purpose for which the same were obtained.
5) There was no defaults in the repayment of the borrowings.
6) The balance tenure on the above borrowings is upto 5 years.
7) The amount disclosed above represent the principal outstanding as at 31st March, 2025 and as at 31st March, 2024.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of account.

19. Subordinated liabilities

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	At amortised cost	Total	At amortised cost	Total
Unsecured				
Privately placed Subordinated (Tier II) Redeemable Non-Convertible Debentures	3,370.81	3,370.81	3,519.13	3,519.13
Total	**3,370.81**	**3,370.81**	**3,519.13**	**3,519.13**
Subordinated Liabilities in India	3,370.81	3,370.81	3,519.13	3,519.13
Subordinated Liabilities outside India	-	-	-	-
Total	**3,370.81**	**3,370.81**	**3,519.13**	**3,519.13**

Subordinated debt (Unsecured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at 31st March, 2025	As at 31st March, 2024
12.5% Unsecured Rated Listed Redeemable Non-Convertible Debentures.	100,000	350	15/Sep/29	15/Mar/24	Bullet Repayment	3,500.00	3,500.00

Notes:

1) The above non-convertible debentures (Subordinated debt) are redeemable at par.
2) Subordinated liabilities were used fully for the purpose for which the same were obtained.
3) There is no default in repayment of subordinated liabilities.
4) The amount disclosed above represent the principal outstanding as at 31st March, 2025 and as at 31st March, 2024.
5) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of account.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

20. Other financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Unclaimed dividend payable on equity shares	1.27	1.27
Others payables :		
Collateral margin money received	33.62	32.37
Deferred consideration on direct assignment	-	-
Lease liabilities (Refer Note 47)	6,869.65	5,209.90
Other liabilities	984.71	1,768.95
Book overdraft	248.50	417.19
Provision on unrealised gain*	225.17	225.17
Total	**8,362.92**	**7,654.85**

* The unrealised gain is on account of sale of loan to ARC.

21. Current tax liabilities (net)

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax [net of advance tax and tax deducted at source Rs. 635.30 lakh (Previous year: Rs. 751.94 lakh)]	2,743.86	2,895.67
Total	**2,743.86**	**2,895.67**

22. Provisions

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits :		
-Provision for gratuity (Refer Note 45b)	461.76	305.33
-Provision for compensated absences (Refer Note 45c)	495.09	881.76
-Provision for bonus	900.00	600.00
-Long term incentive plan	366.67	606.65
Provision for expenses	4,937.60	3,593.43
Total	**7,161.12**	**5,987.17**

23. Deferred tax assets/(liabilities) (net)

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Tax effect of timing differences on account of -		
Unutilised minimum alternate tax credit entitlement	10,909.93	7,537.88
Income tax losses carried forward	12,141.56	5,905.96
Provision for impairment losses on financial instruments	3,212.37	3,488.29
Deferred revenue income - processing fees allowed upfront in income tax	214.50	707.18
Employee benefit provisions and expenses	864.93	914.50
Others	146.36	377.23
Total (A)	**27,489.65**	**18,931.04**
Deferred tax liabilities		
Tax effect of timing differences on account of -		
Receivables on EIS Direct assignment and Co-lending transactions	18,402.02	11,215.41
Deferred loan sourcing cost allowed upfront in income tax	7,545.41	4,244.46
Prepaid fees / charges on borrowings allowed upfront in income tax	3,218.74	2,600.10
Difference in written down value of property, plant and equipment and intangible assets	711.42	569.59
Others	8.18	5.54
Total (B)	**29,885.77**	**18,635.10**
Deferred tax assets/(liabilities) (net) (A)-(B)	**(2,396.12)**	**295.94**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

24. Other non-financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	976.58	874.49
Total	**976.58**	**874.49**

25. Equity share capital

a. Details of authorised, issued and subscribed share capital :

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs. 10 each	194,500,000	19,450.00	154,500,000	15,450.00
Preference shares of Rs. 10 each	20,500,000	2,050.00	20,500,000	2,050.00
Issued, subscribed and fully paid-up (A)				
Equity shares of Rs. 10 each, fully paid-up	93,183,594	9,318.37	92,829,821	9,282.99
Less:Treasury shares held through ESOP Trust (B)				
Equity shares of Rs. 10 each, fully paid-up	(1,238,252)	(123.83)	(1,238,252)	(123.83)
Equity shares (Net of Treasury shares) (A-B)	**91,945,342**	**9,194.54**	**91,591,569**	**9,159.16**

b. Reconciliation of number of shares and amount outstanding as at the beginning and at the end of the year:

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	92,829,821	9,282.99	70,559,319	7,055.94
Add: equity shares issued during the year *	353,773	35.38	22,270,502	2,227.05
Shares outstanding as at the end of the year	**93,183,594**	**9,318.37**	**92,829,821**	**9,282.99**

* During the year, the Company issued and allotted 126,502 equity shares of Rs 10 each under ESOP scheme, 37,878 equity shares of Rs. 10 each on conversion of compulsory convertible debentures and 189,393 equity shares of Rs. 10 each on conversion of warrants.

During the previous year, the Company issued and allotted 6,611,325 shares through Qualified Institutions Placement (QIP), 15,238,095 through preferential allotment and 421,082 equity shares of Rs 10 each under the ESOP Schemes.

c. Reconciliation of the number of treasury shares outstanding as at the beginning and end of the year:

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	1,238,252	123.83	1,238,252	123.83
Add: equity shares acquired from secondary market	-	-	-	-
Shares outstanding as at the end of the year	**1,238,252**	**123.83**	**1,238,252**	**123.83**

An Employee Benefit Trust ('Trust') had been constituted. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Treasury shares are recognised at face value and deducted from Equity Share Capital to the tune of Rs. 123.83 lakh. The amount received in excess of the face value is deducted from the Securities Premium Account. Pursuant to the same, the Company had granted 1,111,929 options on October 10, 2022 during the year ended March, 31 2023. During the year ended March 31, 2025 and March 31, 2024, there has been no secondary market acquisition by the trust.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

d. Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

e. Particulars of shareholders holding more than 5% of the equity share capital :

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% of holding	No. of Shares	% of holding
Danish Sustainable Development Goals Investment Fund K/S	15,238,095	16.35%	15,238,095	16.42%
Newquest Asia Investments III Limited	15,116,279	16.22%	15,116,279	16.28%
Clearsky Investment Holdings Pte Limited	15,116,279	16.22%	15,116,279	16.28%
Samena Fidem Holdings	6,980,133	7.49%	5,956,757	6.42%
Total	**52,450,786**	**56.28%**	**51,427,410**	**55.40%**

f. Shares reservation :

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Shares	No. of Shares
Equity shares of Rs. 10 each		
Number of Shares reserved for ESOPs (Refer Note 46)	2,400,501	3,110,220

g. Objectives for managing capital :

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

h. Shareholding of promoters (including promoter group) disclosure :

Shares held by promoters (including promoter group) as at the end of the year:

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No.of Shares	% of total shares	% Change during the year	No.of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP (promoter)	2,027,709	2.18%	-	2,027,709	2.18%	-
2. Shachindra Nath (person acting in concert of promoter)	46,300	0.05%	-	46,300	0.05%	-
Total	**2,074,009**	**2.23%**	**-**	**2,074,009**	**2.23%**	**-**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

26. Other equity

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Securities premium	107,688.16	106,914.77
(ii) Employee stock options scheme outstanding	1,082.97	712.40
(iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	8,462.51	5,583.91
(iv) Capital reserve	1,046.00	1,046.00
(v) Retained earnings - other than Remeasurement of Post-Employment Benefit Obligations	32,416.48	20,930.95
(vi) Retained earnings - Remeasurement of Post- Employment Benefit Obligations	(16.85)	(28.86)
(vii) Cash flow hedges reserve	264.15	(482.16)
(viii) Equity component of compound financial instruments	19,458.55	-
(ix) Money received against share warrants	25,042.43	-
Total	**195,444.40**	**134,677.01**

Nature and purpose of reserves :

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding

The shares options outstanding is used to recognise the grant date fair value of options issued to employees under stock option schemes of the Company.

(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

(iv) Capital reserve

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

(vii) Cash flow hedges reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

(viii) Equity component of compound financial instruments

It represent the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

(ix) Money received against share warrants

Money received against share warrant represents 25% of the total consideration received towards warrants which entails the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each by paying the remaining 75% of the total consideration within 18 months from the date of allotment of the Share Warrants.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

27. Interest income

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
At Amortised Cost:		
Interest on loans	91,243.71	67,256.62
Interest on deposits with banks	2,421.76	1,969.28
Interest on other financial assets	100.98	77.51
Other interest income	1,806.17	912.43
Interest on debt securities	307.75	247.21
Total	**95,880.37**	**70,463.05**

28. Net gain on derecognition of financial instruments under amortised cost category

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derecognition of financial instruments	38,290.51	30,746.33
Total	**38,290.51**	**30,746.33**

29. Net gain on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on financial instruments at fair value through profit and loss:-		
(a) On trading portfolio		
- Gain on sale of investments	280.58	147.85
Total	**280.58**	**147.85**
Fair value changes:		
Realised	280.58	147.85
Unrealised	-	-
Total	**280.58**	**147.85**

30. Fees and commission income

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees and commission income	5,138.47	3,438.95
Total	**5,138.47**	**3,438.95**

31. Other Income

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Marketing advisory fees	-	265.00
Technology support fees	-	625.00
Web display fees	-	243.87
Insurance commission income	4,587.33	2,230.68
Commission income	0.44	-
Interest on income tax refund	6.87	7.39
Total	**4,594.64**	**3,371.94**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

32. Finance costs

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest cost		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	41,843.01	30,691.22
(b) Interest on debt securities		
Interest on redeemable non-convertible debentures/ discount on commercial paper	19,729.39	13,065.60
(c) Interest on lease liabilities		
Interest on lease liabilities	767.98	516.45
(d) Interest on subordinated liabilities		
Interest expenses on subordinated liabilities	436.58	19.13
Total	**62,776.96**	**44,292.40**

33. Net loss on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net loss on financial instruments at fair value through profit or loss		
-On financial instruments	3.50	1.54
Total	**3.50**	**1.54**
Fair value changes:		
Realised	-	-
Unrealised	3.50	1.54
Total	**3.50**	**1.54**

34. Impairment on financial instruments

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial instruments measured at amortised cost:		
Impairment on financial instruments		
- Loans	17,280.24	11,623.67
- Other assets	20.20	-
- Fixed deposits	7.34	4.30
- Debt securities	(0.01)	(0.01)
Total	**17,307.77**	**11,627.96**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

35. Employee benefit expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, other allowances and bonus	21,954.84	16,986.36
Contribution to provident and other funds (Refer Note 45a)	698.56	552.13
Gratuity expenses [Refer Note 45b(ii)]	145.77	99.64
Staff welfare expenses	326.84	197.41
Share-based payments to employees (Refer Note 46)	432.41	449.87
Total	**23,558.42**	**18,285.41**

36, Depreciation and amortisation

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	407.29	207.12
Amortization on intangible assets	2,471.95	2,177.04
Depreciation on right of use assets	1,759.25	1,148.94
Total	**4,638.49**	**3,533.10**

37. Other expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	756.21	621.44
Communication costs	1,310.95	1,116.14
Printing and stationery	177.34	140.06
Advertisement and publicity	116.81	213.95
Directors' sitting fees	135.00	153.00
Auditor's fees and expenses*	85.73	68.78
Legal and professional charges	2,745.32	3,531.95
Insurance	800.77	507.10
Rates and taxes	1,951.46	1,528.39
Computer maintenance and software	1,646.41	877.79
Marketing and brand promotion	151.07	75.59
Meeting and event	241.21	318.45
Travelling, lodging and boarding	1,386.15	881.41
Brokerage	12.65	7.15
Miscellaneous	4,069.61	2,474.82
CSR expenditure (Refer Note 38)	1.00	35.44
Total	**15,587.69**	**12,551.46**

*** Payments to auditor :**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. As Auditor	56.50	51.50
b. For taxation matters	4.50	4.50
c. For other services	18.50	8.50
d. For reimbursement of expenses	6.23	4.28
Total	**85.73**	**68.78**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

38. Additional Information

I. Corporate Social Responsibility

The average net profit of the Company as per Section 198 of Companies Act, 2013 for the last three financial years was Rs.346.21 lakh, basis which the Company was required to spend Rs.6.92 lakh towards Corporate Social Responsibility (CSR) during the current financial year. However, the Company had spent excess amount of Rs. 6.57 Lakhs in previous years, over and above the budget approved by the Board and is now eligible to set off the excess amount. Accordingly, the Net CSR obligations were at Rs.0.35 lakh.

a) Amount spent during the year on : (Rupees in lakh)

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Amount Spent	Amount unpaid/ provision	Total	Amount Spent	Amount unpaid/ provision	Total
(i) Construction/acquisition of any asset	-	-	-	35.44	-	35.44
(ii) On purpose other than (i) above	1.00	-	1.00	-	-	-

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
6.57	-	6.92	1.00	0.65

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) The additional disclosures with regard to CSR activities are summarized below:

(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - Not applicable.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

f) **Nature of CSR activities:**

The Company is required to contribute towards corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year, the Company has spent Rs. 1.00 lakh against Rs. 6.92 lakh after setting off the total excess amount of Rs. 6.57 lakhs of previous years. The amount is spent towards poverty alleviation program.

II. Disclosure in relation to Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2025 and March 31, 2024 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2025 and March 31, 2024.

III. Details of Crypto currency or Virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2025 and March 31, 2024.

39. Additional Regulatory Information (to the extent applicable and reportable)

I. Title deeds of immovable property not held in the name of the Company as at March 31, 2025:

(Rupees in lakh)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	820.17	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award (iv) SARFAESI under section 13(4) / (14). (v) Superdari Section 457.	-
Non-current assets held for sale	Building	20,402.77	Borrower	No		-
Others	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Title deeds of immovable property not held in the name of the Company as at March 31, 2024:

(Rupees in lakh)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	648.95	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award	-
Non-current assets held for sale	Building	8,784.23	Borrower	No	(iv) SARFAESI under section 13(4) / (14). (v) Superdari Section 457.	-
Others	-	-	-	-	-	-

*The borrowers had mortgaged the immovable properties with the Company to secure the loan facility. Consequent to default in repayment of secured loan upon classification of the account as Non-Performing Asset ("NPA"), the proceedings under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("The SARFAESI Act, 2002") are initiated, whereby the immovable property mortgaged by the borrower, is taken into possession of the Company with or without intervention of the Court. The said properties will be sold to the prospective buyer(s) and the sale proceeds shall be appropriated towards the dues in the respective loan account. Meanwhile, if the borrower/co-borrower approaches to settle the dues and closes the loan account, the property may be released to them.

II. Details of Benami Property held:

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2025 and March 31, 2024.

III. Wilful Defaulter:

The Company is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2025 and March 31, 2024.

IV. Details pertaining to transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 is as follows:

The Company does not have any transactions with the struck off companies during the year ended March 31, 2025 and March 31, 2024.

V. Registration of charges or satisfaction with Registrar of Companies (ROC)

a. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2025.

Brief description of charge	Location of register	Period by which charge has been registered	Reason for delay
CHG-1 Bank of Maharashtra Term Loan- Rs. 1,000,000,000/- Charge ID 101001038 DOH Date-26.09.2024	Mumbai	18.11.2024 (Form Filed with MCA) 18.11.2024 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on MCA V3 portal.

b. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2024.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 HDFC Term Loan- Rs. 500,000,000/- Charge ID 100721331 DOH Date-28.04.2023	Mumbai	29.05.2023 (Form Filed with MCA) 29.05.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on MCA V3 portal.

VI. Analytical Ratios

(a) Capital to risk-weighted assets ratio (CRAR) - Refer Note No. 59 (a)

(b) Tier I CRAR - Refer Note No. 59 (a)

(c) Tier II CRAR - Refer Note No. 59 (a)

(d) Liquidity Coverage Ratio - Refer Note no. 50(b). Liquidity Risk.

VII.Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014:

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

40. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with the Ind AS 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic		
Profit after tax [A]	14,392.99	11,934.48
Weighted average number of equity shares outstanding during the year (Nos.) [B]	91,770,978	89,104,193
Basic earnings per share Rs. [A/B]	**15.68**	**13.39**
Diluted		
Profit after tax diluted [A]	14,797.84	11,934.48
Weighted average number of equity shares outstanding during the year (Nos.)	91,770,978	89,104,193
Weighted average number of potential equity shares on account of employee stock options and compulsorily convertible debentures (Nos.)*	8,838,301	1,275,884
Weighted average number of shares outstanding for diluted earning per share (Nos.) [B]	100,609,279	90,380,077
Diluted earnings per share Rs. [A/B]	**14.71**	**13.20**
Face value per share Rs.	10.00	10.00

*Share warrants are not included in the diluted EPS because they are anti-dilutive for the year ended March 31, 2025 (Previous year not applicable).

41. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	11,245.17	4,833.02
- Other commitments*	2,137.40	3,827.53
- Amount of contracts remaining to be executed on capital account	474.00	517.50
Total	**13,856.57**	**9,178.05**

*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Company.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

42. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

43. Related party disclosure

a. List of related parties and their relationships :

(i) Key managerial personnel (KMP)/Directors :

- Vice Chairman & Managing Director	Shachindra Nath
- Chief Financial Officer	Kishore Kumar Lodha
- Company Secretary (Upto October 31, 2023)	Namrata Sajnani
- Company Secretary (From November 1, 2023)	Satish Kumar Chelladurai
- Non- Executive Chairman & Independent Director	Satyananda Mishra
- Independent Director	Karuppasamy Singam
- Independent Director	Rajeev Agarwal
- Independent Director	Karnam Sekar
- Independent Director and Chairman - Audit Committee (From August 1, 2023)	Hemant Bhargava
- Independent Director (From August 1, 2023)	Tabassum Inamdar
- Independent Director and Chairman - Audit Committee (Upto July 4, 2023)	Abhijit Sen
- Independent Director (Upto July 4, 2023)	Smita Aggarwal

(ii) Other related parties :

- Livfin India Private Limited
- Indifi Technologies Private Limited

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

b. Transactions with related parties are as enumerated below: (Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Transactions during the year :		
Income		
Recovery of transaction fees *		
Livfin India Private Limited	-	63.77
Expenses		
Sourcing Fee*		
Livfin India Private Limited	0.07	29.11
Indifi Technologies Private Limited	1,151.05	373.00
Reimbursement of expenses		
Kishore Kumar Lodha	-	0.28
Namrata Sajnani	-	0.08
Satish Kumar Chelladurai	-	0.02
Director sitting fees		
Hemant Bhargava	21.00	21.00
Karnam Sekar	24.00	21.00
Rajeev Agarwal	25.00	32.00
Karuppasamy Singam	25.00	29.00
Satyananda Mishra	25.00	29.00
Smita Aggarwal	-	5.00
Tabassum Inamdar	15.00	10.00
Abhijit Sen	-	6.00
Short-term employee benefits#		
Shachindra Nath	618.39	585.63
Kishore Kumar Lodha	308.68	252.17
Namrata Sajnani	-	27.44
Satish Kumar Chelladurai	46.78	14.37
Share Based Payment		
Kishore Kumar Lodha	5.17	33.24
Allotment of Warrants$		
Shachindra Nath	150.00	-
Tabassum Abdulla Inamdar	125.00	-
Hemant Bhargava	6.25	-
Kishore Kumar Lodha	10.00	-

* The above figures are excluding GST.
#The above figures excludes provision for gratuity and compensated absences.
$ The amount represents the 25% of the consideration received at the time of allotment.
The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year ended March 31, 2025 and March 31, 2024.

c. Balance outstanding : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Other financial assets		
Livfin India Private Limited	-	-

d. ESOPs held with Key Managerial Personnel :

Particulars	As at March 31, 2025 (No. of options)	As at March 31, 2024 (No. of options)
Kishore Kumar Lodha	369,010	374,010

44. Expenditure in foreign currency :

(Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Debt securities	269.98	262.64
Borrowings (other than debt securities)	575.41	61.91
Other expenses	55.69	23.67
Finance costs	4,512.04	2,986.70
Other non-financial assets	98.65	211.83
Property, plant and equipment	29.19	-
Total	**5,540.96**	**3,546.75**

45. Disclosure pursuant to Ind AS 19 ‘Employee benefits’ :

a. Defined contribution plans : (Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to provident fund	421.66	360.68
Employer's contribution to national pension scheme	276.48	191.28
Employer's contribution to labour welfare fund	0.42	0.17
Total	**698.56**	**552.13**

b. Defined benefit plan (Gratuity)

The entity has a defined benefit gratuity plan (unfunded). The entity’s defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity. The Gratuity plan is governed by the “Payment of Gratuity Act, 1972”. Under the Act, employee who has completed five years of service is entitled to specific benefit. The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(i) The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2025	As at March 31, 2024
Discount rate	6.54%	7.16%
Expected rate of return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

(ii) Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

(Rupees in lakh)

Particulars	Gratuity plans	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Service cost:		
Current service cost	123.91	87.11
Net interest expense	21.86	12.53
Components of defined benefit costs recognised in the Statement of profit or loss	**145.77**	**99.64**
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	11.67	1.69
Actuarial (Gains)/Losses on Obligations - Due to Experience	12.10	39.01
Components of defined benefit costs recognised in other comprehensive income	**23.77**	**40.70**
Total	**169.54**	**140.34**

(iii) The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

(Rupees in lakh)

Particulars	Gratuity plans	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	461.76	305.33
Net liability arising from defined benefit obligation	**461.76**	**305.33**

(iv) Movements in the present value of the defined benefit obligation is as follows :

(Rupees in lakh)

Particulars	Gratuity plans	
	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	**305.33**	**171.83**
Current service cost	123.91	87.11
Interest cost	21.86	12.53
Remeasurement (gains)/Loss	23.77	40.70
Benefits paid	(13.11)	(6.84)
Closing defined benefit obligation	**461.76**	**305.33**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(v) Maturity analysis of the benefit payments : (Rupees in lakh)

Projected benefits payable in future years	As at March 31, 2025	As at March 31, 2024
1st following year	45.17	33.94
2nd following year	49.64	28.00
3rd following year	74.98	36.12
4th following year	75.37	54.45
5th following year	73.91	53.67
Sum of years 6 To 10	213.01	154.95
Sum of years 11 and above	99.02	74.14

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

(vi) Sensitivity analysis (defined benefit obligation) : (Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(18.56)	20.09	(12.59)	13.64
Future salary growth (1% movement)	17.31	(16.37)	12.27	(11.71)
Attrition rate (1% movement)	(6.88)	6.90	(5.13)	5.16

Note :

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. Compensated absences

(i) The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2025	As at March 31, 2024
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	22.00% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age	60 years	60 years
Financial Assumptions		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	6.54% p.a.(Indicative G.Sec referenced on 28-03-2025)	7.16% p.a.(Indicative G.Sec referenced on 28-03-2024)

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(ii) The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

(Rupees in lakh)

Particulars	Compensated absences	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	495.09	881.76
Net liability arising from defined benefit obligation	**495.09**	**881.76**

Particulars	Compensated absences	
	As at March 31, 2025	As at March 31, 2024
Discontinuance liability	519.48	942.59
Defined benefit obligation	495.09	881.76
Funding status	Unfunded	Unfunded
Fund balance	N.A.	N.A.
Current liability	116.84	212.10
Non-current liability	378.25	669.66

The average expected future service is 3.00 years.
During the year there has been change in the salary counting for leave encashment, it has been changed from CTC Salary to Basic salary.

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii) Sensitivity analysis (defined benefit obligation) :

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14.36)	15.50	(24.95)	26.89
Future salary growth (1% movement)	15.58	(14.69)	27.20	(25.68)
Attrition rate (1% movement)	1.23	(1.32)	3.03	(3.26)

46. Disclosure relating to employee stock option scheme

The Company has two employee stock option schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Capital Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the Board of Directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extraordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the Board of Directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 120,000 (previous year 691,980) options representing equal numbers of equity shares of Rs. 10 each.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

The activity in the CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 during the year ended March 31, 2025 and March 31, 2024 is set below :

Particulars	As at March 31, 2025 In numbers	Exercise price range	As at March 31, 2024 In numbers	Exercise price range
CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022: (face value of Rs. 10 each)				
Options outstanding as at the beginning of the year	**3,110,220**	**Rs. 130 - Rs. 271.35**	**3,345,238**	**Rs. 130 - Rs. 202**
Add: Options granted	120,000	Rs. 130 - Rs. 264.50	691,980	Rs. 130 - Rs. 280.05
Less: Options exercised*	126,502	Rs. 130 - Rs. 221.45	421,082	Rs. 130 - Rs. 173.85
Less: Options lapsed	703,217	Rs. 130 - Rs. 264.50	505,916	Rs. 130 - Rs. 280.05
Options outstanding as at the end of the year#	**2,400,501**	**Rs. 130 - Rs. 271.35**	**3,110,220**	**Rs. 130 - Rs. 271.35**
Exercisable as at the end of the year	**420,544**		**433,146**	

*Weighted average share price of options exercised during the year ended March 31, 2025 was Rs. 248.53.
#Weighted average remaining contractual life of options outstanding as at March 31, 2025 is 1.08 years.

The Company follows accounting policy of fair value method for employee stock options (ESOS) valuation. Accordingly, the accumulated expense of Rs. 432.41 lakh (previous year expense Rs. 449.87 lakh) has been debited to the Statement of Profit and Loss for the year ended March 31, 2025.

Particulars	CSL employee stock option scheme 2017 - Grant XXXV	CSL employee stock option scheme 2017 - Grant XXXVI
Date of the grant	June 5, 2024	July 17, 2024
Number of options granted	20,000	100,000
Method of settlement	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	1) 50% (April 1, 2023 – March 31, 2024) 2) 50% (April 1, 2025 – March 31, 2026)	
Weighted average remaining contractual life		
Granted but not vested (in years)	0.40	NA
Vested but not exercised	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.	
Vesting conditions	Graded vesting based on fulfilment of IRR target mentioned in the scheme.	
Weighted average fair value of options as on the grant date (in Rs)	123.50	118.88

Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer, if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

The key assumptions used in Binomial model for calculating fair value under CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XXXV	CSL employee stock option scheme 2017 - Grant XXXVI
Risk-free interest rate	7.04%	6.90%
Expected volatility of share price*	41.29%	40.81%
Time to maturity (in years)	1.82	NA
Dividend yield	-	-
The price of equity share as on the grant date considered for valuation (in Rs.)	278.4	260.5

*Volatilities is calculated using 3-month average market data for stock prices (Volume Weighted Average Price).

47. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. Right-of-use asset has been included after the line “Property, Plant & Equipment” and lease liabilities has been included under “Other Financial Liabilities” in the Balance Sheet.

a. Right-of-use asset : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Office Premises :		
As at the beginning of the year	**7,896.97**	**5,337.03**
Additions during the year	3,290.52	2,777.70
Deletions during the year	(152.35)	(243.42)
Remeasurement of assets	20.65	25.66
As at the end of the year	**11,055.79**	**7,896.97**
Accumulated depreciation as at the beginning of the year	**3,121.89**	**1,972.95**
Depreciation for the year	1,759.25	1,148.94
Accumulated depreciation as at the end of the year	**4,881.14**	**3,121.89**
Net carrying amount as at the end of the year	**6,174.65**	**4,775.08**

b. Amount recognised in Statement of Profit and loss : (Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense on right-of-use assets	1,759.25	1,148.94
Interest expense on lease liabilities	767.98	516.45
Total expenses recognised in Statement of profit and loss	**2,527.23**	**1,665.39**

The total cash outflow on account of lease rentals amounting for the current year Rs. 2,136.39 lakh (previous year : Rs. 1,270.48 lakh).

The average lease term for the rented office premises is ranging between 1 to 9 years.

c. Lease liabilities : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities	6,869.65	5,209.90
Total	**6,869.65**	**5,209.90**

d. Maturity analysis of lease liabilities : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than 1 year	1,928.21	1,271.48
Later than 1 year and not later than 5 years	4,649.74	3,885.93
Later than 5 years	291.70	52.49
Total	**6,869.65**	**5,209.90**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend the lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

48. Impact of hedging activities

a) Disclosure of effects of hedge accounting on the financial position: (Rupees in lakh)

As at March 31, 2025

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Full Currency Swap)	3,495.53	-	12.63	-	September 21, 2026	(338.33)	(338.33)	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	126.31	-	September 28, 2027	101.59	101.59	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	166.06	-	November 07, 2025	209.90	209.90	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	132.59	-	February 16, 2028	299.71	299.71	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,205.00	-	166.44	-	June 27, 2027	283.88	283.88	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	114.17	-	June 28, 2026	226.45	226.45	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,309.50	-	378.38	-	November 07, 2029	378.38	378.38	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	29,939.00	-	764.63	-	December 30, 2029	764.63	764.63	Borrowings (other than debt securities)

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

As at March 31, 2024 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	350.96	-	December 06, 2024	10.89	10.89	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	24.72	-	September 28, 2027	58.87	58.87	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	43.84	November 07, 2025	(154.38)	(154.38)	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	167.12	February 16, 2028	50.14	50.14	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,205.00	-	-	117.44	June 27, 2027	117.44	117.44	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	-	112.28	June 28, 2026	112.28	112.28	Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on the financial performance:

As at March 31, 2025 (Rupees in lakh)

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	1,052.92	-	-	Finance Costs

As at March 31, 2024

(Rupees in lakh)

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	(734.58)	-	-	Finance Costs

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

49. Summarised classification of financial assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
Financial assets								
Cash and cash equivalents	18,924.19	-	-	**18,924.19**	8,835.15	-	-	**8,835.15**
Bank balances other than cash and cash equivalents above	35,515.31	-	-	**35,515.31**	36,652.91	-	-	**36,652.91**
Derivative financial instruments	-	-	1,861.21	**1,861.21**	-	-	-	**-**
Loans	791,910.95	-	-	**791,910.95**	543,221.03	-	-	**543,221.03**
Investments	7,695.07	2,645.24	-	**10,340.31**	4,226.47	1,692.13	-	**5,918.60**
Other financial assets (Refer Note 8)	3,741.68			**3,741.68**	2,021.19	-	-	**2,021.19**
Total	**857,787.20**	**2,645.24**	**1,861.21**	**862,293.65**	**594,956.74**	**1,692.13**	**-**	**596,648.88**
Financial liabilities								
Derivative financial instruments	-	-	-	**-**	-	-	65.00	**65.00**
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	**-**	448.65	-	-	**448.65**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	76.78	-	-	**76.78**	821.57	-	-	**821.57**
(B) Other payables								
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	**-**	-	-	-	**-**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.34	-	-	**63.34**	89.85	-	-	**89.85**
Debt securities	198,271.42	-	-	**198,271.42**	139,483.13	-	-	**139,483.13**
Borrowings (other than debt securities)	488,769.33	-	-	**488,769.33**	322,322.27	-	-	**322,322.27**
Subordinated Liabilities	3,370.81	-	-	**3,370.81**	3,519.13	-	-	**3,519.13**
Other financial liabilities (Refer Note 20)	8,137.75	225.17	-	**8,362.92**	7,429.68	225.17	-	**7,654.85**
Total	**698,689.43**	**225.17**	**-**	**698,914.60**	**474,114.28**	**225.17**	**65.00**	**474,404.45**

50. Financial risk management

The Company has exposure to the following risks from financial instruments:

a. Credit Risk

b. Liquidity Risk

c. Market Risk

d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the Company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The Company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy:

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis:

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans portfolio of the Company:

Loan portfolio:

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default:

A default shall be considered to have occurred when any of the following criteria is met:

a) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.

b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria:

(a) External credit rating going below investment grade rating.

(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

(c) Other qualitative parameters :

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.

(d) Any other qualitative parameter.

Definition of low credit risk:

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors:

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria:

Following staging criteria is used for loans:
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-90 DPD and
(iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarification dated November 12, 2021 shall be approved by the audit committee of the board (ACB).

Probability of default (PD%)

PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults.

LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Company determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)

Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the fixed deposits and investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach.

The Company has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

The Company has prepared the financial statements in accordance with Ind AS and complied with the regulatory guidance specified by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023, as amended.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

A. Movement of expected credit loss on advances :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balances as at April 01, 2024	**2,973.36**	**549.74**	**8,226.26**	**-**	**11,749.36**
Changes in the loss allowance during the year:					
Transfer to Stage 1	20.00	(19.85)	(0.15)	-	-
Transfer to Stage 2	(268.19)	268.78	(0.59)	-	-
Transfer to Stage 3	(4,628.05)	(1,201.17)	5,829.22	-	-
New loans originated during the year	1,376.97	175.01	580.15	-	2,132.13
Other movements (on account of changes in EAD)	2,314.00	760.94	3,735.04	-	6,809.98
Amounts written off during the year	-	-	(9,896.98)	-	(9,896.98)
Closing balance as at March 31, 2025	**1,788.09**	**533.45**	**8,472.95**	**-**	**10,794.49**
Opening balance as at April 01, 2023	**3,845.98**	**373.94**	**4,580.07**	**-**	**8,799.99**
Changes in the loss allowance during the year:					
Transfer to Stage 1	29.72	(28.84)	(0.88)	-	-
Transfer to Stage 2	(334.21)	334.44	(0.23)	-	-
Transfer to Stage 3	(4,913.81)	(1,167.30)	6,081.11	-	-
New loans originated during the year	1,123.18	175.97	964.22	-	2,263.37
Other movements (on account of changes in EAD)	3,222.50	861.53	2,090.87	-	6,174.90
Amounts written off during the year	-	-	(5,488.90)	-	(5,488.90)
Closing balance as at March 31, 2024	**2,973.36**	**549.74**	**8,226.26**	**-**	**11,749.36**

B. Movement of expected credit loss (ECL) on loan commitments :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2024	**-**	**-**	**-**	**-**
Changes in the loss allowance during the year :				**-**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2025	**-**	**-**	**-**	**-**
Opening balances as at April 01, 2023	**-**	**-**	**-**	**-**
Changes in the loss allowance during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2024	**-**	**-**	**-**	**-**

C. Movement in gross carrying amount of advances :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2024	**510,090.62**	**27,731.86**	**17,147.91**	**-**	**554,970.39**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	6,430.46	(6,343.65)	(86.81)	-	-
Transfer to Stage 2	(28,987.35)	29,110.29	(122.94)	-	-
Transfer to Stage 3	(10,940.53)	(1,978.78)	12,919.31	-	-
New loans originated during the year	499,259.02	11,450.07	2,347.58	-	513,056.67
Other movements (on account of changes in EAD)	(238,046.67)	(13,973.01)	(3,404.96)	-	(255,424.64)
Write offs during the year	-	-	(9,896.98)	-	(9,896.98)
Closing balance as at March 31, 2025	**737,805.55**	**45,996.78**	**18,903.11**	**-**	**802,705.44**
Opening balance of gross carrying amount as at April 01, 2023	**369,419.70**	**10,447.45**	**9,569.05**	**-**	**389,436.20**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	2,985.20	(2,883.02)	(102.18)	-	-
Transfer to Stage 2	(14,172.96)	14,184.18	(11.22)	-	-
Transfer to Stage 3	(10,351.30)	(1,867.91)	12,219.21	-	-
New loans originated during the year	336,057.80	12,242.49	2,524.48	-	350,824.77
Other movements (on account of changes in EAD)	(173,847.82)	(4,391.33)	(1,562.53)	-	(179,801.68)
Write offs during the year	-	-	(5,488.90)	-	(5,488.90)
Closing balance as at March 31, 2024	**510,090.62**	**27,731.86**	**17,147.91**	**-**	**554,970.39**

D. Movement in loan commitments :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2024	**4,833.02**	**-**	**-**	**4,833.02**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	11,245.17	-	-	11,245.17
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(4,833.02)	-	-	(4,833.02)
Closing balance as at March 31, 2025	**11,245.17**	**-**	**-**	**11,245.17**
Opening balance as at April 01, 2023	**4,477.45**	**-**	**-**	**4,477.45**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,833.02	-	-	4,833.02
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(4,477.45)	-	-	(4,477.45)
Closing balance as at March 31, 2024	**4,833.02**	**-**	**-**	**4,833.02**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

E. Details of collaterals received against loan portfolio :

Nature of security against advances :

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan.

Advances other than credit impaired advances (LTV band-wise) : (Rupees in lakh)

LTV ratio	As at March 31, 2025		As at March 31, 2024	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	26,589.39	151.60	62,789.13	1,336.35
51% - 70%	30,152.54	46.77	2,854.25	8.34
71% - 90%	438,062.28	1,074.21	249,651.66	825.52
> 90%	-	-	-	-

Credit impaired advances (LTV band-wise) :

LTV ratio	As at March 31, 2025		As at March 31, 2024	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	4,088.35	1,559.29	3,148.24	1,130.07
51% - 70%	280.72	45.90	70.63	11.78
71% - 90%	7,848.09	1,498.90	3,333.52	697.75
> 90%	-	-	-	-

b. Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset liability management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

The table below summarises the maturity profile of the undiscounted cash flows by contractual maturities of Company's financial assets and financial liabilities as at March 31, 2025:

(Rupees in lakh)

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow) :							
Cash and cash equivalents	18,929.07	18,929.07	18,929.07	-	-	-	-
Bank balances other than cash and cash equivalents above	35,525.12	35,525.12	147.94	13,827.61	18,752.58	2,769.31	27.68
Derivative financial instruments	1,861.21	1,861.21	-	-	-	1,861.21	-
Loans	802,705.44	783,113.10	56,713.38	51,909.83	183,295.71	354,679.29	136,514.89
Investments	10,341.13	10,341.13	-	-	1,544.15	7,150.99	1,645.99
Other financial assets (Refer Note 8)	3,744.85	3,744.85	-	2,145.14	-	1,599.71	-
Financial liabilities (outflow):							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	76.78	76.78	-	76.78	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.34	63.34	-	63.34	-	-	-
Debt securities	198,271.42	201,231.01	1,858.26	30,597.56	46,692.47	122,082.72	-
Borrowings (other than debt securities)	488,769.33	496,671.74	17,743.73	31,827.87	136,104.25	309,787.56	1,208.33
Subordinated Liabilities	3,370.81	3,519.11	19.11	-	-	3,500.00	-
Other financial liabilities (Refer Note 20)	8,362.92	9,934.95	213.24	665.73	1,933.76	6,535.52	586.70

* Carrying amount reported above is on a gross basis.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

The table below summarises the maturity profile of the undiscounted cash flows by contractual maturities of Company's financial assets and financial liabilities as at March 31, 2024:

(Rupees in lakh)

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow) :							
Cash and cash equivalents	8,835.15	8,835.15	8,835.15	-	-	-	-
Bank balances other than cash and cash equivalents above	36,660.25	36,660.25	572.02	14,658.79	17,849.37	3,552.38	27.69
Loans	554,970.39	547,141.36	50,001.17	75,777.07	83,267.27	290,350.76	47,745.09
Investments	5,919.41	5,919.41	-	-	-	5,919.41	-
Other financial assets (Refer Note 8)	2,024.35	2,021.19	-	741.09	-	1,280.10	-
Financial liabilities (outflow):							
Derivative financial instruments	65.00	65.00	-	-	-	65.00	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	448.65	448.65	-	448.65	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	821.57	-	821.57	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	89.85	-	89.85	-	-	-
Debt securities	139,483.13	142,303.09	2,858.80	4,330.95	28,469.08	106,644.26	-
Borrowings (other than debt securities)	322,322.27	328,431.20	9,360.75	25,272.27	102,224.64	191,573.54	-
Subordinated Liabilities	3,519.13	3,519.13	19.13	-	-	-	3,500.00
Other financial liabilities (Refer Note 20)	7,654.85	8,848.77	147.04	2,480.19	1,324.45	4,841.18	55.91

* Carrying amount reported above is on a gross basis.

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2025 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	11,245.17	11,245.17	-	-
Other commitments	-	2,137.40	2,137.40	-	-
Capital commitments (outflow)	-	474.00	274.00	200.00	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2024 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,833.02	4,833.02	-	-
Other commitments	-	3,827.53	3,827.53	-	-
Capital commitments (outflow)	-	517.50	317.50	200.00	-

The Company has disclosed the below information as stated in the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN. REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as amended, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

The Company is a non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer.

The Company had not raised any public deposits.

The details of the borrowings are given below:

Sr.No.	As at March 31, 2025			As at March 31, 2024		
	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities
1	25	513,254.71	72.07%	29	365,674.17	75.53%

* The Principal outstanding amounts as on March 31, 2025 and March 31, 2024 have been considered above respectively.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits) :

The Company is a non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer. The Company had not accepted any deposits during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings) :

Particulars	As at March 31, 2025	As at March 31, 2024
Total borrowings from ten largest lenders *	347,253.23	235,275.79
Percentage of borrowings from ten largest lenders to total borrowings of the Company	50.02%	50.17%

* The Principal outstanding amount as on March 31, 2025 and as on March 31, 2024 respectively is considered above.

(iv) Funding concentration based on significant instrument / product :

Sr No.	Name of instrument / product	As at March 31, 2025		As at March 31, 2024	
		Amount (₹ lakh)*	% of total liabilities	Amount (₹ lakh)*	% of total liabilities
1	Term loans facilities	383,555.53	53.86%	271,939.84	56.17%
2	Cash credit / overdraft facilities	16,169.24	2.27%	16,374.99	3.38%
3	Non-convertible debentures	176,933.28	24.84%	127,914.25	26.42%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	8,779.06	1.23%	3,843.26	0.79%
5	Commercial paper	8,000.00	1.12%	7,000.00	1.45%
6	External Commercial borrowing	95,102.33	13.35%	38,456.21	7.94%
7	Subordinated Debt	3,500.00	0.49%	3,500.00	0.72%
8	Liability component of Compound Financial instruments	2,159.92	0.30%	-	-
Total		**694,199.36**	**97.46%**	**469,028.55**	**96.87%**

* The Principal outstanding amount as on March 31, 2025 and as on March 31, 2024 respectively is considered above.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(v) Stock Ratios :

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2025			As at March 31, 2024		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	1.16%	1.12%	0.87%	1.49%	1.45%	1.11%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2025			As at March 31, 2024		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	2.34%	2.27%	1.76%	3.49%	3.38%	2.61%
Working capital demand loan	2.25%	2.18%	1.70%	1.74%	1.68%	1.30%

(vi) Institutional set-up for liquidity risk management :

We have an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. Our Asset Liability Committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the concluded quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. As far as structural liquidity position is concerned, the Company maintained a positive cumulative mismatch across all the time buckets.

The Company has disclosed the below information as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the “Notification”), as amended, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

Liquidity Coverage Ratio (LCR)

(A) Quantitative Disclosure

(Rupees in lakh)

Sr. No.	Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	39,363.60	39,363.60	52,585.00	52,585.00	21,384.00	21,384.00	19,122.22	19,122.22
Cash Outflows									
2	Deposits (for deposit taking companies)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Unsecured wholesale funding	951.99	1,094.79	10,223.83	11,757.40	3,438.39	3,954.15	7,201.22	8,281.40
4	Secured wholesale funding	21,276.92	24,468.46	27,936.06	32,126.47	19,505.79	22,431.66	13,927.46	16,016.58
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	11,245.17	12,931.95	11,114.43	12,781.59	10,444.01	12,010.61	6,853.45	7,881.47
6	Other contractual funding obligations	8,540.06	9,821.07	7,912.82	9,099.74	9,867.29	11,347.38	10,198.85	11,728.68
7	Other contingent funding obligations	962.06	1,106.37	2,925.99	3,364.89	336.81	387.33	652.59	750.48
8	**TOTAL CASH OUTFLOWS**	**42,976.20**	**49,422.64**	**60,113.13**	**69,130.09**	**43,592.29**	**50,131.13**	**38,833.57**	**44,658.61**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	40,434.86	30,326.15	37,089.76	27,817.32	34,177.04	25,632.78	33,434.27	25,075.70
11	Other cash inflows	47,183.26	35,387.45	50,197.06	37,647.79	47,718.17	35,788.63	53,447.88	40,085.91
12	**TOTAL CASH INFLOWS**	**87,618.12**	**65,713.60**	**87,286.82**	**65,465.11**	**81,895.21**	**61,421.41**	**86,882.15**	**65,161.61**
13	TOTAL HQLA		39,363.60		52,585.00		21,384.00		19,122.22
14	TOTAL NET CASH OUTFLOWS **= Stressed Outflows - Minimum (stressed inflows; 75% of stressed outflows)**		**12,355.66**		**17,282.52**		**12,532.78**		**11,164.65**
15	**LIQUIDITY COVERAGE RATIO (%)**		**318.59%**		**304.27%**		**170.62%**		**171.27%**

Notes:

1 In Computing the above information, certain estimates/assumptions have been used by the Company's management.

2 Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

3 Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

- Stressed Cash Outflows is calculated as unweighted values*115%
- Stressed Cash Inflows is calculated as unweighted values*75%

(B) Qualitative Disclosure

(a) **The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time** : RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2025 the applicable minimum LCR required to be maintained by NBFC is 100%.

(b) **Intra-period changes as well as changes over time** : The details for the four quarter ended March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024 are disclosed above.

(c) **The composition of HQLAs**

(Rupees in lakh)

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount
High Quality Liquid Assets								
-Cash and Cash Equivalent	39,363.60	39,363.60	52,585.00	52,585.00	21,384.00	21,384.00	19,122.22	19,122.22
-Demand deposits with Scheduled Commercial Banks	-	-	-	-	-	-	-	-
Total High Quality Liquid Assets	**39,363.60**	**39,363.60**	**52,585.00**	**52,585.00**	**21,384.00**	**21,384.00**	**19,122.22**	**19,122.22**

(d) Currency mismatch in the LCR :

The Company has taken foreign currency borrowings. The Company has entered into full currency swap to hedge the foreign currency risk on such borrowings.

(e) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile :

All inflows/ outflows considered relevant has been considered for LCR calculation.

C. Market Risk :

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing/ lending cost including proportion of fixed and floating rate borrowings/ loans so as to manage the impact of changes in interest rates.

Exposure to price risk:

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk:

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:

a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
b. Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-balance sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows:

(Rupees in lakh)

Particulars	As at March 31, 2025*	As at March 31, 2024*
Variable rate borrowings	306,245.58	241,834.86
Fixed rate borrowings	386,180.28	227,193.69
Total borrowings	**692,425.86**	**469,028.55**

* The Principal outstanding amount as on March 31, 2025 and as on March 31, 2024 respectively is considered above.

The Company had the following variable rate borrowings outstanding :

Particulars	As at March 31, 2025	As at March 31, 2024
Weighted average cost	10.62%	10.70%
Outstanding balance*	306,245.58	241,834.86
% of total borrowings	44.23%	51.56%
Sensitivity :	**Impact on profit or loss**	
Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Interest rate - increase by 1%**	(2,306.24)	(2,055.06)
Interest rate - decrease by 1%**	2,306.24	2,055.06

* The Principal outstanding amount as on March 31, 2025 and as on March 31, 2024 respectively is considered above.
** Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of the foreign currency borrowings. The Company manages this foreign currency risk by entering into cross-currency interest rate swaps/ full currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

The Company holds the derivative financial instruments such as full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management:

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
The gearing ratio at each date were as follows :		
Debt securities	198,271.42	139,483.13
Borrowings (other than debt securities)	488,769.33	322,322.27
Subordinated liabilities	3,370.81	3,519.13
Total Debt	**690,411.56**	**465,324.53**
Total equity*	**204,638.94**	**143,836.17**
Debt to equity ratio	**3.37**	**3.23**

*Total equity = Equity share capital + Other equity

51. Details of all collaterals used as security for liabilities

(Rupees in lakh)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2025	As at March 31, 2024
Assets type :		
1. Loans receivable as collateral under lending agreements	670,412.78	479,257.00
2. Loans receivable as collateral under PTC agreements	1,026.73	2,306.96
3. Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	100.47	100.41
4. Fixed deposits as collateral under lending agreements (apart from point no. 3 above and 5 below)	24,960.63	23,160.36
5. Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	1,341.29	2,126.73

52. Income tax

a. The major components of tax expense for the year ended March 31, 2025 and March 31, 2024: (Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	**Statement of profit and loss :**		
	Profit and loss section :		
	Current income tax :		
	Tax for current year as per minimum alternate tax	3,379.16	3,647.61
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	2,392.33	2,477.20
	Excess/short provision of tax of earlier years:		
	Tax expense for earlier years as per minimum alternate tax	147.26	(183.04)
	Income tax expense reported in the Statement of profit and loss	**5,918.75**	**5,941.77**
2	**Other comprehensive income (OCI) section :**		
	Deferred tax :		
	Net (loss)/ gain on remeasurement of defined benefit obligations	(6.92)	(11.85)
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	306.61	(213.91)
	Income tax expense/(gain) reported in the OCI section	**299.69**	**(225.76)**

b. Reconciliation of effective tax rate : (Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Profit before tax as per books	20,311.74	17,876.25
2	Book profit as per MAT	19,340.43	3,000.63
3	Applicable income tax rate*	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	**Tax at the applicable income tax rate on profit before tax (A)**	**5,914.78**	**5,205.56**
6	**Tax effect of amounts not deductible / not taxable while calculating taxable income**		
	-Corporate social responsibility	1.00	10.32
	-Interest /penalty on TDS	-	2.83
	-Other adjustments	2.97	32.07
	-Impact on account of brought forward losses	-	690.99
	Total of adjustments (B)	**3.97**	**736.21**
7	**Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)**	**5,918.75**	**5,941.77**
8	Tax under MAT (Current Tax)	3,526.42	3,464.57
9	**Less: MAT credit entitlement (D)**	**(3,526.42)**	**(3,464.57)**
10	**Total Deferred tax (E) = (D) - (C)**	**2,392.33**	**2,477.20**
11	**Total Tax expense/(refund)**	**5,918.75**	**5,941.77**

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

c. Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss :

(Rupees in lakh)

Sr. No.	Particulars	Balance Sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2025	As at March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
A	**Deferred tax assets (DTA)**				
1	Employee benefit provisions and expenses				
	a. Compensated absences	144.17	256.77	(112.60)	80.86
	b. Gratuity	134.46	88.91	45.55	38.87
	c. Bonus	262.08	174.72	87.36	(174.72)
	d. Long term incentive plan	106.77	176.66	(69.89)	108.80
	e. Disallowance on account of Employee stock options scheme outstanding	217.45	217.44	-	-
2	Deferred revenue income - processing fees allowed upfront in income tax	214.50	707.18	(492.68)	(1,032.96)
3	Provision for impairment loss allowances on financial instruments	3,212.37	3,488.29	(275.92)	860.11
4	Impact on account of Ind AS 116 Leases	252.26	176.50	75.76	82.87
5	Preliminary expenses	-	-	-	(7.13)
6	Unutilised minimum alternate tax credit entitlement	10,909.93	7,537.88	3,372.05	3,432.51
7	Income tax losses carried forward	12,141.56	5,905.96	6,235.60	2,880.32
8	Others	(105.90)	200.73	(306.63)	200.73
	Total (A)	**27,489.65**	**18,931.04**	**8,558.60**	**6,470.26**
B	**Deferred tax liabilities (DTL)**				
1	Difference in between book value and tax base of property, plant and equipment and other intangible assets	711.42	569.59	141.83	226.83
2	Receivables on EIS Direct assignment and Co-lending transactions	18,402.02	11,215.41	7,186.61	7,014.94
3	Prepaid fees/ charges on debt securities allowed upfront in income tax	1,349.03	821.18	527.85	278.81
4	Prepaid fees/ charges on borrowings allowed upfront in income tax	1,869.71	1,778.92	90.79	787.37
5	Deferred loan sourcing cost allowed upfront in income tax	7,545.41	4,244.46	3,300.95	424.84
6	Others	8.18	5.54	2.64	(11.11)
	Total (B)	**29,885.77**	**18,635.10**	**11,250.67**	**8,721.68**
C	**Deferred tax asset/ (liability)**	**(2,396.12)**	**295.94**	**-**	**-**
D	**Deferred tax expense/ (benefit)**	**-**	**-**	**2,692.07**	**2,251.42**

d. Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

There are no deductible temporary differences, unused tax losses and unused tax credits for which deferred tax assets have not been recognised.

53. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. Fair value hierarchy of financial instruments classified in amortised cost category : (Rupees in lakh)

Particulars	Fair value as on March 31, 2025			Carrying value as on March 31, 2025	Fair Value as on March 31, 2024			Carrying value as on March 31, 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Cash and cash equivalents	18,929.07	-	-	18,929.07	8,835.15	-	-	8,835.15
Bank balances other than cash and cash equivalents above	35,525.12	-	-	35,525.12	36,660.25	-	-	36,660.25
Loans	-	-	768,709.82	802,705.44	-	-	535,641.89	554,970.39
Investments	4,029.56	-	3,506.90	7,695.89	4,045.16	-	-	4,227.29
Other financial assets (Refer Note 8)	-	-	3,744.85	3,744.85	-	-	2,024.35	2,024.35
Total	**58,483.75**	**-**	**775,961.57**	**868,600.37**	**49,540.56**	**-**	**537,666.24**	**606,717.43**
Liabilities								
Payables	-	-	140.12	140.12	-	-	1,360.07	1,360.07
Debt securities	-	195,676.56	-	198,271.42	-	140,328.80	-	139,483.13
Borrowings (other than debt securities)	-	494,650.49	-	488,769.33	-	326,648.21	-	322,322.27
Subordinated Liabilities	-	3,734.46	-	3,370.81	-	3,698.41	-	3,519.13
Other financial liabilities (Refer Note 20)	-	-	8,362.92	8,362.92	-	-	7,654.85	7,654.85
Total	**-**	**694,061.51**	**8,503.04**	**698,914.60**	**-**	**470,675.42**	**7,654.85**	**474,339.45**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value :

Short-term financial assets and liabilities :

For financial assets and financial liabilities that are of short-term nature, the carrying amount itself is considered as its fair value. Such instruments include: other financial assets and other financial liabilities.

Cash and cash equivalents and Bank balances other than cash and cash equivalents:

The carrying amount itself is considered as its fair value. Impairment loss allowance is not part of above disclosure.

Loans and advances to customers:

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. For loans having contractual residual maturity less than one year, the carrying value has been considered as fair value. Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings:

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

b. **Fair value hierarchy of financial instruments classified in Fair Value through Profit or Loss (FVTPL) category:**

(Rupees in lakh)

Particulars	Fair value as on March 31, 2025			Carrying value as on March 31, 2025	Fair Value as on March 31, 2024			Carrying value as on March 31, 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	-	-	-	-	-	-	-	-
Investments in security receipts	-	1,645.99	-	1,645.99	-	1,692.13	-	1,692.13
Investments in Debt Securities	999.25	-	-	999.25	-	-	-	-
Total	**999.25**	**1,645.99**	**-**	**2,645.24**	**-**	**1,692.13**	**-**	**1,692.13**

There were no transfers between Level 1 and Level 2 during the year.

c. **Fair value hierarchy of financial instruments classified in Fair Value through Other Comprehensive Income (FVTOCI) category:**

(Rupees in lakh)

Particulars	Fair value as on March 31, 2025			Carrying value as on March 31, 2025	Fair Value as on March 31, 2024			Carrying value as on March 31, 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Derivative financial instruments	-	1,861.21	-	1,861.21	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	65.00	-	65.00
Total	**-**	**1,861.21**	**-**	**1,861.21**	**-**	**65.00**	**-**	**65.00**

There were no transfers between Level 1 and Level 2 during the year.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

54. Maturity profile of assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Financial assets:						
Cash and cash equivalents	18,924.19	-	18,924.19	8,835.15	-	8,835.15
Bank balances other than cash and cash equivalents above	32,718.97	2,796.34	35,515.31	33,073.54	3,579.37	36,652.91
Derivative financial instruments	-	1,861.21	1,861.21	-	-	-
Loans	288,276.17	503,634.78	791,910.95	204,727.29	338,493.74	543,221.03
Investments	1,543.85	8,796.46	10,340.31	-	5,918.60	5,918.60
Other financial assets (Refer Note 8)	2,141.97	1,599.71	3,741.68	741.09	1,280.10	2,021.19
Non-financial assets:						
Current tax assets (net)	192.83	-	192.83	275.18	-	275.18
Deferred tax asset (net)	-	-	-	-	295.94	295.94
Property, plant and equipment	-	2,637.12	2,637.12	-	449.60	449.60
Non-current assets held for sale	24,317.90	-	24,317.90	10,142.11	-	10,142.11
Right-of-use-asset	1,848.66	4,325.99	6,174.65	1,296.02	3,479.06	4,775.08
Capital work in progress	-	-	-	-	-	-
Intangible assets under development	564.63	-	564.63	-	-	-
Other intangible assets	-	7,420.07	7,420.07	-	7,760.87	7,760.87
Other non-financial assets (Refer Note 15)	11,071.30	2,159.07	13,230.37	6,374.84	1,275.45	7,650.29
Total	**381,600.47**	**535,230.75**	**916,831.22**	**265,465.22**	**362,532.73**	**627,997.95**
Liabilities:						
Financial liabilities:						
Derivative financial instruments	-	-	-	-	65.00	65.00
(A) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	448.65	-	448.65
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	76.78	-	76.78	821.57	-	821.57
(B) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.34	-	63.34	89.85	-	89.85
Debt securities	77,424.29	120,847.13	198,271.42	34,189.54	105,293.59	139,483.13
Borrowings (other than debt securities)	183,060.49	305,708.84	488,769.33	134,688.02	187,634.25	322,322.27
Subordinated Liabilities	19.11	3,351.70	3,370.81	19.13	3,500.00	3,519.13
Other financial liabilities (Refer Note 20)	2,211.60	6,151.32	8,362.92	3,491.25	4,163.60	7,654.85
Non-financial liabilities:						
Current tax liabilities (net)	2,743.86	-	2,743.86	2,895.67	-	2,895.67
Provisions	5,837.60	1,323.52	7,161.12	4,800.08	1,187.09	5,987.17
Deferred tax liabilities (net)	-	2,396.12	2,396.12	-	-	-
Other non-financial liabilities (Refer Note 24)	976.58	-	976.58	874.49	-	874.49
Total	**272,413.65**	**439,778.63**	**712,192.28**	**182,318.25**	**301,843.53**	**484,161.78**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

55. Changes in liabilities arising from financing activities:

Disclosure pursuant to Ind AS 7, Statement of Cash Flows - changes in liabilities arising from financing activities:

(Rupees in lakh)

Particulars	As at April 01, 2024	Cash inflow/ (outflow)	Others*	As at March 31, 2025
Debt securities	139,483.13	57,114.76	1,673.53	198,271.42
Borrowings (other than debt securities)	322,322.27	167,044.55	(597.50)	488,769.32
Subordinated Liabilities	3,519.13	-	(148.32)	3,370.81
Other financial liabilities				
Lease liabilities	5,209.90	(2,136.39)	3,796.14	6,869.65

*Others column includes the effect of interest accrued but not paid on borrowing, amortisation of transaction cost as per IND AS 109. This figures also represent net of creation, remeasurement and deletion of right of use assets for lease liability.

Particulars	As at April 01, 2023	Cash inflow/ (outflow)	Others*	As at March 31, 2024
Debt securities	114,434.45	26,579.28	(1,530.60)	139,483.13
Borrowings (other than debt securities)	200,459.00	123,216.95	(1,353.68)	322,322.27
Subordinated Liabilities	-	3,500.00	19.13	3,519.13
Other financial liabilities				
Lease liabilities	3,518.15	(1,270.48)	2,962.23	5,209.90

*Others column includes the effect of interest accrued but not paid on borrowing, amortisation of transaction cost as per IND AS 109. This figures also represent net of creation, remeasurement and deletion of right of use assets for lease liability.

56. Financial assets are transferred but not derecognised in their entirety :

a. Securitisation

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets*	9,692.21	-	6,846.81	-
Carrying amount of associated Liabilities*	8,779.06	-	3,843.26	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	9,779.83	-	6,827.36	-
Fair value of associated liabilities (B)	8,773.62	-	3,842.74	-
Net position (C) = (A - B)	**1,006.21**	**-**	**2,984.62**	**-**

* The amount disclosed above represent the principal outstanding as on March 31, 2025 and as on March 31, 2024 respectively.

b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and co-lending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of de-recognised financial asset	264,811.81	247,341.82
Carrying amount of retained asset at amortised cost	61,027.76	58,926.10
Net gain on sale of the de-recognised financial asset*	38,290.51	30,746.33

*It represents net gain on derecognition of financial asset for the year ended March 31, 2025 and March 31, 2024 .

57. Events after the reporting period

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

58. Disclosure under Regulation 34(3) and 53(f) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan	Not Applicable	Not Applicable

59. Disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as amended.

a. Capital to risk assets ratio (CRAR)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
i)	CRAR (%)	19.41	20.75
ii)	CRAR - Tier I capital (%)	18.57	19.50
iii)	CRAR - Tier II capital (%)	0.84	1.25
iv)	Amount of subordinated debt raised as Tier-II capital	-	3,500
v)	Amount raised by issue of perpetual debt instruments	-	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

b. Investments

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
(1)	Value of investments		
	(i) Gross value of investments		
	(a) In India	10,341.13	5,919.42
	(b) Outside India	-	-
	(ii) Provision for depreciation		
	(a) In India	0.82	0.82
	(b) Outside India	-	-
	(iii) Net value of investments		
	(a) In India	10,340.31	5,918.60
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
	Opening balance	0.82	0.83
	Add : provisions made during the year	-	-
	Less : Write-off / write-back of excess provisions during the year	-	0.01
	Closing balance	0.82	0.82

c. Derivatives

1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
I	The Notional principal of swap agreement	93,328.83	37,694.23
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	1,861.21	(65.00)

2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

3. Disclosures on risk exposure and derivatives

Qualitative Disclosures

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

IV. Accounting policy - Refer Note No. 2B(15)

Quantitative disclosures (Rupees in lakh)

Sr. No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	93,328.83	-	37,694.23	-
II	Marked to market position (a) Asset [+] Estimated Gain	1,861.21	-	-	-
	(b) Liability [-] Estimated Loss	-	-	(65.00)	-
III	Credit Exposure	95,190.04	-	37,629.23	-
IV	Unhedged exposures	-	-	-	-

* Cross-currency interest rate swap and full currency swap.

d. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2025 as follow: (Rupees in lakh)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	15,974.01	3,006.67	38,270.50	28,606.69	23,765.12	92,061.51	86,591.67	236,534.65	177,204.92	100,689.70	802,705.44
Investments**	-	-	-	-	-	529.16	1,014.99	7,150.99	-	1,645.99	10,341.13
Liabilities											
Borrowings :											
Borrowings (other than debt Securities)	4,131.37	5,224.20	8,132.64	13,602.34	17,747.41	36,425.01	97,797.53	228,160.12	76,356.14	1,192.57	488,769.33
Debt Securities	280.25	763.69	590.32	18,199.17	12,006.40	25,172.59	20,411.86	100,496.90	20,350.24	-	198,271.42
Subordinated Liabilities	-	-	19.11	-	-	-	-	-	3,351.70	-	3,370.81

* Impairment loss allowance of Rs 10,794.49 lakh on advances is not a part of the above disclosure.

** Impairment loss allowance of Rs 0.82 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2024 as follow:

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	16,513.38	5,506.87	27,452.03	30,241.37	41,737.26	29,539.34	53,737.04	171,346.86	119,003.91	59,892.33	554,970.39
Investments**	-	-	-	-	-	-	-	5,919.42	-	-	5,919.42
Liabilities											
Borrowings :											
Borrowings (other than debt securities)	4,529.40	49.91	4,592.91	9,478.60	15,410.70	28,342.85	72,283.65	140,097.64	47,536.61	-	322,322.27
Debt securities	-	-	2,686.71	1,540.27	2,460.10	11,430.70	16,071.76	75,205.98	30,087.61	-	139,483.13
Subordinated Liabilities	-	-	19.13	-	-	-	-	-	-	3,500.00	3,519.13

* Impairment loss allowance of Rs 11,749.36 lakh on advances is not a part of the above disclosure.

** Impairment loss allowance of Rs 0.82 lakh on investments is not a part of the above disclosure.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

e. Exposures :

(Rupees in lakh)

Category	As at March 31, 2025	As at March 31, 2024
1) Exposure to real estate sector :		
A. Direct exposure		
(i) Residential mortgages :*		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	365,500.11	181,970.19
(ii) Commercial real estate :		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-
B. Indirect exposure		
(i) Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total exposure to real estate sector	**365,500.11**	**181,970.19**

* These comprise of properties held as underlying security at gross exposure at default.

Particulars	As at March 31, 2025	As at March 31, 2024
2) Exposure to capital market :		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii) bridge loans to companies against expected equity flows / issues.	-	-
(viii) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
(ix) financing to stockbrokers for margin trading		
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III		
Total exposure to capital market	-	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

3. Sectoral exposure (Rupees in lakh)

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied activities	**11,808.87**	**-**	**0.00%**	**13,307.17**	**-**	**0.00%**
2. Industry						
i. Food Processing	52,553.18	1,606.88	3.06%	32,861.82	1,190.38	3.62%
ii. Textiles	39,378.72	1,419.03	3.60%	39,390.44	1,402.10	3.56%
iii. Wood & Wood Products	14,025.84	366.50	2.61%	13,873.66	353.74	2.55%
iv. Paper & Paper Products	16,376.70	399.91	2.44%	14,388.36	192.58	1.34%
v. Rubber, Plastic & their Products	25,711.67	586.96	2.28%	21,881.92	504.40	2.31%
vi. Chemicals & Chemical Products	7,280.47	263.39	3.62%	8,507.40	451.19	5.30%
vii. Basic Metal & Metal Product	45,735.74	1,332.19	2.91%	33,398.34	543.46	1.63%
viii. Vehicles, Vehicle Parts & Transport Equipment	11,403.50	862.52	7.56%	9,044.46	850.59	9.40%
ix. All Engineering	12,788.00	459.85	3.60%	20,044.93	776.61	3.87%
x. Others	367,159.21	7,656.26	2.09%	245,365.66	3,797.06	1.55%
Total of industry (i+ii+iii+iv+v+vi+vii+viii+ix+x)	**592,413.04**	**14,953.48**	**2.52%**	**438,756.99**	**10,062.11**	**2.29%**
3. Services						
i. Transport Operators	15,912.95	356.88	2.24%	17,138.65	458.35	2.67%
ii. Other Services	257,672.89	4,879.00	1.89%	190,529.22	3,186.76	1.67%
iii. Tourism, Hotel and Restaurants	38,136.39	855.30	2.24%	33,222.60	641.87	1.93%
iv. Professional Services	53,136.20	957.81	1.80%	36,717.22	444.21	1.21%
v. Wholesale Trade (other than Food Procurement)	110,626.18	2,747.32	2.48%	82,683.58	1,457.82	1.76%
vi. Retail Trade	113,275.20	3,056.99	2.70%	83,892.12	1,587.67	1.89%
vii. Others	7,301.55	168.41	2.31%	8,377.36	644.00	7.69%
Total of services (i+ii+iii+iv+v+vi+vii)	**596,061.36**	**13,021.71**	**2.18%**	**452,560.75**	**8,420.68**	**1.86%**
4. Personal Loans	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
5. Others	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**

Note:-

1) The above disclosure is prepared basis the principal outstanding of total asset under management and accordingly the comparative details of the previous year is restated.

2) To ensure comparability of the disclosures, details of sectors where exposure to a particular sector or industry is less than 10% of Tier 1 capital in the relevant financial year is also disclosed.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

4. Intra-group exposures

The Company is a standalone entity hence there is no intra group exposure.

5. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure.

6. Details of financing of parent company products:

The Company does not have any parent company hence, this clause is not applicable.

7. Details of single borrower limit (SBL) / group borrower limit (GBL) exceeded by the Company : (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Single borrower limit (SBL) / group borrower limit (GBL) exceeded by the Company.	-	-

8. Unsecured advances :

Details of unsecured advances the rights, licenses, authorisations, etc.charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company. (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Advances against securities of intangible assets	-	-

f. Miscellaneous:

1. Registration obtained from other financial sector regulators:

Particulars	Type	Number Reference
Insurance Regulatory and Development Authority of India	Corporate Agent	CA0733

2. Disclosure of penalties imposed by RBI and other regulators : (Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Securities and Exchange Board of India	2.45	1.17

During the year ended March 31, 2025 the penalty was levied due to a delay in the submission of record date intimations to the stock exchanges. This delay was procedural in nature and did not have any material impact on the Company. Additionally, another penalty relating to the appointment/continuation of Non-Executive Directors above the age of seventy-five was paid by the Company under protest, while maintaining that the necessary approvals and compliance measures were duly undertaken.

During the year ended March 31, 2024 the penalties were levied prima facie for instances of delayed submissions of intimations with stock exchanges about certain routine matters like CP redemption, record date intimation etc. which does not have material impact on the Company.

3. Related party transactions:

Details of all material transactions with related parties has been given in note 43 of the financial statements.

4. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2025:

Rating agency	Type	Rating FY 24-25	Rating FY 23-24
India Ratings & Research Private Limited	Bank Loans (Long Term)	IND A+/Stable	IND A/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND A+/Stable	IND A/Stable
India Ratings & Research Private Limited	Subordinated Debt	IND A+/Stable	IND A/Stable
India Ratings & Research Private Limited	Commercial Paper	IND A1+	IND A1
CRISIL Ratings Limited	Bank Loans (Long Term)	CRISIL A/Stable	CRISIL A/Stable
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A/Stable	CRISIL A/Stable
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A/Stable	CRISIL PPMLD A/ Stable
CRISIL Ratings Limited	Commercial paper	-	CRISIL A1
Acuite Ratings & Research Limited	Non- Convertible Debentures (Long Term)	ACUITE A / Stable	ACUITE A / Stable
Acuite Ratings & Research Limited	Non- Convertible Debentures (Long Term) (Market Linked Debentures)	-	PP-MLD/ACUITE AA-/CE/Stable
Acuite Ratings & Research Limited	Non- Convertible Debentures (Long Term) (Market Linked Debentures)	-	PP-MLD/ACUITE A/ Stable

5. Remuneration of directors : (Rupees in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Transactions with the independent directors		
Directors' Sitting Fees	135.00	153.00

Refer Note 43 for remuneration to executive directors.

6. During the year there are no changes in the accounting policies and no prior period items (refer Note 2A and 2B).

7. Revenue recognition:

There is no postponement of revenue due to pending resolution of significant uncertainties.

g. Additional disclosures:

1. Provisions and contingencies :

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for depreciation on investments	(0.01)	(0.01)
Provision towards NPA	246.69	3,646.18
Provision made towards income tax	3,379.16	3,647.61
Provision for depreciation on fixed deposits	7.34	4.30
Provision for standard assets	(1,201.56)	(696.80)

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

2. Draw down from reserves :

During the year, the Company has not drawn any amount from the reserves.

3. Concentration of deposits, advances, exposures and NPAs :

(i) Concentration of advances :

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Total advance to twenty largest borrowers	9,360.57	10,962.41
Percentage of advances to twenty largest borrowers to total advances of the Company	1.35%	2.21%

(ii) Concentration of exposures :

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to twenty largest borrowers	9,773.49	11,161.21
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	1.28%	2.06%

(iii) Concentration of NPAs :

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA accounts	1,511.02	1,562.57

(iv) Sector-wise NPAs :

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2025	As at March 31, 2024
1	Agriculture & allied activities	-	-
2	MSME	2.48%	3.07%
3	Corporate borrowers	-	100.00%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note: During the year ended March 31, 2025 there is no Exposure to Corporate borrowers. For year ended March 31, 2024 Sector-wise NPA for Corporate borrowers consist of one customer resulting in 100% NPA.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

4. Movement of NPAs :

(Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Net NPAs to net advances (%)	1.32%	1.64%
(ii) Movement of NPAs (gross)		
(a) Opening balance	17,147.91	9,569.05
(b) Additions during the year	15,386.53	14,773.16
(c) Reductions during the year	13,631.32	7,194.30
(d) Closing balance	18,903.12	17,147.91
(iii) Movement of Net NPAs		
(a) Opening balance	8,921.66	4,988.98
(b) Additions during the year	10,569.02	7,821.47
(c) Reductions during the year	9,060.51	3,888.79
(d) Closing balance	10,430.17	8,921.66
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	8,226.25	4,580.07
(b) Provisions made during the year	10,143.67	9,135.08
(c) Write-off / write-back of excess provisions	9,896.98	5,488.90
(d) Closing balance	8,472.94	8,226.25

5. Overseas assets (for those with joint ventures and subsidiaries abroad) :

There are no overseas assets.

6. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) :

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

h. Customer complaints :

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	No. of complaints pending as at the beginning of the year	19	5
(b)	No. of complaints received during the year	500	444
(c)	No. of complaints redressed during the year	503	430
(d)	No. of complaints pending as at the end of the year	16	19

i. Disclosure of complaints

a. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Particulars	As at March 31, 2025	As at March 31, 2024
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	11	4
2. Number of complaints received during the year	346	344
3. Number of complaints disposed during the year	341	337
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	16	11
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	154	100
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	146	87
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	8	5
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

b. Top five grounds of complaints received by the NBFCs from customers.#

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Current Year			
Loans and advances	-	40	-58%	1	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	5	59	-43%	-	-
Difficulty in operation of accounts	-	6	-33%	-	-
Recovery Agents/ Direct Sales Agents	1	32	-26%	-	-
Other	13	363	88%	15	-
Total	**19**	**500**	**13%**	**16**	**-**
		Previous Year			
Loans and advances	1	95	121%	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	104	108%	5	1
Difficulty in operation of accounts	-	9	125%	-	-
Recovery Agents/ Direct Sales Agents	-	43	378%	1	-
Other	3	193	180%	13	-
Total	**5**	**444**	**154%**	**19**	**1**

This also includes complaints raised with RBI.

j. Corporate Governance (refer Corporate Governance section in the annual report)

k. Breach of covenant

During the year ended March 31, 2025, there was no breach of covenant except as below-

1) The covenant of CRAR of 20% stipulated under the transaction documents of public Issuance of NCD (ISIN- INE583D07315) having principal outstanding of Rs. 49.28 Crores and due for the payment on 28th September'2025 against the actual CRAR of 19.41% as of March'2025.

2) The covenant for the ceiling limit of Repossessed Stock (SOD) of Rs.200.00 Crores stipulated under the transaction documents of Term Loan of Rs. 50.00 Crores availed from Kotak Mahindra Investments Ltd. having outstanding balance of Rs.27.78 crores as on 31st March 2025 and repayable by monthly installments till January'2026 as against the actual amount of Repossessed Stock (SOD) of Rs.244.00 Crores.

There is no material impact on the cost or liquidity of the Company.

l. Divergence in asset classification and provisioning

As per Annex VII of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI, divergence is required to be reported if either or both of the below conditions are satisfied:

(i) The additional provisioning requirements assessed by the RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period

(ii) The additional Gross NPAs identified by the RBI exceeds 5 percent of the reported Gross NPAs for the reference period.

Since the above conditions are not satisfied, no divergence in asset classification and provisioning is required to be reported.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

m. Schedule to the Balance Sheet of a NBFC:

(Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:				
1. Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:				
a Debentures:				
i. Secured	177,157.08	-	123,627.37	-
ii. Unsecured	2,477.50	-	5,247.24	-
(other than falling within the meaning of public deposits)				
b Deferred credits	-	-	-	-
c Term loans	472,600.08	-	305,947.29	-
d Inter - corporate loans and borrowings	-	-	-	-
e Commercial paper	7,839.91	-	6,849.59	-
f Public deposits	-	-	-	-
g Other loans:				
i. Liabilities arising out of securitization transactions	8,734.62	-	3,758.93	-
ii. Liability component of Compound Financial instruments	2,062.31	-	-	-
iii. Bank overdraft	15,364.44	-	15,468.28	-
iv. Cash credit	804.81	-	906.72	-
v. Subordinated Liabilities	3,370.81	-	3,519.13	-
2. Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):				
a In the form of unsecured debentures	-	-	-	-
b In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c Other public deposits	-	-	-	-
Assets Side :	**Amount outstanding**		**Amount outstanding**	
3. Break - up of gross loans and advances including bills receivables (other than those included in (4) below):				
a Secured	507,021.37		321,847.43	
b Unsecured	295,684.07		233,122.96	
4. Break - up of leased assets and stock on hire and other assets counting towards asset financing activities:				
a Lease assets including lease rentals under sundry debtors				
i. Finance lease	NA		NA	
ii. Operating lease	NA		NA	
b Stock on hire including hire charges under sundry debtors				
i. Assets on hire	NA		NA	
ii. Repossessed assets	NA		NA	
c Other loans counting towards asset financing activities				
i. Loans where assets have been repossessed	NA		NA	
ii. Loans other than (a) above	NA		NA	

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Assets Side :	As at March 31, 2025		As at March 31, 2024	
5. Break - up of investments:				
Current investments				
a Quoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	-		-	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	-		-	
b Unquoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	-		-	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	-		-	
Long term investments				
a Quoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	5,187.42		4,226.47	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	-		-	
b Unquoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	3,506.90			
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	1,645.99		1,692.13	
6. Borrower group wise classification of assets financed in (3) and (4) above (gross):				
Category	**Amount net of provisions**		**Amount net of provisions**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
a Related parties **				
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other related parties	-	-	-	-
b Other than related parties	502,677.14	289,233.81	317,837.63	225,383.40
Total	**502,677.14**	**289,233.81**	**317,837.63**	**225,383.40**
** As per accounting standard issued by ICAI.				

(Rupees in lakh)

7. Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
Category				
1 Related parties **				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2 Other than related parties	5,675.55	6,833.41	5,737.29	5,918.60
Total	**5,675.55**	**6,833.41**	**5,737.29**	**5,918.60**
** As per accounting standard issued by ICAI.				
8. Other information				
Particulars		**Amount**		**Amount**
a Gross non-performing assets:		**18,903.12**		**17,147.91**
i. Related parties		-		-
ii. Other than related parties		18,903.12		17,147.91
b Net non-performing assets:		**10,430.17**		**8,921.66**
i. Related parties		-		-
ii. Other than related parties		10,430.17		8,921.66
c Assets acquired in satisfaction of debt		**24,317.90**		**10,142.11**

n. Restructured accounts for the year ended March 31, 2025:

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		**Standard**	**Sub-standard**	**Doubtful**	**Loss**	**Total**	**Standard**	**Sub-standard**	**Doubtful**	**Loss**	**Total**
1.	Restructured accounts as on April 1, 2024	No. of borrowers	-	-	-	-	-	-	1	2	-	**3**
		Amount outstanding	-	-	-	-	-	-	477.13	74.52	-	**551.65**
		Provision thereon	-	-	-	-	-	-	317.08	57.71	-	**374.79**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-		-	-	-	**-**
		Amount outstanding	-	-	-	-	-		-	-	-	**-**
		Provision thereon	-	-	-	-	-		-	-	-	**-**
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	(1)	-	-	**(1.00)**
		Amount outstanding	-	-	-	-	-	-	(477.13)	-	-	**(477.13)**
		Provision thereon	-	-	-	-	-	-	(317.08)	-	-	**(317.08)**
7.	Others	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
8.	Restructured accounts as on March 31, 2025	No. of borrowers	-	-	-	-	-	**-**	**-**	**2**	**-**	**2.00**
		Amount outstanding	-	-	-	-	-	**-**	**-**	**74.52**	**-**	**74.52**
		Provision thereon	-	-	-	-	-	**-**	**-**	**57.71**	**-**	**57.71**

Restructured accounts for the year ended March 31, 2024:

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2023	No. of borrowers	-	-	-	-	-	-	4	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	604.03	-	-	**604.03**
		Provision thereon	-	-	-	-	-	-	220.79	-	-	**220.79**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-		-	-	-	-
		Amount outstanding	-	-	-	-	-		-	-	-	-
		Provision thereon	-	-	-	-	-		-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	1	-	-	**1**
		Amount outstanding	-	-	-	-	-	-	57.87	-	-	**57.87**
		Provision thereon	-	-	-	-	-	-	6.45	-	-	**6.45**
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-2	2	-	-
		Amount outstanding	-	-	-	-	-	-	(75.02)	74.52	-	**(0.50)**
		Provision thereon	-	-	-	-	-	-	(58.08)	57.71	-	**(0.37)**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	-	1	-	-	**1.00**
		Amount outstanding	-	-	-	-	-	-	5.99	-	-	**5.99**
		Provision thereon	-	-	-	-	-	-	160.82	-	-	**160.82**
8.	Restructured accounts as on March 31, 2024	No. of borrowers	-	-	-	-	-	-	**1**	**2**	-	**3**
		Amount outstanding	-	-	-	-	-	-	**477.13**	**74.52**	-	**551.65**
		Provision thereon	-	-	-	-	-	-	**317.08**	**57.71**	-	**374.79**

* It represents recovery against the existing 4 accounts and increase in provision thereon.

o. Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31, 2025:

(Rupees in lakh)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7)=(4)-(6)**
Performing assets						
Standard	Stage 1	712,630.74	1,788.10	710,842.64	2,428.30	(640.20)
	Stage 2	45,996.77	533.45	45,463.32	246.00	287.45
Subtotal		**758,627.51**	**2,321.55**	**756,305.96**	**2,674.30**	**(352.75)**
Non-performing assets (NPA)						
Substandard	Stage 3	14,945.85	6,132.74	8,813.11	1,426.02	4,706.72
Doubtful - up to 1 year	Stage 3	2,677.01	1,319.40	1,357.61	1,751.34	(431.94)
1 to 3 years	Stage 3	1,280.27	1,020.81	259.46	1,143.98	(123.17)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**3,957.28**	**2,340.21**	**1,617.07**	**2,895.32**	**(555.11)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**18,903.13**	**8,472.95**	**10,430.18**	**4,321.34**	**4,151.61**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	13,382.57	-	13,382.57	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**13,382.57**	**-**	**13,382.57**	**-**	**-**

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Total	**Stage 1**	**726,013.31**	**1,788.10**	**724,225.21**	**2,428.30**	**(640.20)**
	Stage 2	**45,996.77**	**533.45**	**45,463.32**	**246.00**	**287.45**
	Stage 3	**18,903.13**	**8,472.95**	**10,430.18**	**4,321.34**	**4,151.61**
	Total	**790,913.21**	**10,794.50**	**780,118.71**	**6,995.64**	**3,798.86**

* The above numbers are reported at gross excluding effective interest rate impact on the same.

Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31, 2024:

(Rupees in lakh)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing assets						
Standard	Stage 1	497,943.36	2,973.37	494,969.99	1,809.76	1,163.61
	Stage 2	27,731.86	549.74	27,182.12	190.25	359.49
Subtotal		**525,675.22**	**3,523.11**	**522,152.11**	**2,000.01**	**1,523.10**
Non-performing assets (NPA)						
Substandard	Stage 3	15,446.37	7,532.62	7,913.75	1,554.63	5,977.99
Doubtful - up to 1 year	Stage 3	351.28	146.19	205.09	77.48	68.71
1 to 3 years	Stage 3	1,350.26	547.44	802.82	1,288.95	-741.51
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**1,701.54**	**693.63**	**1,007.91**	**1,366.43**	**(672.80)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**17,147.91**	**8,226.25**	**8,921.66**	**2,921.06**	**5,305.19**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	8,660.55	-	8,660.55	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**8,660.55**	**-**	**8,660.55**	**-**	**-**
Total	**Stage 1**	**506,603.91**	**2,973.37**	**503,630.54**	**1,809.76**	**1,163.61**
	Stage 2	**27,731.86**	**549.74**	**27,182.12**	**190.25**	**359.49**
	Stage 3	**17,147.91**	**8,226.25**	**8,921.66**	**2,921.06**	**5,305.19**
	Total	**551,483.68**	**11,749.36**	**539,734.32**	**4,921.07**	**6,828.29**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

p. Liquidity Risk Management: Refer Note no. 50(b). Liquidity Risk.

q. Loans to Directors, Senior Officers and Relatives of Directors (Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives*	-	-

* This represent aggregate amount of sanctioned loans and advances during the said period.

60. Disclosures as required by the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 DOR.STR. REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as amended.

Details of securitization:

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2025	As at March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator*	5.00	10.00
2	Total amount of securitized assets as per books of the SPEs	9,692.21	6,846.81
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	1,026.73	2,306.96
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	1,341.29	2,126.73
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2025	As at March 31, 2024
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	a. Sale consideration received for the securitised assets	11,242.72	-
	b. Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-
7	Performance of facility provided.	-	-
	a. Cash Collateral (CC)		
	i) Amount paid	1,262.13	2,050.37
	ii) Repayment received	-	-
	iii) Outstanding amount	1,262.13	2,050.37
	b. Over-Collateralization (OC)		
	i) Amount paid	1,026.73	2,306.96
	ii) Repayment received	-	-
	iii) Outstanding amount	1,026.73	2,306.96
	c. Equity		
	i) Amount paid	456.86	515.00
	ii) Repayment received	-	-
	iii) Outstanding amount	456.86	515.00
8	Average default rate of portfolios observed in the past.	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

*Only the SPVs relating to outstanding securitization transactions.

61 The Company has not purchased any credit impaired financial assets during the financial year 2024-25 and 2023-24. The company has transferred credit impaired assets to the Asset Reconstruction Company during the financial year 2024-2025 (Previous year 'Nil') in terms of guidelines issued by RBI circular number RBI/DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22 dated September 24, 2021 as amended. Further, the Company has also not sold any credit impaired financial asset to institutions other than to securitization/reconstruction company (SC/RC).

(Rupees in lakh)

Particulars	To ARC	To permitted transferees	To other transferees
No. of accounts	455	-	-
Aggregate principal outstanding of loans transferred (Rs. in Lakh)	5,003.98	-	-
Weighted average residual tenor of the loans transferred (in years)	1.27	-	-
Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	1,774.90	-	-
Aggregate consideration (Rs. in Lakh)*	1,800.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years (Rs. in Lakh)	-	-	-
Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in Lakh)	25.10	-	-

*The entire consideration is received in cash and not in form of Security receipts.
The details disclosed above relates to NPA cases only.

62 Gold Loans

The Company does not provide any loans on collateral of gold and gold jewellery.

63 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021.

Under the Circular all the lending institutions were required to refund/adjust the “interest on interest” charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

(Rupees in lakh)

Sr. No	Particulars	March 31, 2025	March 31, 2024
1	Aggregate amount	14.59	14.59
2	Refunded/adjusted	-	-
3	Outstanding balance	14.59	14.59

64 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR. STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the “Notification”) as amended.

a. Details of transfer through Assignment in respect of loans not in default *:

Sr. No	Particulars	To Banks / NBFCs	
		For the year ended March 31, 2025	For the year ended March 31, 2024
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in lakh)	94,678.52	64,076.75
2	Aggregate consideration received (Rs. in lakh)	94,678.52	64,076.75
3	Weighted average Maturity of Loans (in years)	6.42	7.79
4	Weighted average Holding period of Loans (in years)	0.96	0.91
5	Retention of Beneficial economic interest (in %)	11.26%	13.32%
6	Coverage of Tangible security (in %) **	206.20%	230.21%
7	Rating- wise distribution of rated loans	Non-Rated	Non-Rated

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of tangible security coverage ratio, the Company has considered only the secured loans.

b. The Company has not acquired loans not in default during the year ended March 31, 2025 and March 31, 2024, under the said Notification.

c. The transfer/acquiring of any stressed loans during the year ended March 31, 2025 and March 31, 2024, under the said Notification has been given in note 61 of the financial statements.

d. The rating wise distribution of Security Receipts (SRs) held by the Company is given below:

Ratings	Recovery Rating*	Rating Agency	As at March 31, 2025	As at March 31, 2024
IVR RR1	100% - 150%	Infomerics Valuation and Ratings Private Limited	-	1,692.11
IVR RR2	75% - 100%	Infomerics Valuation and Ratings Private Limited	1,645.99	-

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

Notes forming part of the financial statements for the year ended March 31, 2025 (contd.)

65 **During the year ended March 31, 2025 and March 31, 2024, the Company has transferred loans amounting to Rs. 1,70,133.29 lakh and Rs. 1,83,265.07 lakh respectively through Co-Lending Arrangements to the respective participating banks and NBFCs under Circular No. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-Lending by Banks and NBFCs to Priority Sector which are akin to Direct Assignment transaction.**

66 **Disclosure on frauds pursuant to the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) bearing reference no. RBI/DOS/2024-25/120 DOS. CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of Frauds	2.00	3.00
Amount involved (Rs. in Lakh)	55.19	122.90

67 Disclosure pursuant to Reserve Bank of India RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 pertaining to Resolution Framework for COVID-19 related stress read with RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021, pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and Small Businesses ("Resolution Framework").

(Rupees in lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2025	Of (A), amount written off during the half year ended March 31, 2025	Of (A), amount paid by the borrowers during the half year ended March 31, 2025	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2025 *
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
- Of which, MSMEs	1,284.99			327.05	957.94
- Others	-	-	-	-	-
Total	**1,284.99**	**-**	**-**	**327.05**	**957.94**

* This includes loans where, post observance of satisfactory performance, the additional provisions maintained under the Resolution Framework has been reversed in accordance with the applicable guidelines and total ECL provision for the above loans as on March 31, 2025, is Rs. 95.79 Lakh.

68 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP BC/4/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)":

(Rupees in lakh)

Typer of borrower	Year	No. of accounts restructured	Amount outstanding
MSMEs	As at March 31, 2025	5	925.98
	As at March 31, 2024	47	2,130.50

69 **During the year ended March 31, 2025, the Company's Board of Directors and shareholders through their approval dated May 02, 2024 and June 01, 2024 respectively, had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), a prominent Embedded Finance Fintech platform, for an enterprise value of Rs. 4,500 lakh through a combination of equity and cash consideration. Necessary approvals from the regulators are under consideration till date. Post this acquisition, DTPL will become a subsidiary of the Company.**

70. **Previous year figures have been regrouped wherever necessary to conform to/ with the current year classification/ disclosure.**

The accompanying notes are an integral part of the financial statements.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

Sd/-
Tirtharaj Khot
Partner

Membership Number : (F) 037457

Place : Mumbai
Date : April 26, 2025

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Sd/-
Hemant Bhargava
Independent Director and
Chairman - Audit Committee

DIN : 01922717

Sd/-
Kishore Kumar Lodha
Chief Financial Officer
Place : Mumbai
Date : April 26, 2025

Sd/-
Satish Kumar Chelladurai
Company Secretary
Place : Mumbai
Date : April 26, 2025

UGRO CAPITAL LIMITED

Registered Office Address: Equinox Business Park, Tower 3, 4th Floor,
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CIN: L67120MH1993PLC070739
Telephone: +91 22 4891 8686 | **E-mail:** customercare@ugrocapital.com | **Website:** www.ugrocapital.com