



ANNUAL REPORT

2023 - 24



**MSME**  
अच्छा है!



# CORPORATE INFORMATION



## Board of Directors

Mr. Satyananda Mishra – Non-Executive Chairman and Independent Director  
Mr. Shachindra Nath – Vice Chairman and Managing Director  
Mr. Karuppasamy Singam – Independent Director  
Mr. Rajeev Krishnamuralilal Agarwal – Independent Director  
Mr. Karnam Sekar – Independent Director  
Mr. Hemant Bhargava – Independent Director  
Ms. Tabassum Abdulla Inamdar – Independent Director  
Mr. Manoj Sehrawat – Non-Executive (Nominee) Director  
Mr. Chetan Kulbhushan Gupta – Non-Executive (Nominee) Director  
Mr. Rohit Goyal – Non-Executive (Nominee) Director (Appointed wef April 25, 2024)



## Management Team

Mr. Kishore Kumar Lodha – Chief Financial Officer  
Mr. Anuj Pandey – Chief Risk 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. Satyananda Mishra – Member  
Mr. Rajeev Krishnamuralilal Agarwal – Member  
Mr. Karuppasamy Singam – Member  
Mr. Karnam Sekar – Member  
Mr. Shachindra Nath – Member  
Ms. Tabassum Inamdar – Member



## Company Secretary and Compliance Officer

Mr. Satish Kumar Chelladurai



## 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  
Mr. Manoj Kumar Sehrawat – Member



## Risk Management Committee

Mr. Karnam Sekar – Chairman  
Mr. Satyananda Mishra – Member  
Mr. Karuppasamy Singam – Member  
Mr. Hemant Bhargava – Member  
Mr. Manoj Kumar Sehrawat – 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. Manoj Kumar Sehrawat – Member  
Mr. Chetan Gupta – Member  
Ms. Tabassum Inamdar – Member



## Investment and Borrowing Committee

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



### IT Strategy Committee

Mr. Karuppasamy Singam – Chairman  
 Mr. Shachindra Nath – Member  
 Ms. Tabassum Abdulla Inamdar – Member  
 Mr. Rohit Goyal – Member  
 Mr. Karnam Sekar – Member



### 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



### Customer Service Committee

Mr. Karuppasamy Singam – Chairman  
 Mr. Shachindra Nath – Member



### Registered and Corporate Office

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



### Registrar and Share Transfer Agents

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  
 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Cricket Club, 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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# UGRO Capital's Journey Towards MSME Empowerment



In today's fast-paced and highly competitive business landscape, Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in driving economic growth and fostering innovation. These nimble enterprises are the backbone of our economy, driving employment generation, fostering innovation, and contributing significantly to economic development. However, despite their pivotal role, MSMEs encounter formidable challenges in accessing finance and navigating market complexities. At UGRO Capital, we have embraced a data-driven approach to address these challenges effectively, empowering MSMEs across India to realize their visions and craft lasting impact.

### Unveiling the Theme of Annual Report 2023-24

The theme of UGRO Capital's Annual Report for 2023-2024, 'Empowering Dreams: UGRO Capital's Journey Towards MSME Empowerment,' serves as a testament to our steadfast dedication to uplifting the aspirations of MSMEs nationwide and effecting tangible change. Rooted in our core values, this theme embodies our commitment to nurturing an environment conducive to the growth and prosperity of MSMEs, enabling them to flourish, innovate, and play a pivotal role in shaping India's economic landscape. Through our innovative financial solutions and unwavering support, we strive to empower MSMEs to realize their full potential, driving inclusive growth and fostering a brighter future for generations to come. With 'Empowering MSME Ecosystem' as our guiding principle, we embark on a journey of partnership and collaboration that we pursued throughout the course of FY23-24, working hand in hand with MSMEs to unlock new opportunities and forge a path towards shared success.

### A Data and Technology Driven Imperative

The industry today is decidedly marked with intense competition and dynamic market forces, and it is here that the role of data-driven strategies has become paramount in unlocking the full potential of MSMEs. UGRO Capital stands at the forefront of this paradigm shift, pioneering a data-driven approach to empower MSMEs across India. Through the strategic utilization of advanced data analytics, machine

learning algorithms, and artificial intelligence, we have redefined the traditional lending landscape, offering MSMEs access to swift credit assessment, customized financial products, and streamlined loan processing, thereby fostering their growth and innovation.

Historically, MSMEs have faced formidable challenges in accessing formal and timely credit, often constrained by collateral-based lending practices that hinder their ability to secure funds for expansion and diversification. UGRO Capital has disrupted this status quo by introducing innovative lending models, such as cash flow-based lending, which capitalize on the digital revolution sweeping the financial sector. By amalgamating diverse data sources including GST records, bank statements, and credit bureau reports, we have developed robust credit evaluation frameworks that empower MSMEs to obtain much-needed credit in a hassle-free and expedited manner.

In alignment with our steadfast commitment to democratizing credit access, UGRO Capital has embraced transformative initiatives like the Open Credit Enablement Network (OCEN), poised to usher in a new era of digital lending for MSMEs. OCEN's standardized protocol facilitates seamless interactions among buyers, sellers, and financiers, democratizing the availability of transactional data and enhancing the ease of credit access for MSMEs. Our proactive engagement with platforms like GeM Sahay underscores our proactive approach in harnessing emerging technologies to empower MSMEs, facilitating their integration into the digital economy.

Continuing on our journey towards financial inclusion, UGRO Capital actively participates in initiatives such as the Account Aggregators (AA) framework, which facilitates the aggregation of financial information to enhance credit access. By providing a unified interface for lenders to access comprehensive financial data with customer consent, AA fosters transparency, convenience, and trust in the lending process, ultimately benefiting MSMEs seeking timely and tailored financial solutions.



At the heart of UGRO Capital's data-driven imperative lies a deep-seated belief in the transformative power of information and technology. By harnessing the vast potential of data analytics and digital innovation, we aim to catalyze a paradigm shift in the MSME ecosystem, driving inclusive growth, fostering entrepreneurship, and unlocking new avenues of prosperity for millions of small businesses across India. As we continue to expand our data-driven initiatives and forge strategic partnerships, we remain steadfast in our mission to empower MSMEs, fueling their dreams and aspirations, and propelling India towards a brighter, more inclusive future.

### Strategic Initiatives and Financial Performance

UGRO Capital's prowess lies in its profound comprehension of the SME ecosystem, enabling the identification of promising businesses poised for growth. Bridging a significant credit gap of approximately INR 92 lakh crores in this segment, UGRO fulfills a critical need by facilitating access to capital, thereby nurturing entrepreneurship, fostering job creation, and driving innovation across diverse sectors.

A distinguishing factor for UGRO is its utilization of data analytics and proprietary risk assessment models to precisely evaluate borrower creditworthiness. This approach not only minimizes the risk of defaults but also ensures the implementation of prudent lending practices. Guided by a senior management team led by industry veteran Mr. Shachindra Nath, UGRO Capital benefits from extensive expertise drawn from the financial services sector, further solidifying its credibility.

Over the years, UGRO Capital has significantly expanded its footprint in the lending landscape. By March 2024, the company had amassed a portfolio exceeding INR 9,000 Crore, with a network of 150 branches spanning across India, offering a spectrum of financial products. Central to its strategy is the empowerment of small and medium enterprises, the backbone of the Indian economy. Leveraging a data-driven approach, UGRO injects scientific precision into lending operations, meticulously analyzing vast data sets ranging from GST filings to bank

statements, thereby mitigating risks and ensuring a comprehensive assessment of creditworthiness.

Moreover, UGRO Capital's recent financial performance underscores its promising trajectory. In the quarter ending March 2024, the company witnessed a remarkable surge in net profit, soaring by an impressive 133% compared to the year-ago period, reaching INR 33 crore. This surge in profitability was complemented by a substantial increase in sales, which rose by 52% to INR 330 crore during the same period. Demonstrating consistent growth, UGRO Capital exhibited robust performance throughout the fiscal year 2024. The company's net profit for the full year surged by an astounding 200% to INR 119 crore compared to the previous fiscal year. Similarly, sales witnessed a commendable uptick, ascending by 58% to INR 1,082 crore in FY24.

In a strategic move, UGRO Capital has expanded its capabilities by acquiring MyShubhLife (MSL), a financial services platform, for an enterprise value of Rs 45 crore. This acquisition, through a combination of cash and equity, not only broadens UGRO's service offerings but also enhances its market presence, positioning the company as a comprehensive financial solutions provider. With the integration of MSL into its portfolio, UGRO anticipates significant growth potential over the next three years. MSL, a prominent Embedded Finance Fintech platform, boasts partnerships with industry leaders such as Pine Labs, Fino, Airtel Payment Banks, Mobikwik, and Spice Money, enhancing UGRO's market reach and service capabilities.

### Finding Solutions All the Way Long

A Data-Tech lending platform, the Company has set its sights on expansion and growth with a strategic move that could potentially reshape its trajectory in the financial landscape. The company recently raised funds amounting to INR 1,265 crore through the issuance of compulsory convertible debentures (CCDs) and warrants, both valued at Rs 10 face value. This capital infusion, targeted towards existing and new institutional investors, family offices, and their affiliates, underscores UGRO's commitment to fortifying its position in the market. The initiative has



garnered significant interest, with Samena Capital, a prominent private equity investor, pledging INR 500 crore through warrants. This display of confidence from a seasoned investor signals not only UGRO's attractiveness as an investment opportunity but also its potential for substantial growth in the foreseeable future.

### UGRO Capital: Empowering Visions, Creating Impact

At the helm of transforming India's entrepreneurial landscape stands UGRO Capital, a beacon of change and empowerment for Micro, Small, and Medium-sized Enterprises (MSMEs). With a keen understanding of their unique needs and aspirations, coupled with an unwavering commitment to innovation, UGRO emerges as the trusted partner in realizing dreams and driving impactful change. Through strategic collaborations, technological advancements, and a deep-rooted dedication to financial inclusivity, we pave the way for every MSME to flourish, leaving an indelible mark on the Indian economy.

MSMEs are the backbone of India's economic fabric, constituting over 90% of businesses and employing 120 million individuals. Despite their pivotal role in fostering innovation and generating employment, many MSMEs grapple with a significant challenge: inadequate funding. This funding gap hampers their growth potential and stifles their ability to contribute meaningfully to India's economic advancement.

UGRO Capital strategically positions itself to bridge this funding gap by extending tailored loans exclusively to MSMEs, facilitating their expansion and integration into the broader economic narrative of India. The company's commitment is evident in its remarkable growth trajectory, with assets under management (AUM) soaring from INR 2,970 Crores in March 2022 to INR 9,047 Crores by March 2024. Moreover, the number of MSMEs benefitting from UGRO Capital's funding has tripled during this period, underscoring the substantial impact we have on the sector.

A cornerstone of UGRO Capital's approach is its emphasis on Tier 3 and beyond regions, where

MSMEs play a pivotal role in propelling economic development. Despite facing challenges such as limited access to infrastructure and finance, these enterprises exhibit remarkable resilience and entrepreneurial spirit, driving India's manufacturing sector and providing essential services to rural communities. UGRO Capital's AUM in these regions has experienced robust expansion, reflecting our commitment to nurturing grassroots entrepreneurship.

Moreover, UGRO Capital actively promotes women's entrepreneurship, recognizing its potential to enrich India's economic landscape. By providing customized financial solutions and fostering inclusivity, the company has witnessed a notable increase in the representation of women-led businesses in its portfolio, from 1,450 in March 2022 to nearly 6,000 female entrepreneurs as of March 2024.

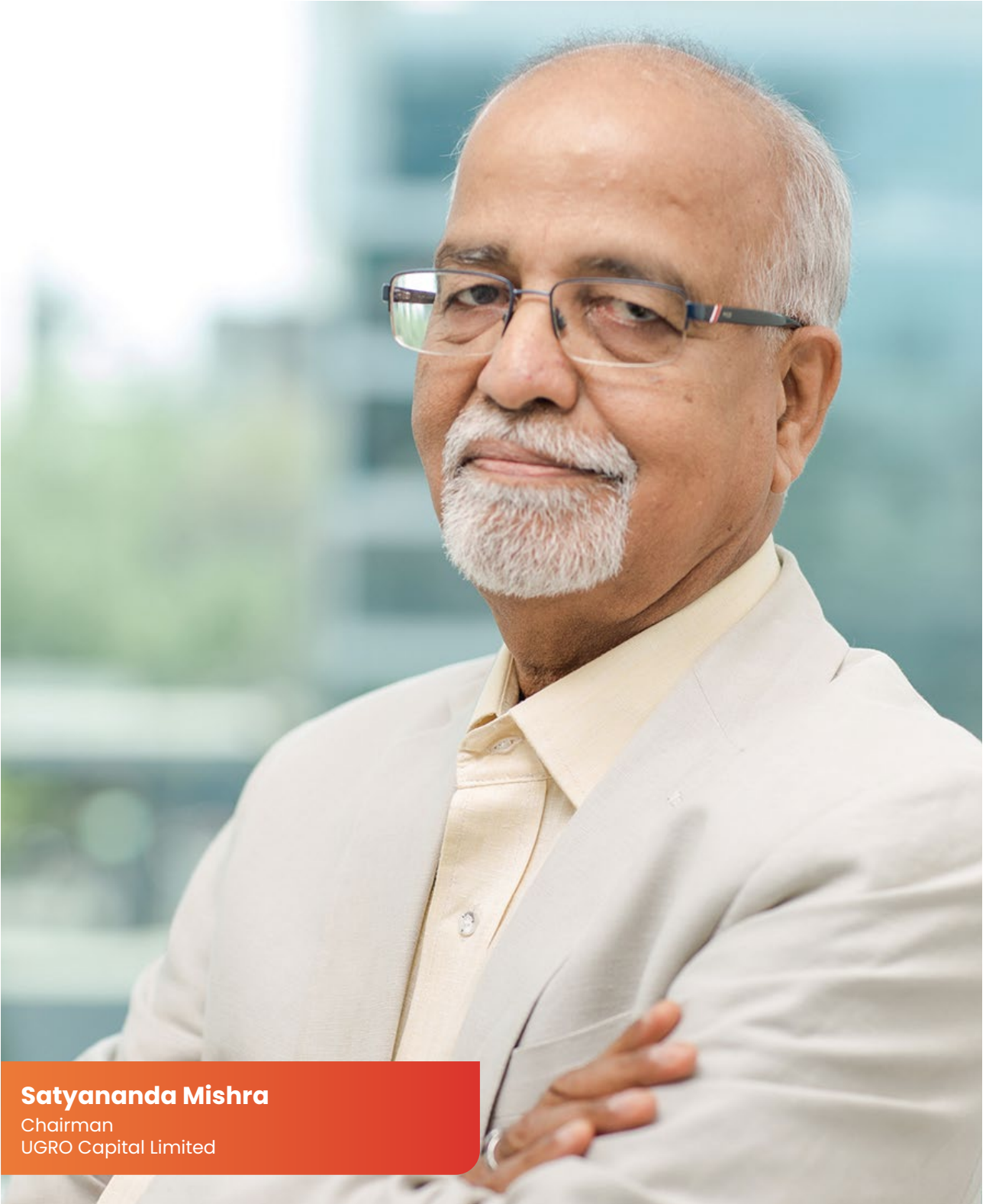
Additionally, UGRO Capital contributes to India's climate change mitigation efforts by financing MSMEs engaged in sustainable initiatives such as renewable energy, waste management, and water conservation. With a cumulative investment of INR 285 Crores in this sector, the company plays a pivotal role in steering India towards a low-carbon economy.

In essence, UGRO Capital's impact transcends financial assistance; it encompasses fostering entrepreneurship, promoting inclusivity, and driving sustainable development, thereby propelling MSMEs forward and propelling India's economic progress.

As we navigate the dynamic landscape of India's economy, UGRO Capital remains steadfast in its mission to empower MSMEs, catalyze growth, and foster inclusive development. Through our data-driven solutions, innovative lending models, and strategic partnerships, we not only empower dreams but also shape futures, drive progress, and build a brighter tomorrow for generations to come. Join us on this transformative journey as we empower MSMEs, ignite aspirations, and create a legacy of impact that resonates far and wide.

# CHAIRMAN'S MESSAGE

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**Satyananda Mishra**

Chairman  
UGRO Capital Limited



Dear Shareholders,

It is with immense pride and gratitude that I present to you the Annual Report for FY24. This year marks a significant milestone in UGRO Capital's journey, as your Company has successfully entered the Billion-Dollar AUM club.

Harnessing the power of data and technology in novel ways to redefine financial services has led your Company to an evolved-state – a DataTech NBFC. Its advanced analytics capabilities and proprietary algorithms have transformed data into actionable insights, allowing it to make informed decisions and drive business forward.

Your Company's cutting-edge technology platforms enable it to assess risks, monitor portfolio performance, and identify growth prospects in real-time. This empowers UGRO to customize financial solutions that cater to the unique needs of MSMEs operating across diverse sectors. By focusing on populating network data, your Company has been able to offer tailored financing solutions that address the specific requirements of each business.

One of the core problems UGRO Capital is addressing is the vast MSME credit gap and the sector's lack of access to fast and easy credit. By leveraging an extensive network and partnerships, your Company gathers crucial information about an MSME's supply chain, customer base, and industry affiliations. This comprehensive understanding of a business' ecosystem allows it to provide personalized and context-specific financing options, ensuring that the clients receive the support they need to thrive.

To date, your Company has made significant strides in its mission. As of March 2024, it closed the year with an impressive Assets Under

Management (AUM) of INR 9,047 Crores, marking a 49% year-on-year increase. It has successfully provided data-driven bespoke finance solutions to over 80,000 MSMEs across India. UGRO's innovative collaborative approach, with 13 co-lending partners, 55 lenders, 45+ fintechs, and 500+ GRO partners, has played a pivotal role in this growth trajectory.

Additionally, UGRO Capital is in the process of acquiring MyShubhLife (MSL). This acquisition, along with its recent equity capital raise of INR 1,265 Crores, will significantly strengthen its position and enable your Company to continue delivering unparalleled financial solutions to MSMEs across the country.

With a goal to soon achieve an AUM of INR 20,000 Crores, UGRO Capital is set on bridging the credit gap and continue empowering MSMEs with the financial support they need to succeed. Your Company plans to take its current branch strength of 160+ branches to a whopping 300 over the next year. By maintaining the focus on innovation and leveraging advanced technology and with an ever-increasing UGRO team of over 1,650 employees, your Company is confident in its ability to shape the future of financial services in India.

As we celebrate yet another successful year, I would like to extend my heartfelt gratitude to our shareholders, partners, and employees for their unwavering support and dedication. Your company is fully aligned with the national goal of reducing income inequalities and creating jobs for the less privileged as it continues to empower the micro and small enterprises in widespread areas of the country. Together, we will continue to empower MSMEs, drive innovation, and shape the future of financial services in India.



# VICE CHAIRMAN'S MESSAGE

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**Shachindra Nath**

Founder, Vice Chairman and Managing Director  
UGRO Capital Limited



Dear Shareholders,

In the fiscal year 2023-24, UGRO Capital has continued to make significant strides in advancing our mission of supporting and empowering Micro, Small, and Medium Enterprises (MSMEs) across India. According to our Social Impact Report 2023-24, we have touched the lives of thousands of entrepreneurs, enabling them to realize their dreams and contribute to the nation's economic growth. Our commitment to the MSME sector is embodied in our simple mindset that we try to propagate throughout the ecosystem – **MSME Accha Hai**.

Our innovative financial products and services have not only fostered economic development but have also created a ripple effect, generating employment and improving livelihoods in communities across the country. In FY24, we proudly crossed a significant milestone of entering the Billion-Dollar AUM Club, a testament to our robust business model and unwavering commitment to our clients.

UGRO Capital stands as India's trailblazing data-driven underwriting platform, transforming the MSME credit landscape. By leveraging GST data, banking information, and repayment behavior from credit bureaus, we have serviced over 80,000 customers across the country as of March'24. Indeed, we have gone the extra evolutionary step from a fintech to a DataTech company.

FY24 also closed on a very high note, with UGRO's triple triumph. Not only did we have a very successful Q4 results, but we had an equity capital raise of INR 1,265 Cr through Compulsory Convertible Debentures (CCD) and Warrants in Q1 FY25. We have always wanted to create an Institutionally Owned, Independently Supervised and Professionally Managed FinTech in the listed world so that the opportunity is available to the large universe of Public Market Investors. We believe that we are at a pivotal moment, where our aim to be a financial institution serving the

needs of all small businesses in India. Today, India needs more financial institutions like ours, to fulfill the credit gap of more than 90 Lac crores and I am thankful to all the investors, lenders, co-lending partners, and UGROites for making this dream come true.

The second major event at the close of the fiscal year was the acquisition of 'MyShubhLife' (MSL), a prominent Embedded Finance Fintech platform headquartered in Bengaluru. Scaling up Embedded Finance requires deep understanding & penetration of payments players ecosystem and a cutting-edge data & technology stack. MSL has a proven track record on both counts, and it fits well with UGRO's strategy.

As we look to the future, UGRO Capital is poised to turn a new leaf – UGRO 3.0. This new phase is characterized by a renewed focus on Rigour, Speed, and Agility. Our ambition is to redefine financial services for MSMEs by integrating cutting-edge technologies and adopting a holistic approach to customer needs.

Under UGRO 3.0, we are expanding our product offerings across all micro and prime locations, ensuring that every customer has access to a comprehensive suite of financial solutions. This includes our venture into new categories such as rooftop solar finance, reflecting our commitment to sustainable and green finance.

This year, we have targeted our mission ambition with a renewed vigor, and it is time to turn this ambition into reality. With UGRO 3.0, we envision a future where every customer can access all our products seamlessly, embodying the ethos of "One Customer, All Products." Our strategic focus on rigour, agility, and speed will be the driving force behind our transformation and success.

As we embrace this new avatar, we are confident that UGRO Capital is well-positioned to unlock new growth opportunities and create substantial value for all our shareholders, customers, and the wider community.



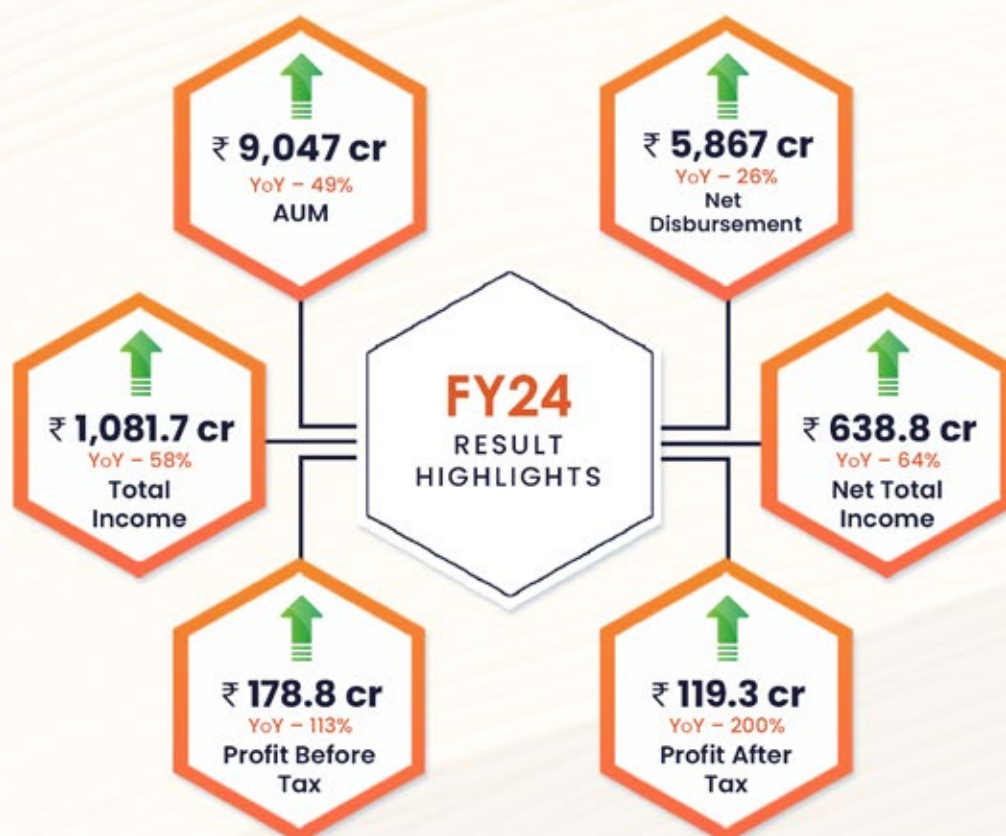
# UGRO Capital's Triple Triumph

## SIGNIFICANT EQUITY CAPITAL RAISE OF INR 1,265 CR

UGRO secures strong commitments in CCDs and Warrants from Samena Capital, Aregence, and marquee family offices, fortifying future growth strategies.

### ACQUIRES 'MYSHUBLIFE' (MSL)

A leading Embedded Finance Fintech platform through an equity swap deal, targeting 2 lac retailers & building over INR 1500 Cr AUM on this platform over the next three years!



EPS for FY 24  
**₹ 13.39 per share**  
Diluted EPS for FY24  
**₹ 13.20 per share**

Book value per share  
**₹ 157.04**  
as on Mar'24

Price to Earning ratiom(P/E)  
**16.4x**  
as on Mar'24

price as on 28 March 2024

**Achieved off-book AUM of 45%**



# UGRO IMPACT

The Social Impact Report 2023–24, titled ‘Empowering Visions, Crafting Impact’, prepared by Alsisar Impact, and under the guidance of Implement Consulting Group, is a collaborative study with UGRO Capital, delving into the profound impact of our lending initiatives on Micro, Small, and Medium Enterprises (MSMEs) and highlighting our commitment to responsible lending practices and our contributions towards building a sustainable business. This report outlines our efforts to empower India’s MSMEs, engage our employees and partners, and embrace technology for a more planet-friendly approach to our operations. This report encapsulates the insights gathered through almost 350 customer interviews. In the realm of MSME financing, UGRO Capital has emerged as a pivotal player, recognizing the potential to directly and indirectly influence multiple Sustainable Development Goals. These interviews serve as a real-time testament to the positive impact brought about by U GRO Capital, showcasing the organisation’s dedication to empowering businesses and fostering sustainable growth.

To achieve the 2030 UN Agenda for Sustainable Development, stakeholders at all levels must urgently address the 17 Sustainable Development Goals (SDGs). This comprehensive framework targets poverty, enhances access to essential services, reduces inequalities, stimulates economic growth, combats climate change, and safeguards crucial ecosystems. The Division for Sustainable Development Goals (DSDG) within the United Nations Department of Economic and Social Affairs (UNDESA) is pivotal in providing support for the SDGs and related thematic areas. DSDG actively assesses the comprehensive adoption of the 2030 Agenda throughout the UN system, focusing on areas like water, energy, climate,

oceans, urbanization, transportation, science and technology, the Global Sustainable Development Report (GSDR), partnerships, and the specific concerns of Small Island Developing States (SIDS).

Recognizing the transformative impact of this Agenda, UGRO Capital aligned its focus on the several UN SDGs with dedicated contributions of our team, investors, and supporters, thus playing our role in contributing to a more inclusive, sustainable, and prosperous future for all.

UGRO Capital places a strong emphasis on creating a positive impact through its lending endeavors while simultaneously addressing the financial requirements of the MSME sector. To thoroughly evaluate and understand the social impact generated by U GRO Capital’s activities and initiatives, we engaged ALSISAR Impact, an independent Impact Assessment organization, to conduct a comprehensive study.

The assessment encompasses an analysis of both direct and indirect impacts on MSMEs, lenders, and society as a whole. We carefully chose these impact parameters, considering the critical aspects of the financial sector and aligning them with global best practices.

In the course of this study, we selected a representative sample of UGRO Capital’s active customer base across various regions in India, including Mumbai, Pune, Delhi, Chennai, Ahmedabad, Bengaluru, Kolkata, Jaipur, and Hyderabad. This selection was made in proportion to UGRO Capital’s lending activities in these nine cities. The sample was intentionally diverse, taking into account factors such as industry, loan size, business vintage, gender of customers, and the constitution of their businesses.

## UGRO Capital’s focus on goals aligning with UN SDGs:



## UGRO | ESG Approach

In our unwavering commitment to responsible financial practices, UGRO Capital has formulated a comprehensive Environmental, Social, and Governance (ESG) policy and process. This framework is designed not only to comply with regulations but to exceed expectations by fostering ethical, transparent, and accountable operations with integrity. We recognize the diverse needs of our stakeholders,

including investors, lenders, employees, and others, and strive to meet and exceed their expectations. Our ESG policy and process embody our dedication to responsible finance, where sustainability, integrity, and inclusivity are not just goals but integral components of our operational DNA. We believe that through these measures, we contribute positively to both the financial and environmental landscapes.

### Regulatory Compliance and Stakeholder Satisfaction:

- Ensure all company activities align with applicable regulations.
- Conduct operations ethically, transparently, and accountably with unwavering integrity.
- Prioritize meeting the expectations of stakeholders, including investors, lenders, employees, and other partners.

### Sustainable Financial Services:

- Ensure our financial services are not only suitable but also sustainable.
- Reflect a strategic shift towards promoting socio-economic development without compromising on environmental priorities.

### Integrated ESG Approach:

- Develop an integrated approach ensuring adherence to ESG parameters throughout the loan cycle and in our operations.
- This holistic strategy ensures that ESG considerations are seamlessly woven into our financial criteria, fostering a comprehensive evaluation process.




### Focus on MSMEs:

- Recognizing the crucial role of Micro, Small, and Medium Enterprises (MSMEs) in the economic landscape, UGRO Capital maintains a primary focus on this segment.
- Ensuring MSMEs are not neglected, we are committed to providing timely, effective, and relevant support to foster their growth and resilience.

### Transparency and Accountability:

- Embrace transparency and accountability as fundamental pillars of our ESG commitment.
- Encourage regular disclosures both internally and externally on ESG topics, fostering a culture of openness and constructive dialogue.

## UGRO Capital | Alignment with UN SDG

UN SDG	TARGET IMPACT	MEASUREMENT	IMPACT ACHIEVED
 <b>5</b> EQUALITY	5.a Give women the opportunity to have equal access to <b>ownership and control</b> over property, inheritance and other resources	Percentage of female borrowers who are owners Percentage of female borrowers who are owner/co-owner	<b>9%</b> of the total portfolio is being held by women borrowers. <b>72%</b> are female borrowers as either owner or part owner.
 <b>8</b> ECONOMIC GROWTH	8.1 Sustain <b>per capita</b> economic growth	Increase in revenue of borrowers (based on impact survey)	<b>94%</b> of the customers interviewed have reported increase in revenue.
	8.2 Achieve higher levels of economic <b>productivity</b> through	AUM and number of entities being funded for machinery upgrade	INR 893 Crs 3049 entities
	8.3 Support the <b>growth</b> of MSMEs through access to financial services	Percentage of number of active borrowers who has taken additional loans after taking loan from UGRO Capital.	47% of customers have taken additional loans after taking loan from UGRO Capital
	8.10 Strengthen the <b>capacity</b> of domestic <b>FIs</b> to expand the <b>access to financial services</b>	Percentage of co-lent AUM with large banks/ NBFCs	36% of the total AUM pertains to AUM co-lent with large banks/ NBFCs
 <b>10</b> REDUCED INEQUALITIES	10.2 Empower and promote the social, economic and political <b>inclusion of all Indians</b> , irrespective of age, sex, disability or status.	Number and AUM of portfolio pertaining to micro branches (branches located in Tier 3 and beyond geographies)	81 branches in micro cities INR 871 Crs in micro branches
	10.b Assist the development assistance and <b>financial flows</b> , including <b>foreign investment</b> , to Indian states where the need is greatest.	AUM from overseas investors	INR 1100 Crs +



UN SDG	TARGET IMPACT	MEASUREMENT	IMPACT ACHIEVED
	9.3 Increase the access of SMEs to financial services, including <b>affordable credit</b>	Total number of customers Total AUM	62,928 total active borrowers INR 7592 Crs AUM
	9.4 Upgrade of infrastructure and <b>retrofit industries to make them sustainable</b> , with increased resource-use efficiency and clean technologies and processes	AUM for Solar, EVs and other clean technologies	INR 134.32 Crs AUM belongs to Solar, EVs and other clean technologies.
	3.8 Increase accessibility to <b>health coverage</b>	AUM and borrowers in healthcare industry	INR 374 Crs AUM 1536 borrowers
	6.1 Increase accessibility to clean water	AUM and borrowers engaged in clean water and sanitation industry	INR 151 Crs 737 borrowers
	7.2 Increase the share of renewable energy in the Indian energy mix	AUM and borrowers in clean energy industry	INR 134 Crs 1224 borrowers
	4.a Build and upgrade education facilities and provide inclusive and effective learning environments for all	AUM and borrowers in education industry	INR 97 Crs 136 borrowers

## Joint Field Visits with Team Implement | UGRO empowers MSMEs to access the working capital they need to grow and generate jobs

### Digital Marketing

A digital marketing company with ambitious geographical expansion and IPO goals, dependent on the ability to secure cash to invest in marketing and human resources.

With 150 employees spread across 3 locations it generates working opportunities in tier two cities with a 50% female representation.

Accessing UGRO's loan allowed them to grow working capital used to expand the business, employ additional 5-6 people per month and increase efficiency by 10%.



### Engineering

A company designing and manufacturing precision scales for gold, diamonds and other precious resources aims to turn India from an importer to an exporter.

For a business that had long years heavily investing in R&D before sales was possible, getting access to funding was a real challenge.

UGRO was one of the lending companies playing a key role in empowering them in those first steps before they were able to become eligible for traditional banking loans



### Food processing

A company set up in 2013 which was heavily hit by both Covid and a fire in 2021. Resilience and determination have led the company to grow back to the current 80+ employees, bringing many people to the factory and out of poverty every year.

The company greatly values its employees and offers them all daily meals, shelter, clothing, and a bonus on top of their salaries.

Whilst the company had secured loans with collateral with Banks, UGRO allowed the company to grow further by providing them with working capital through unsecured loans.



### Manufacturing

A company composing pallets for the growing FMCG sector in India. Pallets not only allow for greater efficiency and optimize storage space, but their use has also in many ways increased safety procedures.

Wet seasons exposed the company to seasonality risks which they mitigated with strategic planning around sales, and hence production of their pallets. This, in turn, generated a need for working capital.

UGRO sourced about 33% of their business loans, enabling them to strategically plan and grow their business.



# MSME SAMPARK

## Rising Credit Penetration Points to Lenders' Confidence in MSMEs: MSME Sampark

The MSME Sampark Bi-annual Report, a comprehensive study conducted by UGRO Capital and Dun & Bradstreet India, provides a detailed examination of the post-pandemic recovery, credit scenario, and formalization of credit within the MSME segment. The report underscores the optimism surrounding domestic demand, profitability, and anticipated capital expenditures (capex) and hiring increases, projecting a robust growth momentum

for the MSME sector. It leverages extensive data from both public sources and Dun & Bradstreet's data cloud. It involves a detailed financial analysis of sample MSME firms across eight sectors, focusing on their health and credit requirements. This niche study spans a three-year period, covering the financial and repayment performance of over 25,000 MSMEs with turnovers of less than INR 100 crore, primarily operating in sectors targeted by UGRO Capital.



The grand unveiling of the inaugural edition of MSME Sampark, launched by Shri Sivasubramanian Ramann, Chairman & Managing Director, Small Industries Development Bank of India (SIDBI); Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet; Mr. Avinash Gupta: Managing Director & CEO, India, Dun & Bradstreet; and Mr. Shachindra Nath, Founder & Managing Director, UGRO Capital

## The Current Landscape of MSMEs

Post-COVID-19, India has emerged as one of the fastest-growing major economies. The country's real GDP grew by an impressive 7.6% in Q3 2023, with an expected annual growth of 7.3% for FY24. Against this backdrop, the MSME sector has shown notable resilience. More than 50% of MSMEs with turnovers below INR 10 crore experienced over 10% Year-on-Year (YoY) growth, despite smaller entities recovering at a slower pace compared to larger ones. The study revealed a significant recovery with 77% of MSMEs resuming business activities in the first post-pandemic year and 68% reporting over 10% YoY sales growth in the second year. This recovery has led to reduced risk levels and improved delinquency rates, enhancing borrowing prospects for MSMEs.

## Formalization and Credit Penetration

The formalization of MSMEs is critical for their access to formal credit and government benefits. The UDYAM registration platform has seen a 2.4-fold increase in MSME registrations since its inception in 2020, resulting in 1.6 times more employment opportunities by FY23. This shift towards formal recognition is pivotal for MSMEs to secure credit from formal institutions such as banks and NBFCs.

## Increasing Credit and Loan Sizes

Credit penetration in the MSME sector is on the rise, reflecting lenders' growing confidence in the resilience and recovery of MSMEs. Despite India's credit penetration being the lowest among its Asian peers, initiatives by the government to formalize and support MSMEs are expected to enhance formal credit access. The ticket size of loans to MSMEs has increased post-COVID-19, although approval rates have declined, indicating a cautious approach from lenders following the removal of pandemic relief measures. This cautious optimism is evident across various sectors and geographical regions, with Maharashtra, Gujarat, and New Delhi leading in debt distribution.

## Key Highlights of the Report

- Global growth slowed markedly in 2023, and we expect growth to remain subdued in 2024. With a growth rate of 7.3% in FY23, India is poised for strong growth in FY24.
- We understand that a robust MSME activity will be pivotal to India's growth story.
- The MSME sector in India continued to demonstrate resilience and growth. Since its inception in 2020, MSME registrations on UDYAM have increased by 2.4 times by FY23, while they have generated 1.6 times more employment opportunities.
- Despite the ongoing global economic slowdown, the optimism level among small businesses persists reaching a peak in Q4 2023, the highest since 2022.
- Dun & Bradstreet's proprietary risk rating score of MSMEs indicates that risk to MSMEs moderated in 2022 compared to 2019.
- Low risk in the MSME sector and declining delinquency rates are enhancing the borrowing prospects for MSMEs. Both SCBs and NBFCs share of credit to micro and small firms has increased in FY23 compared to the pre-pandemic period.
- Post-pandemic, ticket size of loans by lenders to MSMEs has increased while approval rates have fallen indicating cautiousness after the removal of pandemic relief measures.
- The drop in the approval rate is greater in PSUs for both the medium-risk and high-risk firms while NBFCs remain the most cautious for the high-risk firms.



**Highlights of the sectors covered in the report:**

**Light Engineering**

Among MSMEs, enterprises in the iron, steel and other metal works have the highest market size and it is also the most efficient sub-sector in terms of debt to total turnover across various sizes of entities. While enterprises in this sector are seen across India, Maharashtra is the dominant market with subsector hubs such as Gujarat for plastic/ glass/ ceramic products.



**Food Processing**

Animal or vegetable fats/oils and waxes, edible preparations, fruits, nuts, and cereals are the major contributors to the food processing sector in the MSME segment. Cash dealings are the highest in this sub-segment compared to other sectors. While there is a presence across India, the dominant markets are Maharashtra, Gujarat and Rajasthan.



**Electrical Equipment**

Miscellaneous equipment and appliances, heavy equipment/office machines, electrical circuit components, and electronics equipment in communications are the other dominant sub-industries. It has a pan-India presence, with Maharashtra being the dominant market, and Gujarat and New Delhi being sub-sector hubs.



**Chemical Industry**

Half of the turnover in this sub-sector is accounted for by organic chemicals, inorganic chemicals, and fertilisers. It has a pan-India footprint.



**Healthcare**

Healthcare delivery and service (dealers, distributors, hospitals, diagnostic centres) account for the lion's share of the market and recipients of a majority share of credit to the sector. As in other sectors, smaller entities (dental clinics, eye clinics and pharmacies) require growth capital, which can be met through various business loan and equipment financing solutions.



**Auto Component**

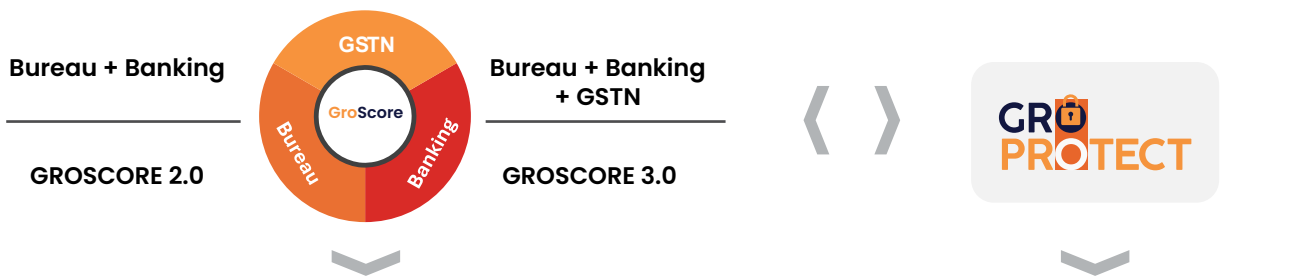
Vehicle and vehicle parts contribute to a major part of the Auto component industry, whereas Hotel, Food, Transport and Manpower services form a majority of the market and are recipients of a larger share of credit.



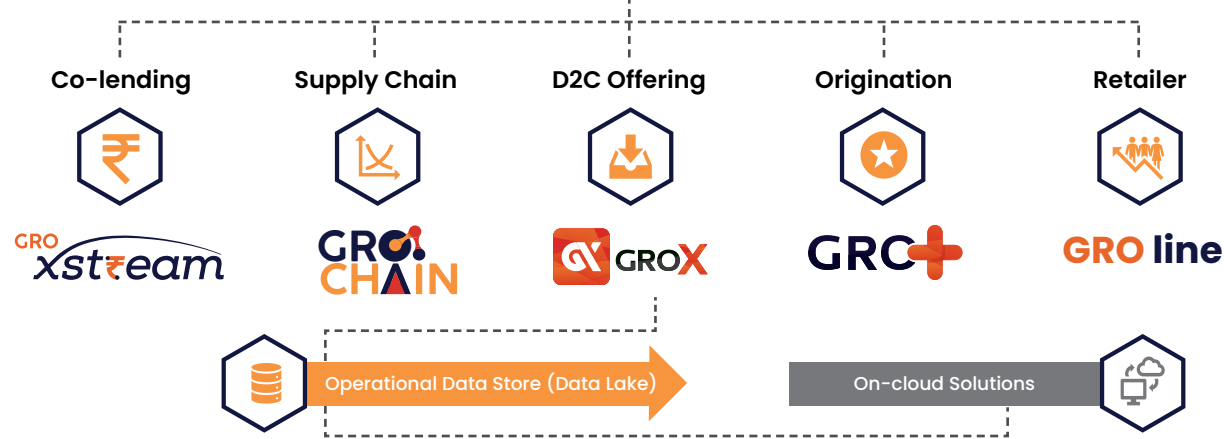
# TECHNOLOGY

Our Tech Platforms support operational efficiencies across all facets of business

- Secured
- Business Loan
- Factoring
- P&M Loans
- OD product
- EV / Solar
- Digital Finance
- Co-lending
- Embedded Finance



### UGRO'S PROPRIETARY TECH CAPABILITY



### A FEW KEY API ECOSYSTEM PARTNERS

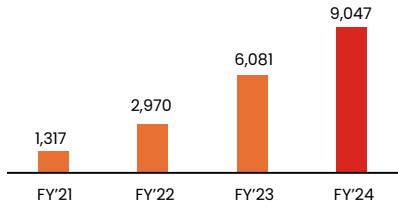
- CIBIL (Part of TransUnion)
- Perfios
- karza TECHNOLOGIES
- NAMASTE CREDIT
- experian.
- IDfy
- Riskcovry®
- Leegality
- nupay
- anumati
- scoreme
- DigiLocker
- dun & bradstreet

### DEVELOPMENT PARTNERS

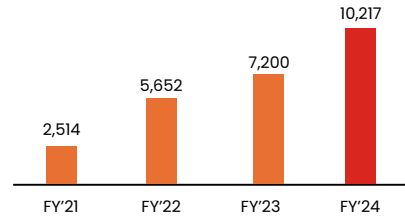
- DECIMAL
- BAJAJ
- qualtech
- JAYAM Solutions (P) Limited

# PORTFOLIO COMPOSITION

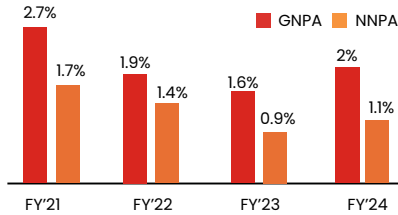
**AUM (INR Cr)**



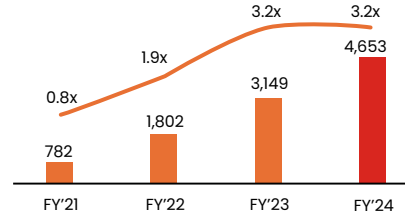
**Gross Disbursals (INR Cr)**



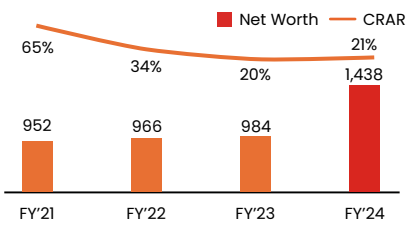
**GNPA and NNPA (As % of AUM)**



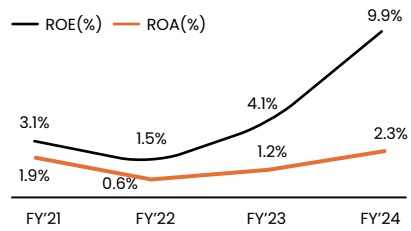
**Total Debt (INR Cr) & Leverage Ratio**



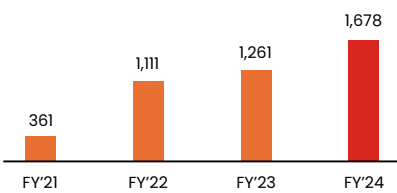
**Net Worth (INR Cr) & CRAR**



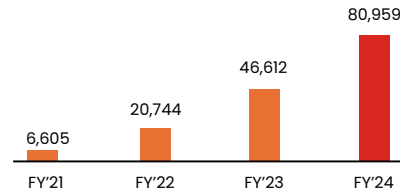
**ROE(%) and ROA(%)**



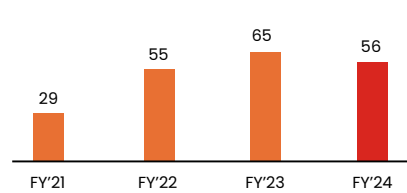
**No. of Employees**



**No. of Customers**

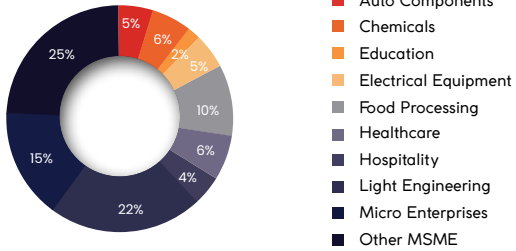


**Count of Lenders**

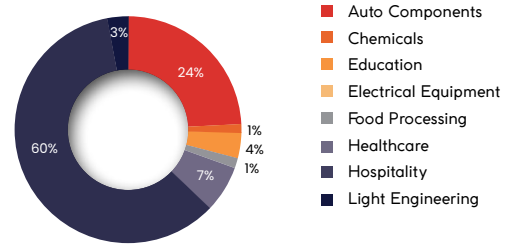


## Portfolio Split

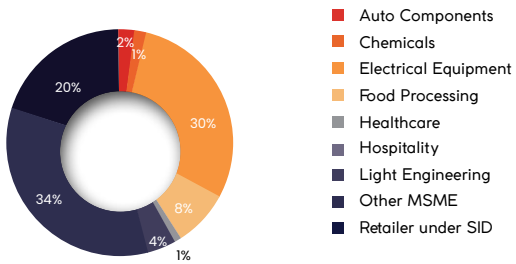
Branch-led Sectoral Mix



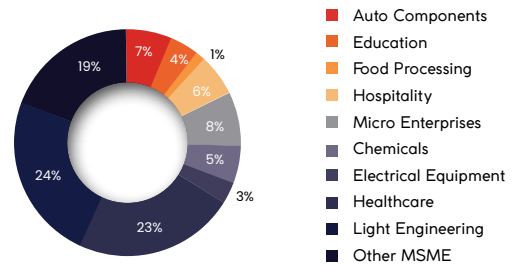
Machinery Finance Sectoral Mix



Supply Chain Finance Sectoral Mix

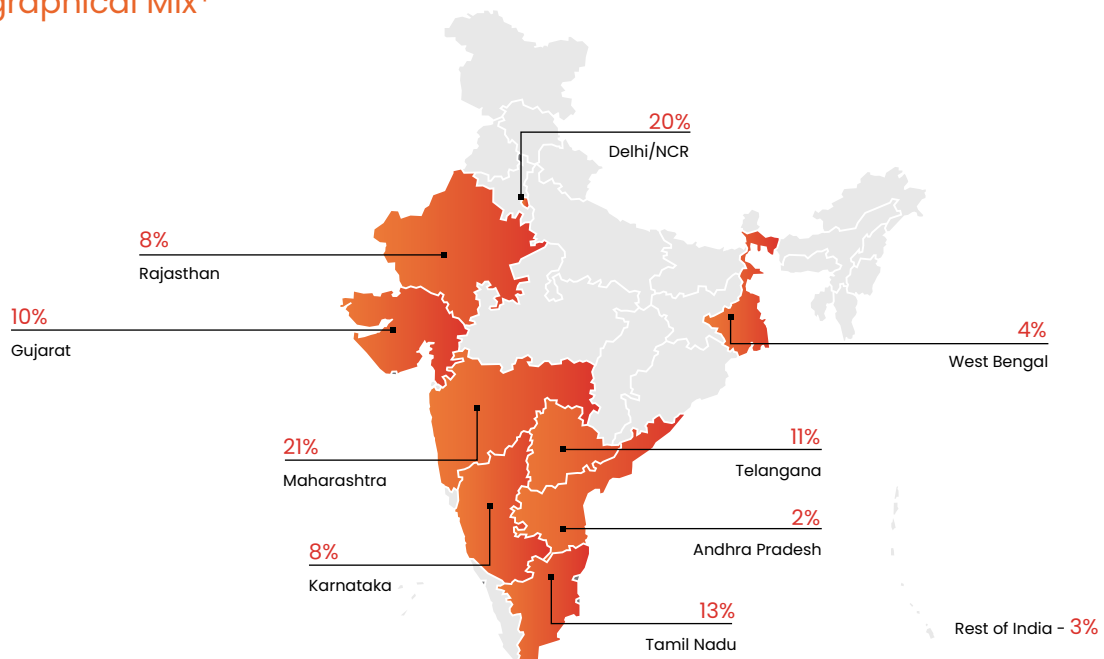


Sector Mix for overall portfolio\*



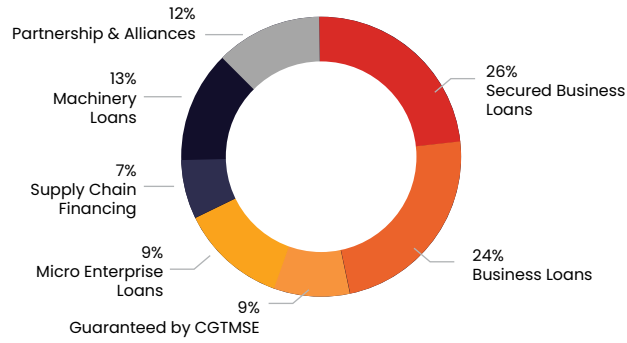
\*Excludes DA/PA/Onward/PTC/GroX  
Other MSME includes allied sub-sectors of our core sectors

## Geographical Mix\*





## Product Mix

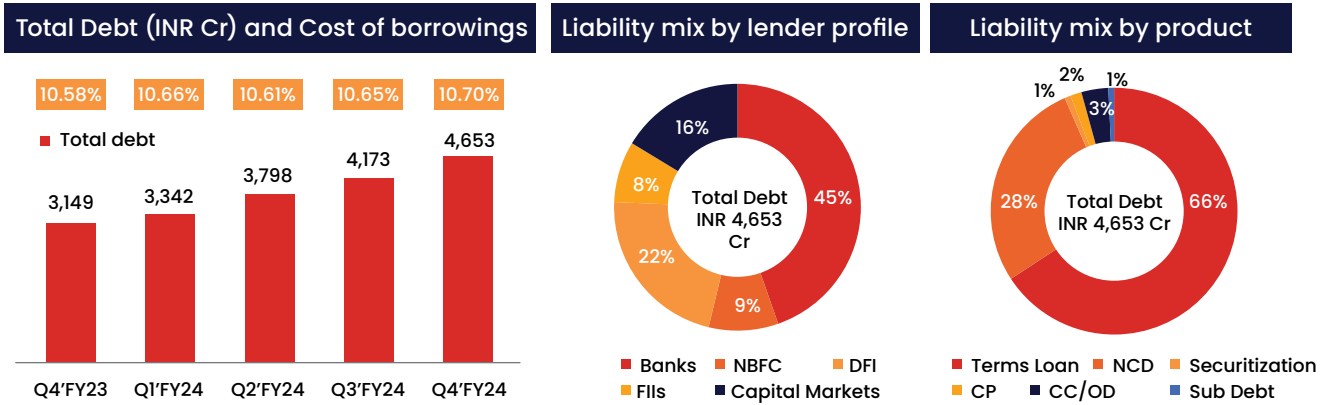


Product category	Collateral type	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loans	Property	2,385	14.2%	69
Business Loans	CGTMSE	2,936	19.5%	17
Micro Enterprise Loan	Property	813	21.2%	8
Supply Chain Financing	Receivables	632	14.0%	12
Machinery Loan	Machinery	1,168	13.8%	36
Partnerships & Alliances	FLDG	1,112	14.9%	4
<b>Grand Total</b>		<b>9,047</b>	<b>16.6%</b>	<b>13</b>



# LIABILITY AND CO-LENDING

## Diversified Lender base and continued build-out of liability book



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

Public Sector Banks and institutions

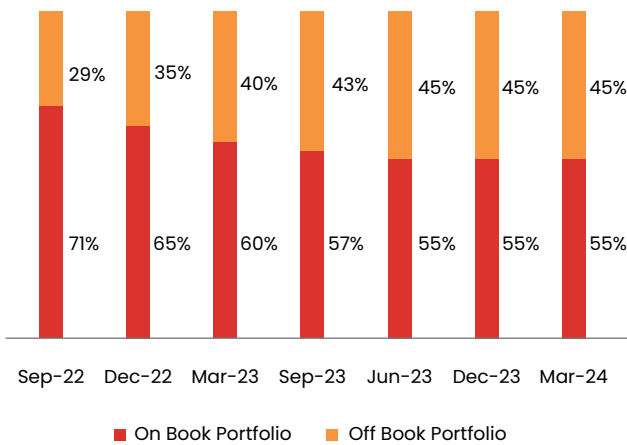
Private Sector Banks

DFI

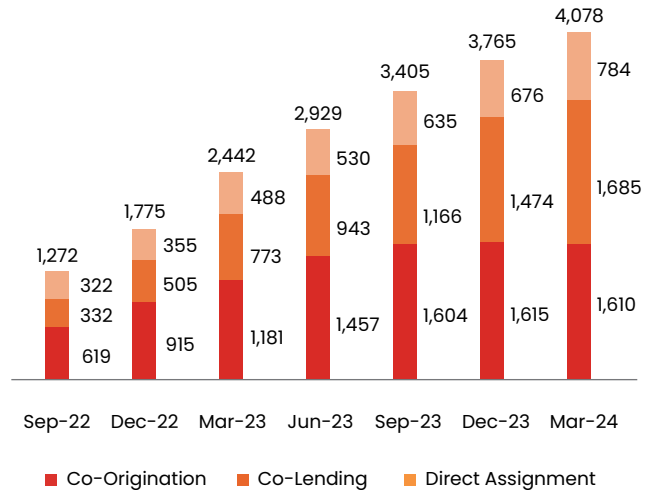
SFBs and NBFCs

## Our Co Lending platform continues to show strong momentum

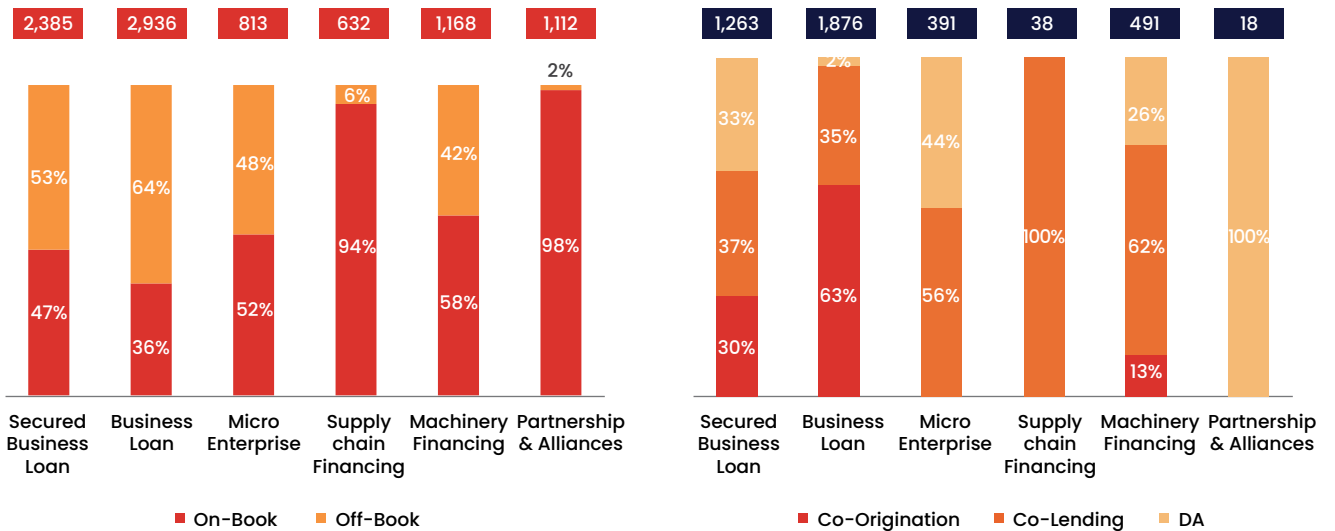
Split of On-Book and Off-Book AUM



Off-Book AUM Split

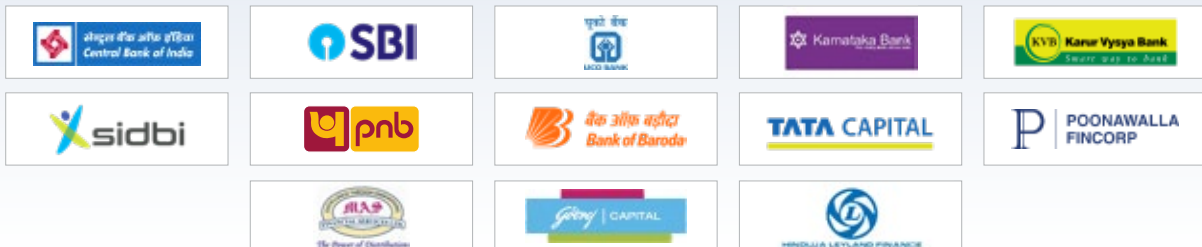


Product wise Mix of Off - Book AUM



Co-origination with NBFCs with avg. FLDG of 5%  
Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Micro Enterprises 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**
*Founder and 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 KRISHNAMURAILAL 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.

**MR. CHETAN GUPTA***Non-Executive 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 Director (Appointed wef April 25, 2024)*

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.



### MS. TABASSUM 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. MANOJ SHERAWAT

*Non-Executive Director*

Mr. Sehrawat presently currently holds the position of Partner at ADV Partners, having transitioned from his previous role as Managing Director within the organization. With over 22 years of experience in financial services, encompassing private equity, distress debt acquisition and resolution, and corporate and financial restructurings in India, he demonstrates a strong capacity to cultivate and maintain new business relationships while adeptly navigating diverse environments. Prior to his tenure at ADV, Mr. Sehrawat served as Vice President of JP Morgan's Asia Special Situations Group and contributed significantly at ARCIL, where he spearheaded the acquisition of NPLs from banks and financial institutions. He is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor's Degree in Commerce from Delhi University.

# MANAGEMENT TEAM

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**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. ANUJ PANDEY***Chief Risk Officer*

Mr. Pandey holds the role of Chief Risk 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. 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 FY24

At UGRO Capital, we hold our Corporate Social Responsibilities in the highest regard, embedding them deeply into the fabric of our organizational values. Our commitment to CSR is not just a mandate but a heartfelt pledge to foster community welfare. By crafting a robust framework that seamlessly integrates with our business goals, we strive to build a strong corporate brand while positively impacting the society we serve.

For the fiscal year 2023–24, UGRO Capital focused on making a significant impact through its CSR initiatives. Recognizing the pressing need for educational infrastructure improvements, UGRO Capital joined forces with the Religare Care Foundation to support the renovation and restoration of schools in underserved areas. The primary objective was to enhance educational facilities, ensuring a better learning environment for students, which aligns with the four pillars of the Company’s CSR philosophy – education, health nutrition & wash, women empowerment, and environment sustainability.

The Company’s CSR activities in FY24 centered around the comprehensive renovation of Prem Mahavidhyalaya Inter College in Vrindavan, Mathura, Uttar Pradesh. This project was part of the broader Shiksha Kayakalp initiative by the Religare Group. The college, founded in 1909 by notable freedom fighters Raja Mahendra Pratap Ji and Pt. Madan Mohan Malviya, required extensive restoration to preserve its historical significance and improve its educational amenities for future generations.

Key contributions and impacts of UGRO Capital’s funds include:

- **Oval Room Renovation:** Undertook the major renovation, construction, and restoration of the Oval Room to restore its functionality and preserve its historical significance. The estimated cost for this development is approximately INR 20,45,079.50 (Rupees Twenty Lakhs Forty-Five Thousand Seventy-Nine and fifty paise only).
- **Toilet Block Reconstruction:** Addressed the inadequate sanitary facilities by renovating and reconstructing the toilet blocks for boys, girls, and school staff. The estimated cost for this construction and renovation is approximately INR 9,58,693.00 (Rupees Nine Lakhs Fifty-Eight Thousand Six hundred and ninety-three only).

UGRO Capital allocated INR 34.12 lakhs for CSR activities in FY24, with INR 28.87 lakhs specifically designated for completing the ongoing renovation work at Prem Mahavidhyalaya Inter College. The funds were directed to contractors and vendors as per CSR guidelines to ensure transparency and effective use of resources.

Through these efforts, UGRO Capital not only contributed to preserving a historical educational institution but also ensured that the school provides a safe and conducive environment for future generations of students. The initiative highlights UGRO Capital’s commitment to making a lasting impact on community development and education.



# THE CULTURE HERE AT UGRO

Throughout FY24, we have undertaken numerous initiatives that reinforce these values, fostering a work environment where every employee feels valued and motivated to contribute to our collective success.

Building on our commitment to inclusivity, we launched the #TogetherWeGRO campaign on Women’s Day, which underscores our dedication to supporting not only women in business but the women in our organization who make up indispensable parts of the organization. This campaign aims to create a supportive network for women in the organization, providing them with the resources and mentorship needed. As part of the campaign, various seminars were held, including ‘Know Your Rights’ and ‘Financial Wellness for Women’, to empower the women of UGRO.

In FY24, we marked several milestones with enthusiasm and participation from all levels of the organization. Our fifth anniversary on July 5th was a significant event, celebrated with contests, activities, and a grand town hall meeting with our CXOs and MD. Achieving the billion-dollar AUM milestone was another proud moment, celebrated with personalized tokens of appreciation for our employees, including stickers, diaries, and keychains.

Internally, we have organized various campaigns and contests, from T20 World Cup competitions to Navratri best-dressed contests, to foster a sense of community and camaraderie among our UGROites.

As we move forward, UGRO Capital is excited to unveil UGRO 3.0, an evolution of our corporate ethos and operational focus. This new phase emphasizes three core values: Rigour, Speed, and Agility. By embedding these values into our daily operations, we aim to enhance our efficiency, respond swiftly to market changes, and maintain the flexibility needed to innovate continuously.

UGRO 3.0 represents our commitment to not only maintaining but also strengthening our culture of inclusivity and excellence. We believe that by fostering a dynamic and responsive work environment, we can better serve our customers and achieve our mission of empowering MSMEs across India.

At UGRO Capital, our culture is more than just a set of principles; it is the driving force behind our success and our vision for the future. Together, we are building a workplace that champions inclusivity, celebrates achievements, and constantly strives for greater innovation and impact.



# NEWSROOM

## Empowering MSMEs

In conversation with Anil Mande, Chief Revenue Officer, U GRO Capital



**From productive asset financing to business loans to short term instant credit, our comprehensive suite of offerings is designed to service every credit need of MSMEs, giving our customers 'No-Stop Business Karo Aa Aasadi' - even more than before.**

**Could you summarise U GRO Capital's journey and its leadership in MSME financing?**

U GRO Capital is a Tech MSME dedicated to MSME lending and serving all needs of MSMEs. It was started 7 years ago with an aim to 'Save the Unbanked' - the beginning credit gap of MSMEs in India, thus revolutionising the MSME lending ecosystem. Today, we are committed to the path the seven before, work as an aim to acquire 1 million customers and capture 1% market share of the larger MSME lending market over the next five years.

The digitisation of data, including UPI and GST, provided new opportunities to overcome traditional lending methods based on collateral or financials, and that is how U GRO Capital has been leading in 2019. We pioneered creditless loan lending with a working capital loan of INR1000 crore and started this product ecosystem. Our commitment to understanding and meeting the genuine needs of MSMEs has driven our growth. Today, with a diverse portfolio spanning secured and unsecured lending, equipment finance, supply chain finance, green finance, and micro-enterprises, we operate over 100 branches nationwide. Our vision is to become the largest small business financing institution in India, driven by data and technology.

**What innovative products utilizing data and ML, does your company offer to transform MSMEs and NBFCs financially?**

Our data driven approach by use of unique such as loan default or to be associated in the MSME ecosystem and data credit score of the MSME.

All our products today are defined on the back of this rich data and data analysis program. From long term, high ticket secured loans, equipment finance, to our 7 day loan only supply chain and line of credit products - we continue to revolutionise our customers' financial solutions. This methodology of moving away from financial and collateral based underwriting has enabled us to service all credit needs of MSMEs. Moving on specifically to our equipment finance, the model reduces the production cost of assets, lowering financial risk to protect customer and professionals accounts.

One of the latest examples of the use of diverse data in our credit financing solution which aims to support the last mile of supply chain by understanding and serving smaller digitally. With diverse data and bank ecosystem integration, we are able to finance smaller for their supply chain to some loan needs.

U GRO, as an on-line financing solution, applies a deep research, engineering MSMEs. The U GRO 3 App, a digital solution tailored for small businesses, offers a seamless experience with contextual education, health screen, app-based support, and a pay-to-go model. Indeed, it provides MSMEs with 'New-Style Business Karo Aa Aasadi'.

Our proprietary underwriting model, U GRO Score, is a revenue-adaptive from traditional underwriting methods as well. It credit scores customers on their lending, finance and GST.

Exclusive - Strategy & Operations - 3 Min Read

## U GRO Capital CFO calls for new NBFC category to boost MSME financing

U GRO Capital's CFO, Kishore Lodha, suggests a distinct NBFC category for MSMEs to address their financial needs effectively. The CFO also highlighted the company's commitment to sustainability, emphasising growth strategies, including impact assessments and innovative financing solutions like rooftop solar and water sanitation.

**Alekh Shah** - ETCTO  
Updated On Apr 24, 2024 at 02:00 PM IST



**Kishore Lodha, Chief Financial Officer (CFO) of U GRO Capital, has advocated for the creation of a new category of non-banking financial companies (NBFCs) exclusively**

SHACHINDRA NATH, FOUNDER & MD, U GRO CAPITAL

## 'Target is to cross ₹20,000 crore'

U GRO Capital is looking to grow its AUM to ₹20,000 crore in the next two years, founder & MD Shachindra Nath tells Piyush Shukla



**How is the co-lending model playing out?**

Our target has been to have 50% of our loan off-balance sheet. But we are seeing interest from more banks and increasing adoption of all our products. Earlier, banks were only with us for low yield secured business. In our business loans, machinery, furniture and other finance segments, we are adding 75% of our loan off-balance sheet loans, but it may go a little above that. Currently, we have partnerships with five large and mid-sized state-owned banks, and two mid-sized private banks.

**What are your growth targets?**

Our efforts, post Covid-19, have led to a massive infrastructure and AUM growth. We have grown from ₹3,000 crore in 2022 to ₹14,000 crore in 2023 and now we are at ₹16,64 crore. This is despite increasing loan loss provisions and generating losses for banks. Our target is to cross ₹20,000 crore in AUM within the next 24 months.

**What is the branch and employee expansion plan?**

All our expansion is happening in the micro-enterprises segment. We were present in five states - Tamil Nadu, Telangana, Karnataka, Rajasthan and are adding 75 branches across Uttar Pradesh, Madhya Pradesh and Andhra Pradesh. In the next 24 months, the total number of branches will be 250. We currently have around 2,000 employees and in the next 24 months we will add around 2,500 people.

**What is the outlook on asset quality?**

We should be in the range of 2.3% gross NPA, 1% net NPA that should result in a capital cost of less than 2%.

**What prompted U GRO Capital to enter the MSME co-lending space?**

MSME financing in India is being transformed primarily due to the digitisation of the economy besides GST, digitisation of banking services and more credit inclusion. MSMEs, too, are joining the formal economy at a fast pace. Co-lending has been a great support. The lower cost of funds, the acquisition skills of NBFCs as well as their robust collection mechanism help MSMEs in terms of loan pricing. That is also the reason why 49% of our overall loans are off-balance sheet.

**Is the stress in the MSME sector, seen during Covid, new enough?**

GST has greatly helped formalise the MSME sector. MSME customers are now far more resilient. Since they are now part of the formal economy, their cash flows have improved as has their ability to buy properties or for other uses as a long-standing problem, but that behaviour has also changed. Small businesses are now run by the younger generation who know that they need to go digital and become a part of the formal economy to be able to get loans.

The Economic Times | Rise

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Business News - India - US - Global - International - U GRO Capital continues to expand financing solutions in MSME

News Fresh India will do anything for its security: Modi in Parliament

Powered by IBM

## Mastercard, U GRO Capital collaborate to extend financing solutions to SMEs

Synopsis MSMEs in India have long grappled with substantial challenges, including constrained access to capital.

MUMBAI: Mastercard, on Thursday, announced a collaboration with U GRO

## Being public from day one helps create a long-term institution: U GRO Capital MD

Being public from day one helps create a long-term institution: U GRO Capital MD

U GRO Capital's MD, Shachindra Nath, says that being public from day one has helped the company create a long-term institution. He highlighted the company's commitment to sustainability, emphasising growth strategies, including impact assessments and innovative financing solutions like rooftop solar and water sanitation.

**What was the rationale to list the company as early as before it's usually an outcome after 7-10 years?**

U GRO Capital was India's first listed company. We have been listed since 2019. It was a decision to be public from day one. It was a decision to be public from day one. It was a decision to be public from day one.

**How do you see the public market's reaction to the company's listing?**

The public market's reaction to the company's listing has been positive. It has helped us raise capital and expand our operations. It has also helped us build a strong relationship with our investors and the public.

**What are the challenges of being public from day one?**

The challenges of being public from day one include the need to build a strong relationship with the public and the need to ensure that the company's financials are transparent and accurate. It also requires a strong focus on sustainability and social responsibility.





## UGRO MOPS UP ₹1,265 CR THROUGH CCDs, WARRANTS

UGRO CAPITAL HAS completed raising ₹1,265 crore via compulsory convertible debentures (CCD) and warrants. The NBFC's board had initially approved the fundraise during a board meeting on May 2, coinciding with the peak of the general elections. "UGRO Capital received Shareholders' approval on June 1, a period filled with the uncertainty surrounding the election results and the market."

## UGRO, Laghu Udyog Bharati join hands to empower MSMEs

By KR Srivats  
New Delhi

U GRO Capital, a DataTech NBFC focussed on MSME lending and Laghu Udyog Bharati, an organisation dedicated to supporting and assisting micro-entrepreneurs, have joined hands to empower MSMEs.

aimed at educating and empowering a network of small businesses.

Om Prakash Gupta, All India General Secretary, Laghu Udyog Bharati, said, "Our collaboration with U GRO Capital aligns perfectly with our mission and vision of helping MSMEs achieve their potential."

Shachindra Nath, VC and MD of U GRO Capital said, "This partnership will be in-

## UNLOCKING CREDIT ACCESSIBILITY FOR SMALL BUSINESSES WITH THE GRO X APP



**SHACHINDRA NATH**  
CEO, Chairman and Managing Director, U GRO Capital

At U GRO Capital, we strive to utilize data and technology in order to make credit accessible for underserved MSMEs. We have developed a one-of-a-kind ecosystem of underwriting models that assesses repayment behaviour, an answer to their loan application within minutes. This leads to faster loan disbursement and higher repayment rates. Our system comes to portfolio performance.

**What are your key products/programmes for the MSMEs?**  
Mr. Shachindra Nath: Our term loan program is the perfect solution for MSMEs, as it provides them with the flexibility to use the funds for their business needs. Our 'Term Loan' program is designed to meet the needs of MSMEs with good cash flow and available collateral. We are also offering MSMEs a 'Daily Finance' program to help them manage their daily business expenses. To give more insights, we are delighted to have a dialogue with Mr. Shachindra Nath.

## CRISIL upgrades U GRO Capital's long-term rating to 'A/Stable'

Since its inception, U GRO Capital has secured equity capital, totalling approximately ₹1,240 crore.

By CNBCTV18.com  
March 22, 2024, 4:53:07 PM (PT) Updated  
1 Min Read





# THOUGHT LEADERSHIP



Mr. Amit Mande speaking at Forum on Energy Efficiency & Decarbonisation (FEED 2024) by AEEE



Mr. Amit Mande speaking at India Fintech Conclave by Moneycontrol



Mr. Amit Mande speaking at the 5th National Summit Trade Finance for Inclusive Growth by ASSOCHAM



Mr. Amit Mande speaking at the BFSI Conclave by Bombay Chambers of Commerce



Mr. Anuj Pandey speaking at the 12th Securitisation Summit by Vinod Kothari & Associates



Mr. Kishore Lodha speaking at Retail Debt Conference by PHDCCI



Mr. Shachindra Nath speaking at Small Giants – MSME in the Spotlight by ET NOW



Mr. Shachindra Nath speaking at the 14th Annual Banking and Finance Conference by IMC Chamber of Commerce and Industry



Mr. Shachindra Nath speaking at the BFSI & Fintech Summit by D&B India



Mr. Shachindra Nath speaking at the Digital Lending Summit by CNBC TV18



Mr. Subrata Das speaking at the Technoviti Awards by Banking Frontiers



Ms. Irem Sayeed speaking at the NBFCs Tomorrow Conference by Banking frontiers



# EVENTS, EXPOS AND EXHIBITIONS



Educating Small Businesses on Government Schemes & Promoting Digital Credit with Laghu Udyog Bharati at Bengaluru, Jodhpur, Jaipur



Grow With UGRO 2024 - A series of events held across Jaipur, Delhi, Mumbai, Chennai, Hyderabad & Bengaluru for our GRO Partners



Launch of MSME Sampark Report with (from left to right) Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet India; Mr. Avinash Gupta, MD and CEO of Dun & Bradstreet India; Mr. Shachindra Nath, Founder and Managing Director, UGRO Capital; and Guest of Honour, Shri Sivasubramanian Ramann, Chairman and Managing Director of SIDBI.



Renewable Energy Expo 2023, Bengaluru



Solar Rath Yatra in Varanasi



DMTX Expo 2023, New Delhi



IMTEX Forming & Tooltech Expo 2024, Bengaluru



TAGMA - Diemould Expo 2024, Mumbai

# THE YEAR OF PRIDE



**2nd ANNUAL NBFC & FINTECH EXCELLENCE AWARDS 2023 -**  
*Best MSME Lending Company of the Year*



**BFSI INNOVATION CONFEX & AWARDS 2023-**  
*Best Digital Innovation of the Year (MSME Lending)*



**BHARAT INSURANCE & FINTECH SUMMIT & AWARDS 2023 -**  
*Best SME Lending Fintech*



**BHARAT INSURANCE & FINTECH SUMMIT & AWARDS 2023 -**  
*Best Use of Technology*



**NBFC LEADERSHIP AWARDS 2023 -**  
*Best NBFC in MSME Co-Lending*





**DNA -**  
*Best Compliance Initiative*



**DNA -**  
*Best Mobile Initiative*



**INDIA NBFC SUMMIT AND AWARDS 2023 -**  
*Best Innovative Digital Lending Product*



**SMART CX SUMMIT & AWARDS 2023 -**  
*Best Use of App to Enhance Customer Experience*



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31<sup>st</sup> (Thirty-First) Annual General Meeting of the members of UGRO Capital Limited will be held on Thursday, 8<sup>th</sup> August 2024 at 11.30 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 31<sup>st</sup> March 2024 along with Director’s Report and Auditor’s Report thereon.**
2. **To appoint a Director in place of Mr. Manoj Sehrawat (DIN: 02282600), 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 10,000 Crores (INR Ten 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.”

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 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

## Notice (Contd.)

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 12,000 Crores (INR Twelve Thousand Crores only) at any point of time.

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

**RESOLVED FURTHER THAT** any Board of the Company be and are hereby severally authorized to sign, execute and submit such applications, undertakings, agreements, writings, deeds and other documents and file necessary forms with Ministry of Corporate Affairs and such Authorities as may be deemed necessary and to delegate all or any of its powers herein conferred to Investment and Borrowing Committee and/ or any Committee of Directors and/ or Director (s) and/or officer(s) of the Company to give effect to this resolution or expedient to give effect 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, 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 4500 Crores (INR Four Thousand Five Hundred Crores only) as may be approved by the members at any point of time.

## Notice (Contd.)

**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”) or through any other method, 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 Sections 23, 42, 62(1)(c), 71 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Act**”) read with the applicable rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules (including any statutory modification(s) or re-enactment thereof, for the time being in force), 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, as amended (“**ICDR Regulations**”), provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended, the uniform listing agreement entered into by the Company with the stock exchanges on which the securities of the Company are listed, 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, as amended (“**FEMA**”), and rules and regulations framed there under, as amended and clarifications issued thereon from time to time, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the current consolidated FDI Policy issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**GoI**”), 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 Ministry of Corporate Affairs 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 Company be and is hereby granted to the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include Securities Allotment and Transfer Committee or any committee(s) thereof constituted/to be constituted by the Board to exercise its powers in this regard, 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/- (INR 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 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 one or more public and/or private offerings, Qualified Institutions Placement (“**Qualified Institutional Placement**” or “**QIP**”) and/or on preferential allotment basis or any combination



## Notice (Contd.)

thereof, 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”) to all or any of them, jointly or severally through one or more offer / placement document and / or other letter or circular 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) as the Board in its absolute discretion may deem fit and appropriate (the “Issue”) for such issue and without requiring any further approval or consent from the shareholders.

**RESOLVED FURTHER THAT** the relevant date for the purpose of pricing of the Securities shall be:

- (a) In case of allotment of Equity Shares, the date of the meeting in which Board decides to open the Issue or such other date, as may be prescribed in accordance with applicable law and as may be decided by the Board in this regard;
- (b) In case of allotment of convertible Securities, either the date of the meeting in which Board decides to

open the issue of convertible Securities or the date on which holders of convertible Securities become entitled to apply for Equity Shares or such other date as may be prescribed in accordance with applicable law and as may be decided by the Board in this regard.

**RESOLVED FURTHER THAT** in terms of the aforementioned resolution:

- (a) the eligible Securities proposed to be issued, offered and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company;
- (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s) subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (c) the number and / or price of Equity Shares to be issued upon conversion of the eligible securities or otherwise, shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, re-classification of equity shares into other Securities of the Company, sale of division or any such capital or corporate re-organisation or restructuring, if applicable.

**RESOLVED FURTHER THAT** in case of any issue of Securities made by way of QIP in terms of Chapter VI of the ICDR Regulations:

- (a) 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 this Resolution or such other time as may be allowed under the ICDR Regulations from time to time
- (b) the Issue shall be made at such price not less than the price determined in accordance with the pricing formula provided under Regulation 176 of Chapter VI of the ICDR Regulations (“Issue Floor Price”), provided that the Board may, at its absolute discretion and in accordance with applicable law, offer a discount of not more than 5% (five percent) or such other percentage as permitted under applicable law, on such Issue Floor Price, and the price determined



## Notice (Contd.)

for the Issue shall be subject to appropriate adjustments in accordance with the provisions of ICDR Regulations, as may be applicable;

- (c) the allotment of securities shall be made to QIBs as defined in ICDR Regulations and no single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the ICDR Regulations.

Further, QIBs belonging to the same group or who are under same control shall be deemed to be a single allottee;

- (d) the Securities shall be offered and allotted in dematerialized form and shall be allotted as fully paid-up;
- (e) the Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed by the SEBI, from the date of prior QIP made pursuant to this Special Resolution;
- (f) minimum of 10% of the Securities shall be allotted to mutual funds in accordance with Regulation 179 of the ICDR Regulations and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
- (g) no allotment shall be made, either directly or indirectly, to any QIB who is a promoter of the Company or any person related to the promoters, in terms of the ICDR Regulations;
- (h) the securities allotted under QIP shall not be sold by the respective allottees for a period of one (1) year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the ICDR Regulations; and
- (i) The tenure of the convertible or exchangeable securities issued through QIP shall not exceed 60 months from the date of allotment.

**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 Ministry of Corporate Affairs 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 shall have the authority and power to accept any modification in the proposal as may be required or imposed by SEBI / Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according / granting their approvals to issue, allotment and listing thereof and as agreed to by the Board.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities, premium on redemption at the option of the Company, or variation of the price or period of conversion of the Securities into Equity Shares or issuance of Equity Shares during the period of the Securities or terms pertaining to voting rights or options for early redemption of Securities, and the Board or a duly authorized committee thereof, subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed in accordance with applicable law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize all the terms and conditions and the structure of the proposed Securities, take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it 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 the Securities (including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo-moto decide in its absolute discretion in the best interests of the Company.

## Notice (Contd.)

**RESOLVED FURTHER THAT** the Board 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 by-rules and by-regulations of any Stock Exchanges.

**RESOLVED FURTHER THAT** the Board 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), 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 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 be and is hereby authorized to form a committee and/or 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 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 and/or delegate the powers granted hereby to the officials of the Company as it may in its absolute discretion deem fit."

**Registered Office:** For & on behalf of the Board of Directors  
Equinox Business Park,  
Tower -3, 4<sup>th</sup> Floor,  
LBS Marg, Off BKC Road  
Kurla (West),  
Mumbai 400070

**For UGRO CAPITAL LIMITED**  
Sd/-

**Satish Kumar**  
Company Secretary and  
Compliance officer  
Membership No: ACS 58892  
Date: 2<sup>nd</sup> May, 2024

## Notice (Contd.)

### NOTES:

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 6) to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulation 36 (3) 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 Nos. 2, of the Notice, are also annexed to the notice.

2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA 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. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/ OAVM and the physical attendance of Members in any case 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](mailto: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, Link Intime India Private Limited ("the RTA" /"Link Intime") 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 Friday, August 2, 2024 to Thursday, August 8, 2024 (both days inclusive).

## Notice (Contd.)

11. Notice of the AGM along with the Annual Report 2023-24 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 2023-24 will also be available on the Company's website on [www.ugrocapital.com](http://www.ugrocapital.com), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of the National Securities Depository Limited on [www.evoting.nsdl.com](http://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](mailto:cs@ugrocapital.com)  
  
Members seeking any information/desirous of asking any questions 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](mailto: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) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs 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.
  - 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., Thursday, August 1, 2024. 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, Thursday, August 1, 2024 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. Thursday, August 1, 2024; such Member may obtain the User ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  - 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](http://www.ugrocapital.com) and on the website of National Securities Depository Limited on [www.evoting.nsdl.com](http://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. August 8, 2024.
  - 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 will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),



## Notice (Contd.)

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 served basis.

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

The remote e-voting period begins on Monday, August 5, 2024 at 9:00 a.m. (IST) and ends on August 7, 2024 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 way 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	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' 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 "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> </ol>



## Notice (Contd.)

- 4) 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](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user 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](http://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](http://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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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.

## Notice (Contd.)

- 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.nsd.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.

- 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.nsd.com](http://www.evoting.nsd.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto: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.

## Notice (Contd.)

### **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 General Meeting is in active status.
2. Select "EVEN" of 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. 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](http://www.evoting.nsdl.com) to reset the password.
2. 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](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Pallavi Mhatre, Senior Manager at [evoting@nsdl.com](mailto: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](mailto: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](mailto: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](mailto: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.

## Notice (Contd.)

- 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:

- 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 following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- For ease of conduct, Members who would like to ask questions may send their questions on or before Monday, August 5, 2024, 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](mailto: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.
- Share transfer documents and all correspondence relating thereto, should be addressed to the Link Intime at C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400 083 or at their designated email id i.e. [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 Link Intime. 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 Link Intime. These forms will be made available on request.



## Notice (Contd.)

### 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)

<b>Name of Director</b>	<b>Mr. Manoj Kumar Sehrawat</b>
<b>Date of Birth</b>	31 <sup>st</sup> December 1972
<b>Date of first appointment on Board</b>	5 <sup>th</sup> July 2018
<b>Qualifications</b>	Chartered Accountant (C.A.) from ICAI, B.Com (Hons) from Delhi University.
<b>Brief Resume &amp; Expertise in specific functional area</b>	Mr. Sehrawat has 24 years of experience in financial services sector across private equity investments, structured finance, distress debt acquisition & resolution, corporate and financial restructurings in India.
<b>Directorships held in other listed Companies</b>	Amber Enterprises India Ltd.
<b>Memberships/ Chairmanships of committees of other listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)</b>	Nil
<b>Terms of appointment</b>	Nil
<b>Details of remuneration last drawn</b>	Nil
<b>Details of remuneration sought to be paid</b>	Nil
<b>No. of Board Meetings attended during FY 2023-24</b>	6 out of 6
<b>No. of shares held in the Company including shareholding as a beneficial owners as on 31<sup>st</sup> March 2024</b>	Nil
<b>Relationship between Directors, KMP and Manager inter-se</b>	None

### 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 10,000 Crores (INR Ten 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 2023 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 4,000 Crores (INR Four Thousand Crores only) on a private placement basis. The said resolution was valid and effective for one year.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation

## Notice (Contd.)

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 previous special resolution only once in a year for all the offers or invitations for such NCDs during the year.
	In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs (whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures and covered bonds)) shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/issue of NCDs.
Kinds of securities offered and the price at which the security is being offered	Non-convertible debt securities/ NCDs.  The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.

## Notice (Contd.)

Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board which term shall be deemed to include any committee constituted by the Board, to exercise its powers, including the powers conferred by this resolution), in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.
Amount which the company intends to raise by way of securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed the limit specified in the resolution under Section 42 of the Companies Act, 2013.
Material terms of raising of securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	The specific terms of each offer/ issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.

Accordingly, consent of the Members is being sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to INR 4500 Crores (INR Four Thousand Five Hundred Crores only) as approved by the members.

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.

## Notice (Contd.)

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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.

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

**Registered Office:** For & on behalf of the Board of Directors  
Equinox Business Park,  
Tower-3, 4<sup>th</sup> Floor,  
LBS Marg, Off BKC Road  
Kurla (West), Mumbai 400070

**For UGRO CAPITAL LIMITED**  
Sd/-  
Satish Kumar  
Company Secretary and  
Compliance Officer  
Membership No: ACS 58892

Date: 2<sup>nd</sup> May, 2024



# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economic Review

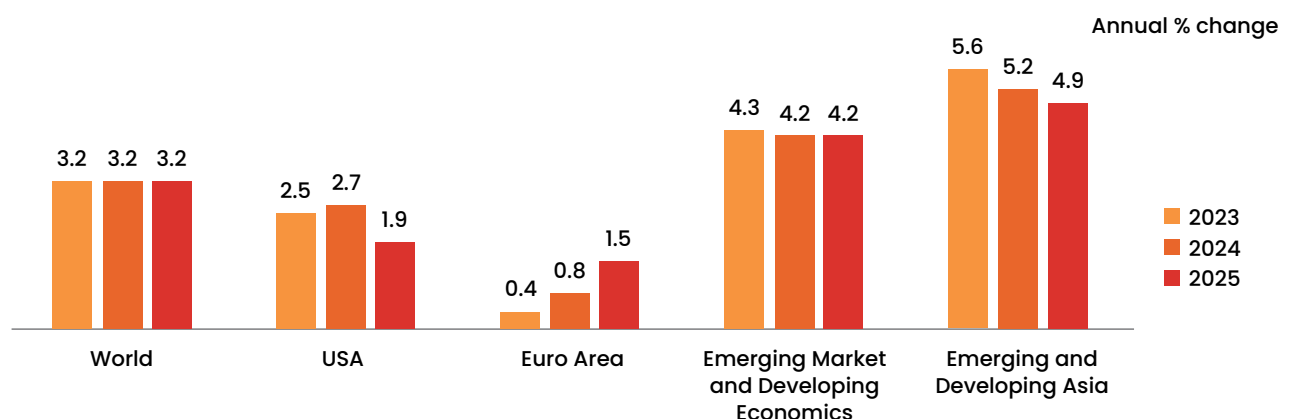
The global economic environment continues to be challenging given the global economy witnessed slow growth, estimated at 3.2% during 2023 due to the cost-of-living crisis, tightening financial conditions in most regions, Russia’s invasion of Ukraine, the lingering COVID-19 pandemic effects, weak growth in productivity, and increasing geoeconomic fragmentation. The headline inflation neared its pre-pandemic level in most economies for the first time since the start of the global inflation surge. However, the global economy has been stabilizing after enduring several years of negative shock, with 2023 global markets experiencing a mix of resilience and challenges amid fluctuating economic conditions including those from the war in Ukraine and the conflict in Gaza and Israel.

As global inflation descended from its peak, economic activity grew steadily, defying warnings of stagflation and global recession. The United States and several large emerging market and middle-income economies displayed the greatest overperformance, with aggregate demand supported by stronger-than-expected private consumption amid easy labour market. Larger-than-expected government spending further

supported the expansion of aggregate demand in most regions. The euro area also displayed the smallest upside growth surprise, reflecting weak consumer sentiment and the lingering effects of high energy price. However, in lower-income countries, inflation exceeded expectations due to higher-than-anticipated pass-through into domestic prices from international food, fuel, and fertilizer costs, as well as currency depreciation. This led to significant price pressures and slower-than-expected economic growth, indicating a negative supply shock. In China, inflation unexpectedly declined, driven by steep drops in domestic food prices and the resulting impact on underlying (core) inflation.

The latest update from the International Monetary Fund (IMF) provides a ray of hope, indicating a slight improvement in growth forecasts for 2024 and 2025. IMF projects global growth prospects for Fiscal 2024 and Fiscal 2025 to hold steady at 3.2%, attributed to resilience observed in the United States and several major emerging market economies, coupled with fiscal support measures in China. The World Bank expects global growth to slow to 2.6% in 2024 which is slightly above the typical 2.5% threshold that often signals a recession.

## World Economic Outlook April 2024



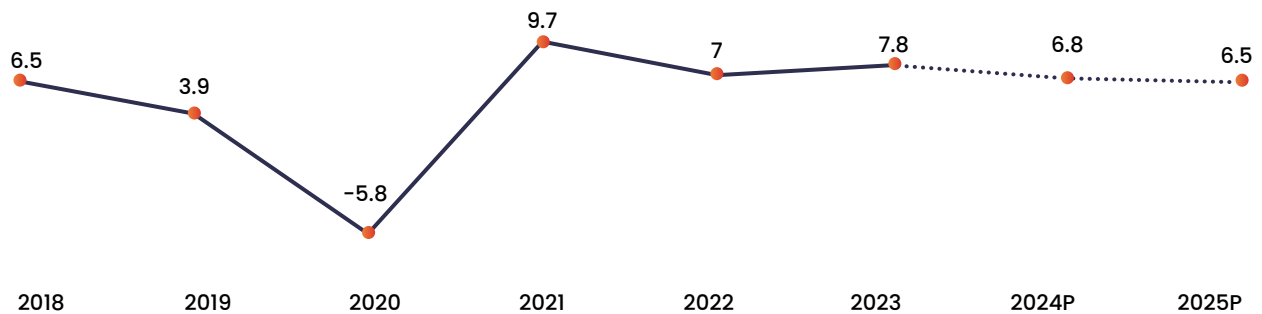
Source: IMF, World Economic Outlook, April 2024

## Indian Economic Review

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

The manufacturing sector maintained strong growth momentum, benefiting from favorable demand conditions and lower input prices. On the supply side, significant enhancements in manufacturing

### Real GDP growth % (Y-o-Y)



Source: IMF, World Economic Outlook, April 2024

fastest-growing major economy in FY24. 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 2023. From Fiscal 2021 to Fiscal 2023, the Indian economy has outperformed its global counterparts by witnessing a faster growth.

As per IMF, growth in India is projected to remain strong at 6.8% in 2024 and 6.5% in 2025 as against 5.2% in 2024 and 4.9% in 2025 for Emerging and Developing Asia, reflecting continuing robustness in domestic demand from a rising working-age population.

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.

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.

India has experienced fluctuating inflation rates over the years, with periods of both high and low inflation. Factors such as supply shocks, notably in food and oil, have historically influenced inflation spikes. The factors attributed to moderation in world oil prices and base-year effects, certain food items like pulses and cereals have continued to see price increases. In terms of policy, the Reserve Bank of India is committed to maintaining macroeconomic stability and controlling inflation through flexible targeting. Inflation is forecasted to moderate to 4.5% in FY25 reducing towards RBI target of 4%.

Despite global challenges such as the COVID-19 pandemic, inflation, and geopolitical tensions, India stands out as a major contributor to global economic growth. With a resilient financial sector, growing foreign trade, and stable investment activity supported by government initiatives, India's economy is expected to outperform others, with growth rates exceeding 6% in the coming years, positioning it as the third-largest economy globally by 2027.

## Industry Overview

### Indian NBFCs

The financial sector has long been essential in maintaining economic stability for households and businesses throughout India. Non-Banking Financial Companies (NBFCs) are fundamental components of India's financial ecosystem, contributing significantly to sustainable fiscal growth by enhancing last-mile funding. NBFCs have played a crucial role in closing the credit gap for diverse sectors of the economy, especially Micro, Small, and Medium Enterprises (MSMEs). These institutions have complemented traditional banks by providing financial services to bridge the credit gap for MSMEs in India.

With a focus on a digital ecosystem, NBFCs have invested majorly in technologies and platforms' last-mile connectivity and agile systems ensuring personalised and seamless credit disbursement. Sectoral Distribution of NBFCs' credit reveals that the industry sector remains the largest recipient of credit extended by NBFCs, followed by retail loans, services, and others. The Gross Credit Deployed by NBFCs has witnessed a significant uptick, reflecting a year-on-year growth rate of 25.8% as of Sep-23, reaching INR 36.9 trillion. This upward trajectory underscores the crucial role of NBFCs in India's financial system. The growth is primarily driven by the escalating demand for unsecured loans, particularly in the retail sector, including vehicle and housing loans, along with the rising need for credit among MSMEs, contributing to the overall expansion of credit. As of Sep-23, the credit contribution to the industry sector stood at INR 13.5

trillion, indicating a substantial year-on-year growth of 20.6%. While NBFCs continue to extend credit to the industry, their credit to the services sector has marginally declined, mainly due to reduced credit to commercial real estate and transport operators. However, credit deployment to the service sector reached approximately INR 4.9 trillion as of Sep-23, reflecting a notable year-on-year growth of 21.6%.

Retail loans, including housing, vehicle, consumer durables, and personal loans, have emerged as a focal point for NBFCs in recent years. The sector has witnessed a surge in demand as consumers increasingly seek financing for lifestyle needs. As of Sep-23, retail loans accounted for over one-third of NBFCs' gross credit deployed, reaching INR 11.9 trillion. This growth in unsecured retail lending has outpaced the overall credit growth, with retail loans demonstrating lower delinquencies compared to corporate lending, further driving NBFCs' focus on this segment.

Several key growth drivers are fueling the expansion of NBFCs. Last Mile Financing and catering to the unbanked population have propelled NBFCs' presence in underserved areas, leveraging internet accessibility and enhancing their consumer base. Additionally, technological adoption and co-lending arrangements have enabled NBFCs to develop innovative products, lower operational costs, and reach a broader audience. Moreover, shifting consumer behavior towards borrowing and rising retail demand signify promising opportunities for NBFCs to capitalize on.

NBFCs' credit is expected to grow between 16% to 18% CAGR over FY23-25 as against systemic credit of 13-14%. This growth is expected to be driven by sustained demand for retail loans, including vehicle loans, home loans, unsecured personal and consumption loans, as well as microfinance loans. Despite regulatory changes impacting risk weights, NBFCs remain well-positioned to capitalize on robust credit off-take, supported by strong public expenditure, the anticipated revival of private expenditure, and robust demand from retail and MSME segments.

## Indian MSME Sector

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 44 mn MSMEs registered on the Udyam portal, the sector underscores its vibrancy and dynamism. Micro-enterprises dominate this landscape, representing approximately 98% of registered MSMEs, followed by small enterprises at 1.6% 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. Women owned MSMEs constitute 20.5% of Udyam Portal registrations, contributing 18.7% to employment and 10.2% to turnover. Various initiatives support their growth and empowerment in the sector.

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

The number of MSMEs in the country is expected to grow from 63 mn (of which only 25 mn have ever availed credit from formal sources) to approximately 75 mn in the coming years, growing at a projected CAGR of 2.5% (Source: IBEF MSME, March 2024). 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. As per RBI data, the gross bank credit by scheduled commercial banks to MSMEs under priority sector lending norms grew by 18% in April 2024. The Government of India has designed various policies for the growth of MSMEs in the country.

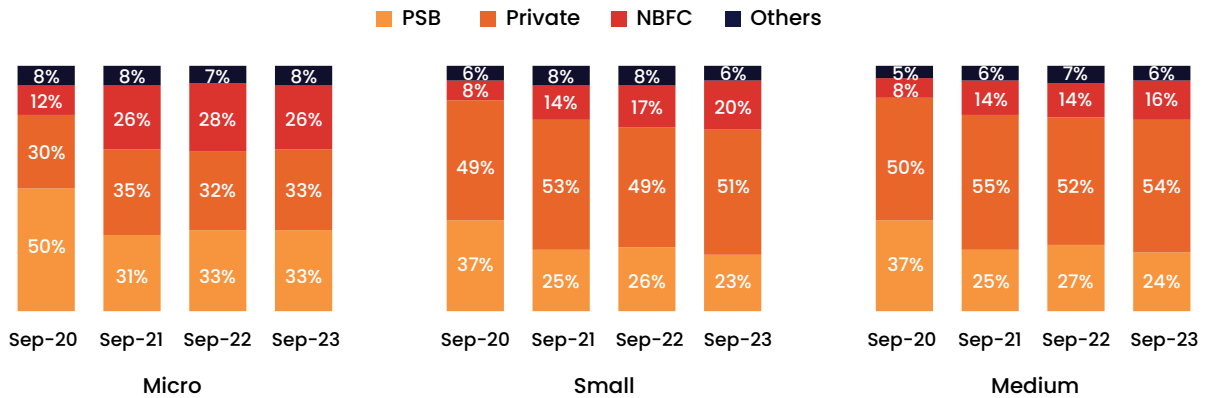
- Since the launch of the Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), till November 30, 2023, guarantees amounting to INR 5.3 trillion (US\$ 64.4 billion) have been issued under the Credit Guarantee Scheme for Micro and Small Enterprises (CGMSE).
- Under Pradhan Mantri Mudra Yojana (PMMY), In FY24, INR 4.8 trillion (US\$ 58.1 billion) was sanctioned under 58 mn Mudra loans to non-corporate and non-farm MSMEs.
- In the interim budget 2024-2025, an establishment of a corpus totaling INR 1 trillion (~US\$ 12 billion), offering 50-year interest-free loans was announced. This initiative aims to incentivize the private sector, particularly MSMEs, to enhance research and innovation in emerging sunrise domains.

## Indian MSME lending

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 FY16-23. 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 a slower economic growth. In FY21, Covid-19 pandemic weighed on the MSME industry which impacted MSME lending growth for that year and the next. However, in FY23, as the pandemic started fading and economic activity started picking up, MSMEs rebounded strongly. Towards the end of FY23, the overall MSME loan outstanding stood at INR 26.4 trillion growing at 17% on year. Industry reports estimate MSME loans to grow at 12-14% CAGR between FY23-26 on continued government support, use of technology and data availability making underwriting easier.



## Originations by Lenders across MSME Segment



Source: SIDBI MSME Pulse – February 2024; TransUnion CIBIL commercial credit database

The SIDBI MSME Pulse report for February 2024 highlights the increasing share of NBFCs in MSME lending over the years. Between September 2020–September 2023, contribution of NBFC’s in the lending mix has gone up from 12% to 26% for Micro enterprises, from 8% to 20% for Small enterprises and from 8% to 16% for Medium enterprises.

According to the Ministry of MSME, the states mentioned in the below table collectively represent 50% of all registered micro, small, and medium enterprises (MSMEs) in India. With increasing MSME penetration in these states, there will be a corresponding rise in credit demand within the industry. UGRO’s major contribution in Assets Under

### State-wise MSME credit penetration vis-à-vis UGRO AUM mix

States	Industry	UGRO Capital	
	State-wise MSME Credit penetration*	State-wise AUM mix	Branches
Maharashtra	19%	21%	6
Delhi	22%	20%	5
Tamil Nadu	11%	13%	26
Telangana	11%	11%	15
Gujarat	17%	10%	15
Karnataka	9%	8%	16
Rajasthan	12%	8%	25

\*Source: CRIF Highmark

This is primarily owing to the NBFCs’ focus on serving the needs of the customer segment, cost-effective credit through leverage of technology, faster turnaround time, superior customer service and geographic reach. The trend could continue in future aided by increasing data availability and improving efficiency in the credit assessment process.

Management (AUM) mix emanates from these states and the Company intends to capitalize on this favorable position to further expand its market share in MSME lending.

## Business Overview

UGRO Capital is committed to addressing India's MSME credit gap, estimated at INR 92 trillion for FY23, through a diversified portfolio of financial products including Secured Business Loans, Business Loans, Machinery Loans, and Supply Chain Financing backed by property, machinery, receivables, and other collateral types. Over the past few years, we have successfully leveraged the Co-lending model through partnerships with 13 financial partners. This strategy has allowed us to increase our off-book Assets Under Management (AUM) proportion to 45% in March 2024, up from 40% in March 2023, demonstrating our robust liquidity funnel and our capability as a reliable credit underwriter.

Our strong base of over 55 lenders and effective Co-lending partnerships have enabled us to expand all distribution channels and achieve significant overall AUM growth, surpassing the INR 9,000 crore AUM mark. As of March 31, 2024, UGRO Capital employs more than 1,650 professionals.

## Multi-channel Architecture

At UGRO Capital, 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 Micro Enterprises branches, which have seen significant growth, with the number of branches increasing from 98 branches by March 2023 to 150 branches by March 2024. Our Prime Intermediated Business channel is where customers engage through our intermediaries and GRO partners. Our Ecosystem channel taps into business opportunities within various ecosystems, particularly with equipment finance OEMs and Rooftop Solar Manufacturers. Our Direct & Digital Alliances channel is dedicated to addressing every MSME's financial needs through strategic partnerships and alliances.

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



## Micro Enterprises



UGRO Capital operates Micro branches located in semi-urban and rural areas, serving businesses with a turnover of less than INR 1 crore. These branches primarily offer low-ticket, high-yielding Micro Enterprise loans with ticket size ranging from INR 5 lakhs to INR 25 lakhs and an interest rate of 21%. During the year, we expanded our network from 75 branches in March 2023 to 127 branches in March 2024, adding 52 new branches across various states. This includes our entry into Andhra Pradesh with 13 branches, Haryana with 6 branches, Madhya Pradesh with 11 branches, and Rajasthan with 8 branches.

Our sourcing model for Micro 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 micro enterprise branches, and future expansions will continue within these states during our next phase. Our Micro branches operate with the philosophy of meeting every MSME need, providing credit for

Secured, Equipment, 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 micro enterprise 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. Notably, we have partnered with Laghu Udyog Bharti, an organization dedicated to supporting and promoting micro-enterprises. This partnership has led to a series of seminars, workshops, and events in several micro-markets, focusing on government schemes, digital credit, and strategies for success in today's evolving business landscape.

Through these efforts, UGRO Capital's Micro branches effectively support the growth and success of micro-enterprises, ensuring that we continue to meet the diverse needs of MSMEs across India.

## Prime Intermediated Business



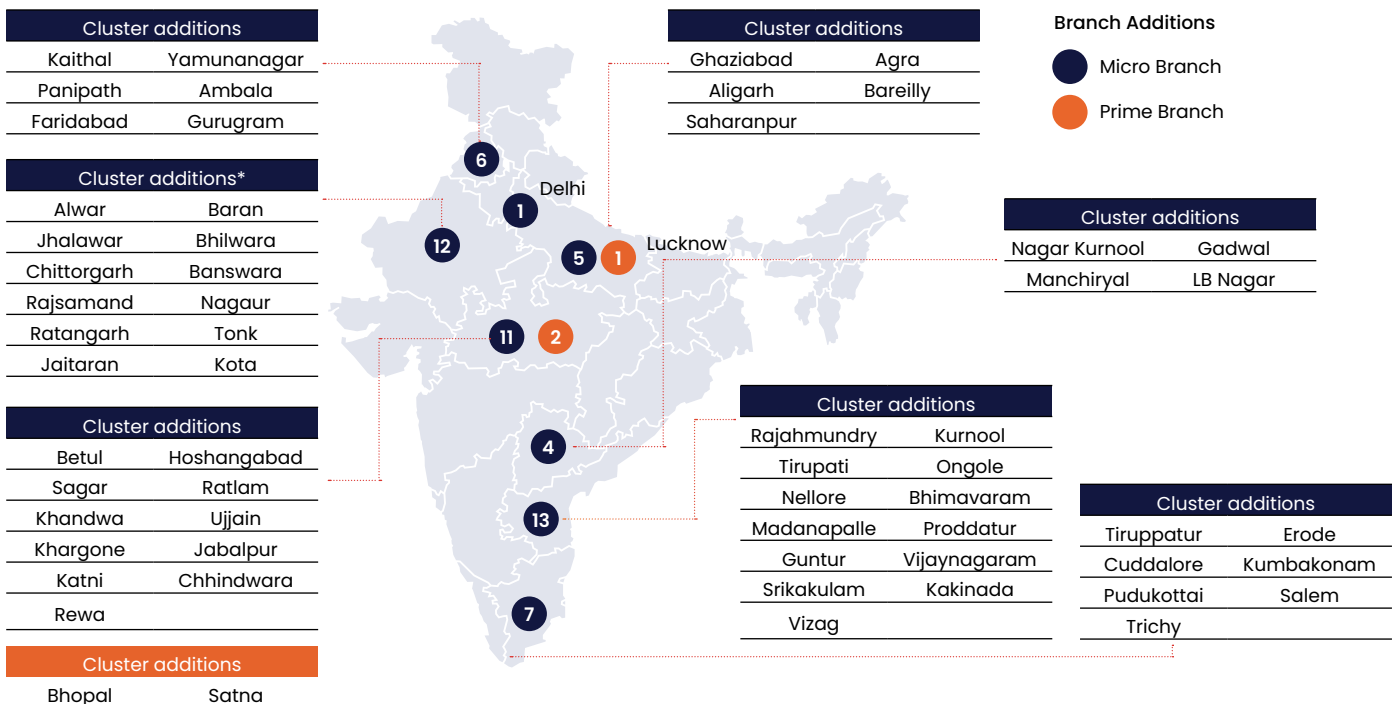
Our Prime Intermediated Business operates through prime branches in metro and tier-1 locations, serving businesses with turnovers ranging from INR 1 crore to 15 crore. As of March 2024, we operated 23 Prime Branches. These branches source Secured Business Loans, Business Loans, Equipment Finance, and 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.

The year FY23-24 saw a robust engagement program for our intermediaries and GRO Partners. The “GROW with UGRO” GRO Partner Meet was

organized to acknowledge and celebrate their collaborative efforts in helping us achieve the remarkable milestone of becoming a Billion Dollar AUM company. These events also encouraged our partners to join UGRO Capital’s growth journey. The response was highly positive, with partners showing great enthusiasm for our multi-product offering and incorporating equipment finance and rooftop solar into their portfolio origination with UGRO Capital.

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.

### Total 150 branches as on March 2024





## Ecosystem Channel and Green Asset Financing



Our Equipment 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 100 Original Equipment Manufacturers (OEMs) across these sectors. Expanding our offerings from the initial 23 prime branches, we now provide Equipment Finance services through the entire UGRO branch network across India. In 2023-24, we actively participated in industry exhibitions and expos such as IMTEX Forming, HIMTEX, Machine Tool Expo, PAMEX, Die & Mould, PLASTVISION, and DMTX, among others.

A significant development this year was the launch of Green Asset Financing within our ecosystem channel. We partnered with major solar panel manufacturers to fund their supply chain and provide rooftop solar loans to MSME consumers. This initiative aligns with our commitment to sustainable and green financing solutions.

There has been a substantial push at the ground level for Rooftop Solar. We collaborated with the National Solar Energy Federation of India (NSEFI) to conduct various Rath Yatras aimed at raising awareness and extending rooftop solar financing solutions to micro and small enterprises. Our participation in these Rath Yatras, along with various solar symposiums, conferences, and events, has established our presence with Rooftop Solar Manufacturers, Energy Efficiency Companies, and EPCs. These efforts have also generated strong leads, reinforcing our position in the green financing sector.

Through these initiatives, UGRO Capital is making significant strides in both Equipment Finance and Green Asset Financing, ensuring comprehensive support and innovative solutions for MSMEs across India.

## Direct & Digital Alliances

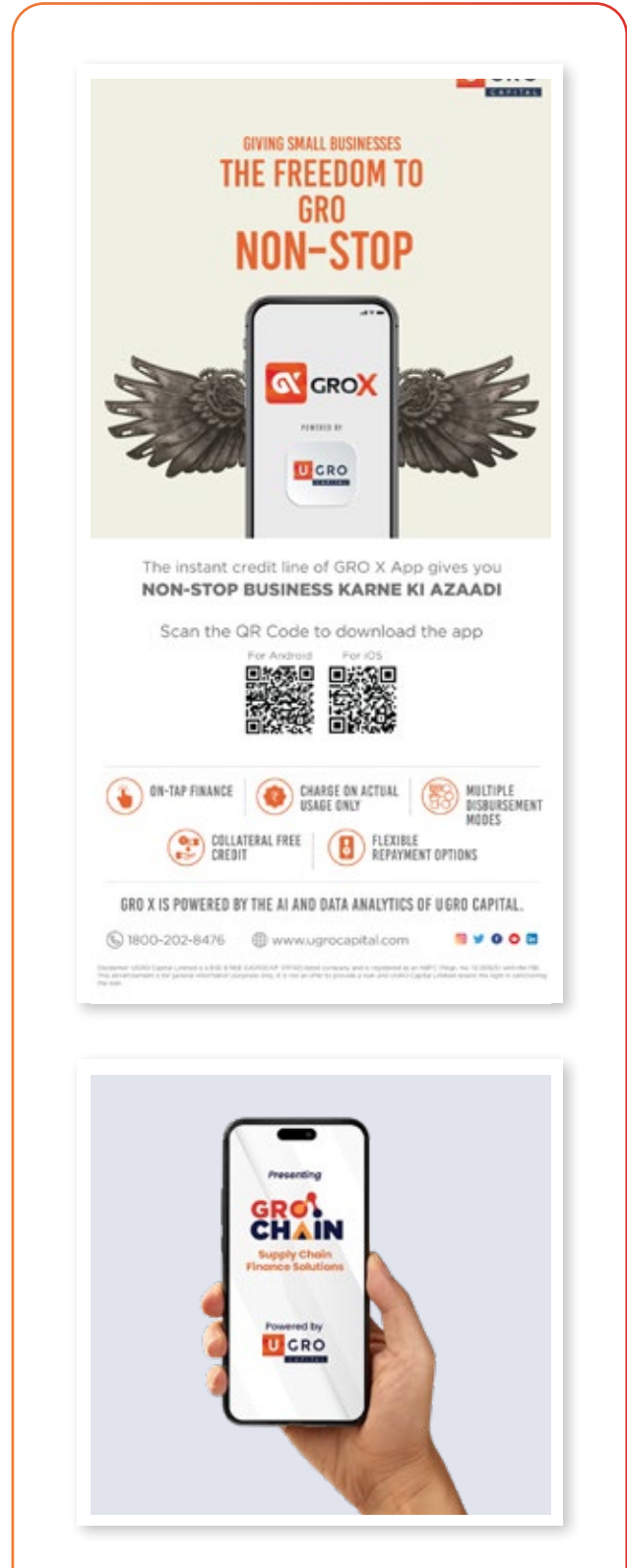
Our Digital Business and Alliances channel leverages partnerships to originate loans in locations beyond our direct geographical reach. Loans are sourced through five sub-channels: Fintech entities, NBFCs, Anchor partners for retailer finance, cross-selling to our existing customer base, and direct-to-customer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

In 2023-24, we launched a last-mile Retailer Financing product, which holds significant potential and aligns with our vision to address the credit gap, particularly for micro enterprises. This initiative aims to reach last-mile MSMEs, furthering our goal of inclusive financial support. We have partnered with several large FMCG and consumer goods companies to fund their last-mile supply chains, with a plan to onboard 50,000 retailers this year. This strategy will enhance the granularity of our portfolio.

Within the Partnerships & Alliances segment, our focus last year was on innovative products such as credit lines, daily instalments, EV financing, solar financing, and wallet-backed small-ticket loans. This focus will continue into the next year, driving further growth and diversification.

Significant improvements have been made to the GRO X platform, our direct distribution channel, both technically and strategically. We have broadened our distribution by offering pre-approved credit lines on GRO X to existing UGRO customers and partnered with large marketplaces to take GRO X to a wider audience.

Through these efforts, UGRO Capital'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 Cr)

Product Category	Collateral type	AUM		Net Disbursements	
		FY24	FY23	FY24	FY23
Secured Business Loans	Property	2,385	1,727	1,175	1,097
Business Loans	CGTMSE	2,936	1,899	2,170	1,464
Micro Enterprise Loan	Property	813	472	722	553
Supply Chain Financing	Receivables	632	567	65	298
Machinery Loans	Machinery	1,168	701	771	552
Partnership & Alliances	FLDG	1,112	715	964	677
<b>Total</b>		<b>9,047</b>	<b>6,081</b>	<b>5,867</b>	<b>4,641</b>

### 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 2024, we have 13 Co-lending / Co-origination partnerships with large Banks and NBFCs. During FY24, we entered into Co-lending partnerships with 6 partners, 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, Micro-Enterprises and Machinery loans where the off-book share in AUM is close to 50%. Our off-book AUM as on March 2024, stood at INR 4,078 crore (45% of the total AUM), which is inching towards our long-term stated goal of 50%.

### Liability Update

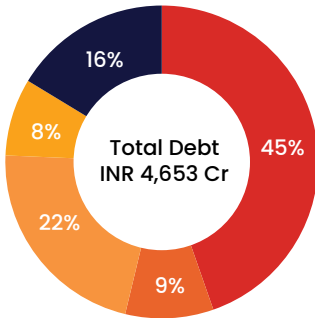
UGRO follows a 3-pronged approach to liability. These include balance sheet-based borrowings from Banks & other financial institutions, co-origination partnerships with larger Banks and loan securitization to raise funding against our asset pool.

During the year, we raised ~3,500 crores of total borrowings across products in FY24 and added 12 new lenders. This is also a testimony to the fact that the larger lending ecosystem recognizes UGRO's ability to churn out a higher quality portfolio. During

FY24, we raised debt from 5 Development Finance Institutions and Impact Funds (FMO, ADB, WaterEquity, MicroVest and GMO), aggregating to INR 667 crores, and raised INR 200 crores through Public NCDs. Our blended liability interest cost on all outstanding debt as of March 2024 stood at 10.7%. Total Debt as of March 2024 stood at INR 4,653 crore. The company has a vast lender base of 55+ lenders and looks to consolidate the count of lenders and increase ticket size per lenders with keen focus on lowering cost of borrowing. We have very strong processes and policies to manage our ALM to enable us to better manage our assets and liability.

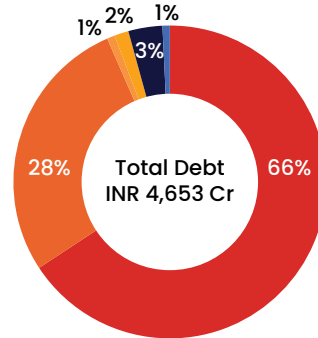


### Liability mix by lender profile



■ Banks ■ NBFC ■ DFI ■ FIs ■ Capital Markets

### Liability mix by product



■ Terms Loan ■ NCD ■ Securitization  
■ CP ■ CC/OD ■ Sub Debt

### 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.

GRO score 3.0, an enhanced version of our proprietary scoring model, 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. 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

**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+

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

## GRO CHAIN

**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

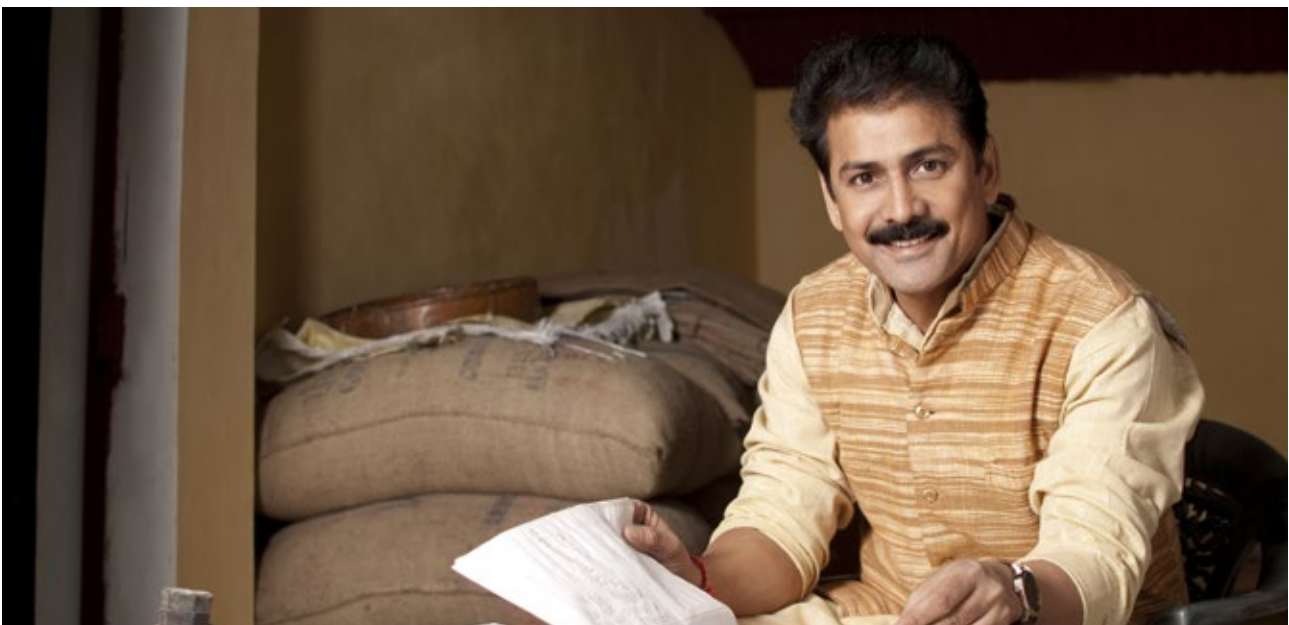
**GRO Line:** Our Retailer Financing platform provides quick easy self or assisted onboarding for retailers for invoice discounting. This platform also provides easy disbursement of invoices through web and mobile application.

## GROX

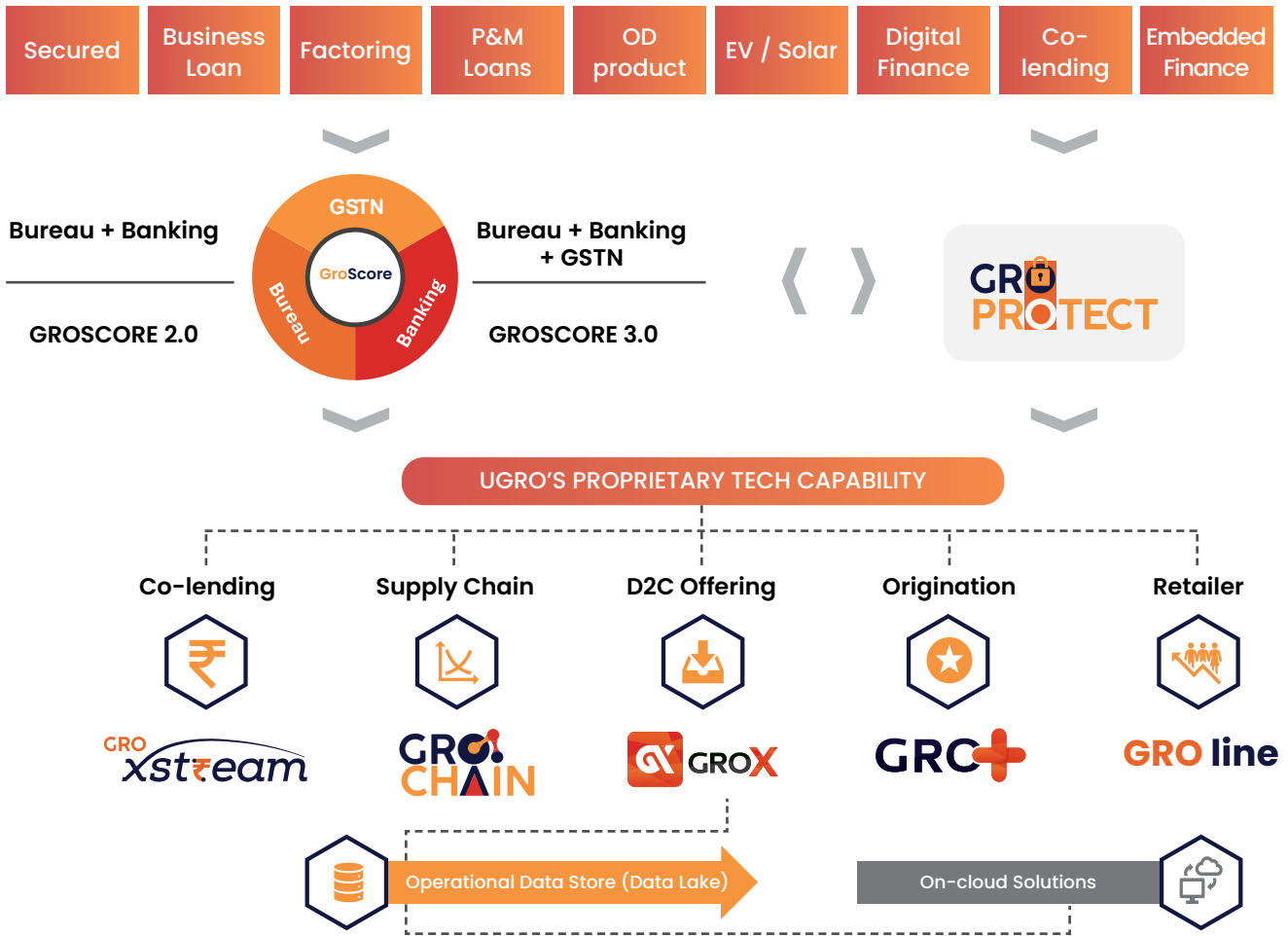
**GRO X:** Platform built to allow non-intermediated loan applications from eligible MSMEs. Our GRO X app allows MSMEs to directly apply for loans through their mobile phones.

## GRO xstream

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



### Our Tech Platforms support operational efficiencies across all facets of business



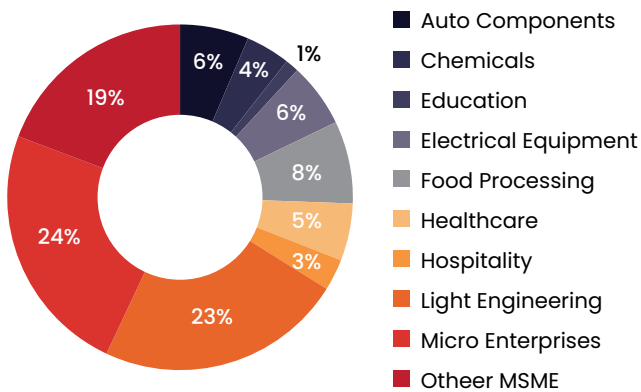
### Segment wise/Product wise performance

Our AUM has increased from INR 6,081 crore in FY23 to INR 9,047 crore in FY24. Across our offered products, our average ticket size stood at ~ INR 13 Lakhs and our average lending rate stood at 16.6% as of Mar-24, which is broken down as follows for each business segment.

Product category	Collateral type	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loans	Property	2,385	14.2%	69
Business Loans	CGTMSE	2,936	19.5%	17
Micro Enterprise Loan	Property	813	21.2%	8
Supply Chain Financing	Receivables	632	14.0%	12
Machinery Loans	Machinery	1,168	13.8%	36
Partnerships & Alliances	FLDG	1,112	14.9%	4
<b>Grand Total</b>		<b>9,047</b>	<b>16.6%</b>	<b>13</b>

Our portfolio was well diversified across geography and sectors, with no exposure to any single sector exceeding 25%.

### Sector Mix\*



\* Includes Secured Business Loans, Business Loans, Micro Enterprise Loan, Supply Chain Financing, Machinery Loan and Co-lending

### Risk Management

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 Company has an elaborate risk charter and Risk management policy. The Audit Committee has additional oversight in the areas of financial risks and controls.

### Internal control systems and their adequacy

The Board has adopted policies and procedures for the governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

### Summary of key financial items

Particulars	(INR crore)	
	FY24	FY23
Total AUM	9,047	6,081
Total Net Disbursement	5,867	4,641
Total Income	1,082	684
Total Expenditure	903	600
Profit before tax	179	84
Profit after tax	119	40
Earnings per share		
- Basic (INR)	13.39	5.69
- Diluted (INR)	13.20	5.66
Net worth	1,438	984
Book value per share (INR)	157	142

## Key Ratios

Particulars	FY24	FY23
Off-book AUM (%)	45%	40%
Debt to Equity ratio	3.2x	3.2x
CRAR (%)	20.8%	20.2%
Net Total Income (% of On-Book AUM)	13.5%	12.2%
Cost to Income Ratio (%)	54%	62%
ROA (%)	2.3%	1.1%
ROE (%)	9.9%	4.1%
GNPA (% of AUM)	2.0%	1.6%
NNPA (% of AUM)	1.1%	0.9%

The AUM of the Company as of March 31, 2024 is reported at INR 9,047 crore with a growth of 49% as against INR 6,081 crore as of March 31, 2023. The net total income (as % of gross on-book AUM) has increased from 12.2% in FY23 to 13.5% in FY24 on account of increasing mix of higher yielding products and higher off-book share in AUM. The cost to income ratio has reduced from 62% in FY23 to 54% in FY24 due to improvement in operating leverage. The improved profitability along with increased equity has resulted in improvement in return on assets from 1.1% in FY23 to 2.3% in FY24.

## Credit Rating

Crisil Ratings Limited upgraded the long-term rating of the company on bank loan facilities and non-convertible debentures to "CRISIL A/Stable" from "CRISIL A-/Positive" in March 2024. As of March 2024, our Company's borrowings enjoy the following ratings:

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

## Equity Capital Raise

In April/May 2023, the Company raised equity capital of INR 340.49 Crores through mix of Qualified Institutional Placement of INR 100.49 Crores and Preferential allotment of INR 240 Crores to IFU (Investeringsfonden for Udviklingslande). IFU is an independent Denmark government-owned fund and is one of the largest DFIs of the world.

In June 2024, the Company successfully completed its equity capital raise and the allotment of Compulsory Convertible Debentures (CCDs) and warrants cumulatively amounting to INR 1,265 crore (CCDs amounting to INR 258 crore and warrants amounting to INR 1,007 crore). The Company saw strong backing from its existing private equity investor Samena Capital, which committed INR 500 crore through warrants. Other significant commitments came from institutional investors such as Aregence and several of India's marquee family offices. UGRO's founder, board members, and management team also subscribed to the Warrants issue. These warrants can be exercised within 18 months from the date of allotment, with subscribers paying 25% of the issue price now and the remaining amount payable 18 months later.



## Acquisition of MyShubhLife

In May 2024, the Company announced the acquisition of 'MyShubhLife' (MSL), a prominent Embedded Finance Fintech platform, for an enterprise value of INR 45 Cr (through a combination of 64:36 Equity Cash transaction), thereby making it a wholly owned subsidiary. MSL is a market leader in embedded finance solutions, specializing in offerings tailored for small shopkeepers and distributors. Scaling up embedded finance requires deep understanding and penetration of payments players ecosystem and a cutting-edge data & technology stack. MSL's proven track record on both counts, and its business model fits well with UGRO's goal of reaching last-mile retailers. MSL's live embedded relationships with leading payment ecosystems (Pine Labs, Fino, Airtel Payments Bank, Mobikwik, Spice Money, and EasyPay among others) and its technology architecture will add granularity and yields on UGRO's portfolio. MSL has already sourced over 15 million merchants through anchor partners. With MSL seamlessly integrated into its ecosystem, UGRO Capital envisions onboarding 200,000 new retailers within the next three years, thereby unlocking substantial growth opportunities. The Company anticipates experiencing an incremental Assets Under Management (AUM) of INR 1500 Cr and achieving a Profit After Tax (PAT) of INR 100 Cr over the same period with MSL as its subsidiary.

## 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.

Well-capitalized post our recent fundraise, we have set the following goals for FY25:

1. We aim to increase our share of higher yielding products in the overall AUM mix. Micro enterprise loans, retailer financing and Solar rooftop will be our focus areas. We plan to launch new Micro branches that will take the Micro branch count to ~240. Within supply chain financing, we intend to go down the funnel and acquire retailers as part of 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 will help us increase our return on equity.



## Key Opportunities

1. MSMEs contribute nearly 30% of India's GDP and the Government envisions to take this contribution to 50% by 2030. The Ministry of MSME runs numerous schemes targeted at providing credit and financial assistance, skill development training, infrastructure development, technological and quality upgradation and other services for MSMEs across the country. There is a huge credit gap in the sector, primarily due to the lack of documentation and credit history required to access financing from formal banking channels. This credit gap, pegged at INR 92 trillion for FY23, offers a huge market opportunity for MSME lending. Of the 63 mn MSMEs in the country, only 25 mn have availed credit from formal sources. With the formalization of the economy, we could see a shift towards organized lending that offer timely credit at competitive rates.
2. With evolution of GST & banking-based models, availability of machine learning tools now and launch of initiatives such as OCEN and Account Aggregator, the future of data-tech led cashflow-based lending model is bright. It augurs well for India's MSME segment, which will get access to easy & convenient credit. It will enable them to drive India's wheels of progress.
3. With NBFCs facing a challenge in raising debt from banks at competitive costs, co-lending framework allows NBFCs to cater to a large customer base by

leveraging larger balance sheets of their partners. It also enables Banks and NBFC/HFC to share the risk and rewards throughout the lifecycle of the loans.

## Key Threats

1. Negative economic developments globally or nationally may affect investor confidence and cause increased volatility in Indian securities markets. Any slowdown in the Indian economy could adversely affect the ability of our customers to repay our debt which, in turn, would adversely impact our business, results of operations and financial performance.
2. Unanticipated changes in laws, regulations and government policies may increase compliance costs and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.
3. 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.
4. Access to funding in a timely manner and at competitive costs has been challenging, especially for smaller and mid-sized NBFCs post the increase in risk weights by RBI on bank borrowings to NBFCs.



# DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure of presenting the 31<sup>st</sup> Annual Report of the Company together with the audited financial statements for the Financial Year (FY) ended 31<sup>st</sup> March, 2024 ("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	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Total Income	1,08,168.12	68,376.28
Total Expenditure	90,291.87	59,993.44
Profit before Tax and exceptional items	17,876.25	8,382.84
Exceptional items	-	-
Profit before tax	17,876.25	8,382.84
Provision for Tax	5,941.77	4,405.20
Profit after tax	11,934.48	3,977.64
Other comprehensive income	(549.53)	15.10
Profit available for appropriation	11,384.95	3,992.74
<b>Appropriations:</b>		
Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934	2,386.90	795.53
Balance carried forward to Balance Sheet	8,998.05	3,197.21

## DIVIDEND

The Directors do not recommend payment of any dividend on the Equity Shares for the financial year ended 31<sup>st</sup> March, 2024, to conserve capital for future growth and business expansion.

Pursuant to Regulation 43A of the 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/investor-relations/corporate-governance#subcategory-policies>.

## REVIEW OF OPERATIONS

During the year under review, your Company's total revenue amounted to Rs. 1,08,168.12 lakhs compared to Rs. 68,376.28 lakhs in the previous year.

Profit before tax was Rs. 17,876.25 lakhs compared to Rs. 8,382.84 lakhs for the previous year. Profit after tax stood at Rs. 11,934.48 lakhs compared to Rs. 3,977.64 lakhs in the previous year.

## SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March 2024, 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").

## 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 twice as under:

- Rs. 125,00,00,000/- divided into 10,45,00,000 equity shares of Rs. 10/- each and 2,05,00,000 preference shares of Rs. 10/- each from Rs. 102,00,00,000/- divided into 8,15,00,000 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 through postal ballot on 11<sup>th</sup> May 2023.

## Director's Report (Contd.)

- ii. 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 from Rs. 125,00,00,000/- divided into 10,45,00,000 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 at Extra-Ordinary General Meeting of the Company held on 22<sup>nd</sup> March 2024.

Further, during the financial year, the Company issued and allotted equity shares as per following:

- i. 4,21,082 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" of the Company.
- ii. 66,11,325 fully paid-up equity shares of face value of Rs. 10/- each aggregating to Rs. 10,049.21 lakhs, to qualified institutional buyers under Qualified Institutional Placement.
- iii. 1,52,38,095 fully paid-up equity shares of face value of Rs. 10/- each aggregating to Rs. 2400 lakhs, to Danish Sustainable Development Goals Investment Funds through Preferential Issue.

The issued, subscribed and paid-up Equity Share Capital as on 31<sup>st</sup> March, 2024 was Rs. 92,82,98,210/- consisting of 9,28,29,821 Equity Shares of the face value of Rs. 10/- each, fully paid-up.

As on 31<sup>st</sup> March, 2024, there are no outstanding instruments convertible into equity shares of the Company.

### 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/ through External Commercial Borrowings.

Your Company had total borrowings (including NCDs) of Rs. 4,64,949 lakhs as on 31<sup>st</sup> March, 2024. Your Company also raised Rs. 81,905 lakhs and Rs. 3,390 lakhs through direct assignment and PTC route respectively during the financial year 2024.

### Qualified Institutions Placement and Preferential Issue

Pursuant to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Act and considering the growth aspirations, your Company successfully completed:

- (i) Qualified Institutions Placement ("QIP") of 66,11,325 equity shares of face value of Rs. 10 each at an issue price of Rs. 152 per Equity Share (including a security premium of Rs. 142 per Equity Share) on subscription by Qualified Institutional Buyers ("QIB") aggregating to Rs. 10,049.21 lakhs. The issue was opened on 10<sup>th</sup> April, 2023 and allotment of Equity shares were made on 13<sup>th</sup> April, 2023.
- (ii) Preferential issue of 1,52,38,095 equity shares of face value of Rs. 10 each at an issue price of Rs. 157.50 per Equity Share (including a security premium of Rs. 147.50 per Equity Share) aggregating to Rs. 2400 lakhs to Danish Sustainable Development Goals Investment Funds. The issue was opened on 12<sup>th</sup> May, 2023 and allotment of Equity shares were made on 17<sup>th</sup> May, 2023.

With respect to disclosure under Regulation 32(7A) of SEBI Listing Regulations, the Audit Committee of the Board at its meeting held on 1<sup>st</sup> August, 2023 had reviewed, and confirmed that the funds raised through QIP and 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. Further, no allotment was made to Promoter and Promoter Group under QIP and Preferential Issue.

### 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 31<sup>st</sup> March 2024, stood at 20.75% 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 19.50% and Tier II Capital at 1.25%.

### 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.



## Director's Report (Contd.)

### 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 the 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 31<sup>st</sup> March 2024, your Company has 10 (Ten) Directors on the Board, out of which 6 (Six) are Independent Directors including 2 (Two) 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 Act and the SEBI Listing Regulations.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Manoj Sehrawat (DIN: 02224299), 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. Manoj Sehrawat forms part of the Notice convening the Annual General Meeting. The profile and particulars of experience that qualify Mr. Sehrawat for Board membership are disclosed in the said Notice.

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

- Mr. Shachindra Nath was re-appointed as Vice Chairman and Managing Director of the Company for term of 3 years w.e.f. with effect from 22<sup>nd</sup> June, 2023. The Shareholders through postal ballot approved the said appointment on 11<sup>th</sup> May 2023.
- Mrs. Deepa Hingorani was appointed as Non-Executive (Nominee) Director w.e.f. 12<sup>th</sup> May 2023. The shareholders at the Annual General Meeting held on 8<sup>th</sup> August 2023 approved the said appointment.
- Ms. Tabassum Inamdar was appointed as Independent Director, w.e.f. 1<sup>st</sup> August 2023. The shareholders through postal ballot approved the said appointment on 28<sup>th</sup> September 2023.

- Mr. Satyananda Mishra, Mr. Rajeev Agarwal and Mr. Karuppasamy Singam were re-appointed as Independent Directors for their second term w.e.f. 5<sup>th</sup> July 2023 and the shareholders at the Annual General Meeting held on 8<sup>th</sup> August 2023 approved the said re-appointments.
- During the financial year, pursuant to Regulation 17(1A) of the SEBI Listing Regulations, shareholders approved continuation of Directorship of Mr. Satyananda Mishra, as a Non-Executive Chairman and Independent Director of the Company, who has attained age of 75 years till the expiry of his current term, through special resolution.

#### Resignation of Directors during the financial year:

- Mrs. Smita Aggarwal resigned as an Independent Director w.e.f. 4<sup>th</sup> July 2023 as would be taking up a full-time position at the United Nations in New York.
- Mr. Abhijit Sen completed his term as an Independent Director w.e.f. 4<sup>th</sup> July 2023.
- Mr. Amit Gupta resigned as Non-Executive (Nominee) Director w.e.f. 23<sup>rd</sup> January 2024 due to his significant obligations to other personal and professional commitments.
- Mrs. Deepa Agar Hingorani resigned as Non-Executive (Nominee) Director w.e.f. on 25<sup>th</sup> April 2024 due to to pursue another opportunity and in view of the same Mr. Rohit Goyal, appointed as Non-Executive (Nominee) Director w.e.f. on 26<sup>th</sup> April 2024, as per nomination given by Danish Sustainable Development Goals Investment Fund ("IFU").

#### Key Managerial Personnel:

During the year, Mr. Satish Kumar was appointed as the Company Secretary and Compliance Officer of the Company with effect from 1<sup>st</sup> November 2023, in place of Ms. Namrata Sajnani who resigned as Company Secretary and Compliance Officer w.e.f. 31<sup>st</sup> October 2023.

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

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

\* resigned w.e.f. 31<sup>st</sup> October 2023

\*\*appointed w.e.f. 1<sup>st</sup> November 2023

## Director's Report (Contd.)

### 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 RBI, from time to time.

During the financial year the Company has obtained 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 2023-24 is forming part of the Annual Report.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has put in place a Familiarisation Programme for Independent Directors. The framework together with the details of the Familiarisation 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 Act, and Regulation 25(8) of the SEBI Listing Regulations 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 Act and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

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

## Director's Report (Contd.)

- 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 5<sup>th</sup> 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 28<sup>th</sup> March, 2024 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 and 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 METINGS 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 6 (six) times during the financial year 2023-24. 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 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. The Company also has non mandatory committee like Securities Allotment and Transfer Committee, Investment and Borrowing Committee and Compliance Committee. In addition to the above, the Company has an Executive Committee of the management to review specific business operational matters and other items that the Board/Committees may decide to delegate. 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 Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of the Company's operations and it is in line with requirements of the Companies Act, 2013. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The Company has laid down standard operating procedures and policies to guide the operations of each of its functions.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board

## Director's Report (Contd.)

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 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2024 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 the SEBI Listing Regulations and IndAS - 24 are reported in Notes of the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024.

The policy on 'Related Party Transactions' is available on the Company's website <https://www.ugrocapital.com/investor-relations/corporate-governance#subcategory-policies>.

### 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	53.85%

- 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 and Managing Director	11%
Chief Financial Officer	8%
Company Secretary*	Nil

\*Mr. Satish Kumar appointed as Company Secretary and Compliance Officer during FY 2023-24.

- c) Percentage of increase in the median remuneration of employees during the financial year ended 31<sup>st</sup> March, 2024: 1%
- d) Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2024: 1678 employees
- e) Average percentage increase made in the salaries of employee other than the Managerial Personnel in the financial year was 16% vis a vis an increase of 10% in the salaries of Managerial Personnel.
- f) Affirmation that the remuneration is as per remuneration policy of the Company: Yes



## Director's Report (Contd.)

### 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 31<sup>ST</sup> MARCH, 2024

There are no material changes and commitments affecting the financial position of the Company subsequent to the close of the FY 2023-24 till the date of this report.

The Board of Directors at their meeting held on 2<sup>nd</sup> May 2024 subject to shareholder approval, considered and approved:

- raising funds through issuance of compulsory convertible debentures of face value of Rs. 10/- each and convertible warrants of face value of Rs. 10/- ("Securities") to the identified investors on a Preferential basis ("Preferential Issue") for an amount upto Rs. 275 crores and upto Rs. 1,058 crores respectively, aggregating upto Rs. 1,333 crores at an issue price of Rs. 264/- each.
- acquisition of "MyShubhLife" i.e., Datasigns Technologies Private Limited ("DTPL") a leading embedded finance fintech platform based in Bangalore. Subsequent to the completion of the acquisition of 100% shares of DTPL from its existing shareholders, DTPL will become a wholly owned subsidiary of the Company.

### 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.

### B. Foreign exchange earnings and Outgo-

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
1.	Exchange earned	-	-
2.	Exchange outgo		
	-Debt securities	262.64	-
	-Borrowings (other than debt securities)	61.91	82.86
	-Other expenses	23.67	27.97
	-Finance costs	2,986.70	418.90
	-Other non-financial assets	211.83	4.08
	<b>Total</b>	<b>3,546.75</b>	<b>533.81</b>

## Director's Report (Contd.)

### 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/investor-relations/corporate-governance#subcategory-policies>.

### 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/investor-relations/corporate-governance#subcategory-policies>.

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/corporate-governance>.

### 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 work place.

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year ended 31<sup>st</sup> March 2024 is as follows:

Number of complaints filed during the financial year	0
Number of complaints disposed during the financial year	0
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 30<sup>th</sup> Annual General Meeting ("AGM") held on 8<sup>th</sup> August 2023 for a period of three years commencing from the conclusion of the 30<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> 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 an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of Company's internal controls, risk management and governance related systems and processes.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The Audit Committee on a quarterly basis reviews the internal audit reports based on the approved plan, which includes significant audit observations, and action taken reports.

The Committee also has independent meetings with the internal auditors without the presence of Management.

Your Company has engaged KKC & Associates, Chartered Accountants, to support the internal audit department of the Company in performing internal audit as per the scope approved by the Audit Committee of the Company.

### 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 2023-24 is enclosed as Annexure II to this report.

## Director's Report (Contd.)

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 & 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 31<sup>st</sup> March 2024.

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

During the year, your Company has not carried out any acquisition, merger, expansion, modernization and diversification.

### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31<sup>st</sup> March, 2024 is available on the Company's website at <https://www.ugrocapital.com/investor-relations/annual-reports>.

### **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/investor-relations/corporate-governance#subcategory-policies>. 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.

During the financial year 2023-24, the Company has granted 4,90,000 stock options under ESOS 2017 and 2,01,980 stock options under ESOS 2022.

The Board of Directors confirm that the ESOS 2017 and 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.

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/investor-relations/annual-reports>.

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/investor-relations/corporate-governance#subcategory-policies>.

During the year, the Company has spent Rs. 35.44 lakhs 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**

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### **MAINTENANCE OF COST RECORDS**

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

## Director's Report (Contd.)

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### 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 Directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. Your Directors 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 and Managing Director**  
**DIN: 00510618**

**Place: Mumbai**  
**Date: 2<sup>nd</sup> May 2024**



## Director's Report (Contd.)

### 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. CSR committee was constituted by the Board of Directors of the Company, at its meeting held on 13<sup>th</sup> 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 [www.ugrocapital.com](http://www.ugrocapital.com)

##### 2. Composition of CSR Committee as on 31<sup>st</sup> March, 2024:

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	2	2
2	Mr. Rajeev Kumar Agarwal	Member, Independent Director	2	2
3	Mr. Shachindra Nath	Member, Vice Chairman and Managing Director	2	2

##### 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/investor-relations>.

CSR Policy- <https://www.ugrocapital.com/investor-relations>.

##### 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. 1,706.14 lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 34.12 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. 5.25 lakhs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 28.87 lakhs (rounded off as Rs.30 lakhs as approved by the Board at its meeting held on 26<sup>th</sup> October 2023)

##### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 35.44 lakhs

(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. 35.44 lakhs

(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. 35.44 lakhs	-	-	-	-	-

## 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	30.00 lakhs*
(ii)	Total amount spent for the Financial Year	35.44 lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5.44 lakhs
(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)]	5.44 lakhs

\*Two percent of average net profit of the company is Rs. 34.12 lakhs, however the Company has taken set off Rs. 5.25 lakhs (excess amount) during the financial year 2023-24. Accordingly, the Board at its meeting held on 26th October 2023 approved CSR expenditure of Rs. 30 lakhs for FY 2023-24 after considering the above set off.

**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 (in Rs.)	Amount remaining to be spent in succeeding Financial Years (in Rs)	Date of transfer	Deficiency, if any
							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 and Managing Director  
DIN: 00510618

Place: Mumbai  
Date: 2<sup>nd</sup> May 2024

## Director's Report (Contd.)

### Annexure - II

**Form No. MR-3**  
**Secretarial Audit Report**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

[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, minutes 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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 Operational Circular: SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dt. July 29, 2022
- (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) 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.

The Company has complied with the Listing Agreement entered into by the Company with BSE Limited (BSE) and National Stock Exchange India Limited (NSE) during the financial year.

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 Act 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 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 proper systems and processes in the company commensurate with the size and operation of the company to monitor ensure compliance with applicable laws, rules, regulations and guidelines.

**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 has issued and allotted listed/unlisted commercial papers aggregating upto Rs. 274,00,00,000/- (Rupees Two Hundred Seventy-Four Crores) on private placement basis in multiple tranches;
- ii) The Company has issued and allotted senior, subordinated/unsuordinated, secured/unsecured, rated, unlisted/listed, redeemable, taxable, transferable, Non-Convertible Debentures aggregating upto Rs. 717,50,00,000/- (Rupees Seven Hundred Seventeen Crores Fifty Lakhs) on private placement basis in multiple tranches;
- iii) 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.
- iv) The Company has allotted 4,21,0820 equity shares under CSL Employee Stock Option Scheme 2017 to its eligible employees who exercised the stock options.
- v) The Company has allotted of equity shares under Qualified Institutional Placement aggregating upto Rs. 100,49,21,400/- (Rupees One Hundred Crores Forty-Nine Lakhs Twenty-One Thousand Four Hundred).
- vi) The Company has allotted of equity shares on preferential basis for an amount aggregating upto Rs. 240,00,00,000/- (Rupees Two Hundred Forty Crores).

For PANKAJ NIGAM & ASSOCIATES  
Company Secretaries

sd/-

(Pankaj Kumar Nigam)  
Membership No. FCS-7343  
Certificate of Practice No. 7979  
UDIN: F007343F000295281

Date: 02.05.2024  
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**

**Date: 02.05.2024  
Place: Ghaziabad**

**sd/-  
(Pankaj Kumar Nigam)  
Membership No. FCS-7343  
Certificate of Practice No. 7979  
UDIN: F007343F000295281**

## Director's Report (Contd.)

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](http://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, 2024 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	Manoj Kumar Sehrawat	02224299	05/07/2018
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	Deepa Agar Hingorani*	00206310	18/05/2023

\*resigned w.e.f. 25<sup>th</sup> April 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: F007343F000591245

Date: 19/06/2024  
Place: Ghaziabad

# CORPORATE GOVERNANCE REPORT

## Company's Philosophy on Corporate Governance

UGRO Capital Limited believes that Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. It also understands and respects its fiduciary role and responsibility towards its shareholders, customers, employees, bankers, regulators and other stakeholders and strives hard to meet their expectations. The Company believes that best board practices and transparent disclosures are necessary for creating shareholders value. The Company has embedded the philosophy of corporate governance into all its activities. The Board of Directors of the Company ('the Board') provide strategic supervision and the Company's leadership team performs strategic management activities. In addition to compliance with the regulatory requirements, the Company endeavors to adopt and enforce highest standards of ethical and responsible conduct. The Company continually focuses on upgrading its governance practices and systems to effectively meet the new challenges faced by it. The Company is also committed to achieving and maintaining highest standards of corporate governance by timely and accurate disclosure of information regarding its financial performance. The constitution of the Board and its Committees is compliant with the relevant provisions of the Companies Act, 2013 ('the Act') and the relevant rules made thereunder, relevant provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the RBI Master Direction - Reserve Bank of India (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/board-members>.

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 31<sup>st</sup> March, 2024, the Board comprised of ten directors, viz. one Executive Director (Vice Chairman and 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 Regulation 25(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 [www.ugrocapital.com](http://www.ugrocapital.com). During the financial year 2023-24, 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

## Corporate Governance (Contd.)

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.

As on 31<sup>st</sup> March 2024, Mr. Satyananda Mishra is the Non-Executive (Independent) Chairman and Mr. Shachindra Nath is the Vice Chairman and Managing Director of your Company. Mr. Chetan Gupta, Mr. Manoj Kumar Sehrawat and Mrs. Deepa Agar Hingorani 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 Held	Attended	Last AGM (08.08.20 23)	Director -ships	Committee Memberships+	Committee Chairmanships/ Chairpersonship+		
Mr. Satyananda Mishra	Non- Executive Chairman (Independent Director)	01807198	6	6	Yes	3	4	2	1. Paradeep Phosphates Ltd	Independent Director
Mr. Shachindra Nath	(Vice Chairman and Managing Director)	00510618	6	6	Yes	1	1	0	Nil	Nil
Mr. Karnam Sekar	Independent Director	07400094	6	6	Yes	4	4	0	Nil	Nil
Mr. Hemant Bhargava	Independent Director	01922717	6	6	Yes	4	4	1	1. Larsen and Toubro Ltd. 2. ITC Limited 3. SMC Global Securities Limited	1. Nominee Director 2. Independent Director 3. Independent Director
Mr. Karuppasamy Singam	Independent Director	03632212	6	6	Yes	1	2	0	Nil	Nil
Mr. Rajeev Krishnamuralilal Agarwal	Independent Director	07984221	6	6	Yes	4	6	3	1. Star Health and Allied Insurance Company Ltd. 2. ACC Ltd. 3. MKVentures Capital Limited	Independent Director
Ms. Tabassum Abdulla Inamdar	Independent Director	07637013	6	3*	N.A.	1	1	0	Nil	Nil
Mr. Chetan Kulbhushan Gupta	Non-Executive Director (Nominee-Equity investor)	07704601	6	5	No	1	0	0	Nil	Nil
Mr. Manoj Kumar Sehrawat	Non-Executive (Nominee-Equity investor)	02224299	6	6	No	2	0	0	Amber Enterprises India Ltd.	Nominee Director
Mrs. Deepa Agar Hingorani**	Non- Executive (Nominee-Equity investor)	00206310	6	3*	N.A.	2	2	1	DISA India Limited	Independent 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.

\*Attendance on pro-rata basis from the date of appointment of the Director.

\*\*resigned w.e.f. 25th April 2024



## Corporate Governance (Contd.)

### NUMBER OF BOARD MEETINGS

The Board of Directors met six (6) times during the financial year under review on 11<sup>th</sup> April 2023, 15<sup>th</sup> May 2023, 1<sup>st</sup> August 2023, 26<sup>th</sup> October 2023, 23<sup>rd</sup> January 2024, and 29<sup>th</sup> February 2024.

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

Non-Executive Directors did not hold any equity shares or any convertible security in the Company in their individual capacity as on 31<sup>st</sup> March 2024.

### 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/investor-relations/corporate-governance#subcategory-code-of-conduct>

### 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	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 Kulbhusan Gupta	Finance and Investments
9	Mr. Manoj Kumar Sehrawat	Finance and Strategy
10	Mrs. Deepa Agar Hingorani *resigned wef April 25, 2024	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 systematise 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 11 (eleven) 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 and Customer Service 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

## Corporate Governance (Contd.)

the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Committee, IT Strategy Committee and Customer Service 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 31<sup>st</sup> March 2024, the Committee comprised of six Independent Directors and one Executive Director.

The Committee met 4 times during the financial year on 15<sup>th</sup> May 2023, 1<sup>st</sup> August 2023, 26<sup>th</sup> October 2023, and 23<sup>rd</sup> January 2024. 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 2023-24 are given below:

Sr. No.	Name of Member	Category	No. of Meetings Held	No. of Meetings attended
1	Mr. Hemant Bhargava <sup>§</sup>	Chairman of the Committee (Independent Director)	4	4
2	Mr. Shachindra Nath	Member (Vice Chairman and MD)	4	4
3	Mr. Satyananda Mishra <sup>*</sup>	Member (Independent Director)	4	4
4	Mr. Karuppasamy Singam	Member (Independent Director)	4	4
5	Mr. Karnam Sekar	Member (Independent Director)	4	4
6	Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	4	4
7	Mrs. Smita Aggarwal <sup>**</sup>	Member (Independent Director)	4	1
8	Mr. Amit Gupta <sup>***</sup>	Member (Non-Executive Director)	4	2
9	Mr. Abhijit Sen <sup>#</sup>	Member (Independent Director)	4	1
10	Ms. Tabassum Abdulla Inamdar <sup>@</sup>	Member (Independent Director)	4	2

<sup>§</sup>Change in the position from member to Chairman w.e.f. 1<sup>st</sup> August 2023

<sup>\*</sup>Change in the position from member to Chairman w.e.f. 16<sup>th</sup> June 2023 and ceased to be Chairman w.e.f. 1<sup>st</sup> August 2023

<sup>\*\*</sup>ceased to be Chairman and member w.e.f. 16<sup>th</sup> June 2023

<sup>\*\*\*</sup>resigned w.e.f. 23<sup>rd</sup> January 2024

<sup>#</sup>ceased to be member w.e.f. 16<sup>th</sup> June 2023

<sup>@</sup>inducted as a member w.e.f. 1<sup>st</sup> August 2023

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 authorised 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.

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 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023 at BSE International Convention Hall, 1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001.

## Corporate Governance (Contd.)

### 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 and the RBI Master Directions.

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 and 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 and the RBI Master Directions.

The scope of the Committee further includes review and recommend to the Board remuneration packages 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 Employees.

#### 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 31<sup>st</sup> March 2024 the Committee comprised of five Independent Directors and one Non-Executive (Nominee) Director:

The Committee met twice during the year under review on 1<sup>st</sup> August 2023 and 20<sup>th</sup> October 2023. 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 2023-24 are given below:

Sr. No.	Name of Member	Category	No. of meetings held	No. of meetings attended
1	Mr. Rajeev Krishnamuralilal Agarwal <sup>†</sup>	Chairman of the Committee (Independent Director)	2	2
2	Mr. Hemant Bhargava <sup>@</sup>	Member (Independent Director)	2	2
3	Mr. Satyananda Mishra	Member (Independent Director)	2	2
4	Mr. Abhijit Sen <sup>**</sup>	Member (Independent Director)	2	N.A.
5	Mr. Amit Gupta <sup>***</sup>	Member (Non-Executive Director)	2	2
6	Mr. Karnam Sekar	Member (Independent Director)	2	2
7	Mr. Karuppasamy Singam	Member (Independent Director)	2	2
8	Mr. Manoj Kumar Sehrawat	Member (Non-Executive Director)	2	2
9	Mrs. Smita Aggarwal <sup>%</sup>	Member (Independent Director)	2	N.A.

<sup>†</sup> Change in the position from member to Chairman w.e.f. 1<sup>st</sup> August 2023

<sup>@</sup> Change in the position from Chairman to member w.e.f. 1<sup>st</sup> August 2023

<sup>\*\*</sup> ceased to be member w.e.f. 16<sup>th</sup> June 2023

<sup>\*\*\*</sup> resigned w.e.f. 23<sup>rd</sup> January 2024

<sup>%</sup> ceased to be member w.e.f. 16<sup>th</sup> June 2023

#### 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 31<sup>st</sup> March 2024 the Committee comprised of all three Independent Directors.

The Committee met twice during the financial year on 10<sup>th</sup> May 2023 and 19<sup>th</sup> January, 2024. The meetings were attended by all the Directors.

## Corporate Governance (Contd.)

The composition of the Stakeholders Relationship Committee and particulars of attendance at the meeting of the Committee held in FY 2023-24 is given below:

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 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023 at BSE International Convention Hall, 1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001.

Details of complaints/grievances received from Investors and attended by the Company during the financial year 2023-24 are given in below Table.

### Status of Investor Complaints

Sr. No.	Nature of Security	No. of complaints pending as on 1 <sup>st</sup> April 2023	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on 31 <sup>st</sup> March 2024
1	Equity Shares	Nil	2	2	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/investor-relations/corporate-governance#subcategory-policies>.

As at 31<sup>st</sup> March, 2024, the CSR Committee comprised of two Independent Directors and one Executive Director. The Chairman of the Committee is an Independent Director.

The Committee held two meetings during the financial year under review. The Committee met on 10<sup>th</sup> May 2023 and 20<sup>th</sup> October 2023.

The composition of the Committee and particulars of attendance at the meeting of the Committee held in FY 2023-24 is given below:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Satyananda Mishra	Chairman of the Committee (Independent Director)	2	2
Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	2	2
Mr. Shachindra Nath	Member (Vice Chairman and MD)	2	2

### 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.

As at 31<sup>st</sup> March, 2024, the Committee comprised of four Independent Directors, two Non-Executive (Nominee) Directors 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 15<sup>th</sup> May 2023, 1<sup>st</sup> August 2023, 26<sup>th</sup> October 2023 and 23<sup>rd</sup> January 2024.



## Corporate Governance (Contd.)

The composition of the Committee and particulars of attendance at the meetings:

Sr. No.	Name of Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Shachindra Nath	Chairman of the Committee (Vice Chairman and MD)	4	4
2	Mr. Abhijit Sen*	Member (Independent Director)	4	1
3	Mr. Satyananda Mishra	Member (Independent Director)	4	4
4	Mr. Karnam Sekar	Member (Independent Director)	4	4
5	Mr. Manoj Kumar Sehrawat	Member (Non-Executive Director)	4	3
6	Mrs. Smita Aggarwal**	Member (Independent Director)	4	1
7	Mr. Amit Gupta***	Member (Non-Executive Director)	4	2
8	Mr. Chetan Kulbhusan Gupta	Member (Non-Executive Director)	4	1
9	Mr. Hemant Bhargava	Member (Independent Director)	4	4
10	Ms. Tabassum Abdulla Inamdar%	Member (Independent Director)	4	2

\*ceased to be member w.e.f. 16<sup>th</sup> June 2023

\*\*ceased to be member w.e.f. 16<sup>th</sup> June 2023

\*\*\*resigned w.e.f. 23<sup>rd</sup> January 2024

%inducted as a member w.e.f. 1<sup>st</sup> August 2023

### 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 31<sup>st</sup> March, 2024 the Risk Management Committee comprised of four Independent Directors and two Non-Executive (Nominee) Directors including one Executive Director.

The Committee met four times during the financial year on 15<sup>th</sup> May 2023, 1<sup>st</sup> August 2023, 26<sup>th</sup> October 2023 and 23<sup>rd</sup> January 2024.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2023-24 are given below:

Sr. No.	Name of Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karnam Sekar'	Chairman of the Committee (Independent Director)	4	3
2	Mrs. Smita Aggarwal**	Member (Independent Director)	4	1
3	Mr. Shachindra Nath	Member (Vice Chairman and MD)	4	4
4	Mr. Abhijit Sen***	Member (Independent Director)	4	1
5	Mr. Satyananda Mishra	Member (Independent Director)	4	4
6	Mr. Karuppasamy Singam	Member (Independent Director)	4	4
7	Mr. Manoj Kumar Sehrawat	Member (Non-Executive Director)	4	3
8	Mr. Amit Gupta%	Member (Non-Executive Director)	4	2
9	Mr. Chetan Kulbhusan Gupta	Member (Non-Executive Director)	4	1
10	Mr. Hemant Bhargava	Member (Independent Director)	4	4

\*inducted as Chairman w.e.f. 16<sup>th</sup> June 2023

\*\*ceased to be member w.e.f. 16<sup>th</sup> June 2023

\*\*\*ceased to be member w.e.f. 16<sup>th</sup> June 2023

% resigned w.e.f. 23<sup>rd</sup> January 2024

### 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 8<sup>th</sup> 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 twice during the financial year on 12<sup>th</sup> September 2023 and 5<sup>th</sup> March 2024.

## Corporate Governance (Contd.)

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2023-24 are given below:

Sr. No.	Name of Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karuppasamy Singam <sup>*</sup>	Chairperson of the Committee (Independent Director)	2	2
2	Mrs. Smita Aggarwal <sup>**</sup>	Member (Independent Director)	2	0
3	Mr. Abhijit Sen <sup>***</sup>	Member (Independent Director)	2	0
4	Mr. Shachindra Nath	Member (Independent Director)	2	2
5	Ms. Tabassum Abdulla Inamdar <sup>%</sup>	Member (Independent Director)	2	2
6	Mrs. Deepa Agar Hingorani <sup>§</sup>	Member (Non-Executive Director)	2	1
7	Mr. Rishabh Garg	(Member) Chief Technology Officer	2	2

<sup>\*</sup>inducted as Chairman w.e.f. 16<sup>th</sup> June 2023

<sup>\*\*</sup>ceased to be member w.e.f. 16<sup>th</sup> June 2023

<sup>\*\*\*</sup>ceased to be member w.e.f. 16<sup>th</sup> June 2023

<sup>%</sup>inducted as member w.e.f. 1<sup>st</sup> August 2023

<sup>§</sup>inducted as member w.e.f. 26<sup>th</sup> October 2023

### PARTICULARS OF SENIOR MANAGEMENT

As on 31<sup>st</sup> March 2024, the Company is having following Senior Managerial Personnel and Key Managerial Personnel:

Sr. No.	Name	Designation
1	Mr. Shachindra Nath	Vice Chairman and Managing Director
2	Mr. Kishore Kumar Lodha	Chief Financial Officer
3	Mr. Anuj Pandey	Chief Risk Officer
4	Mr. Sunil Lotke	Chief Legal and Compliance Officer
5	Mr. Amit Mande	Chief Revenue Officer
6	Ms. Rajni Khurana <sup>*</sup>	Chief People Officer
7	Mr. J. Sathiayan	Chief Business Officer
8	Mr. Sharad Agarwal <sup>§</sup>	Chief Operating Officer
9	Mr. Satish Kumar <sup>#</sup>	Company Secretary and Compliance Officer

<sup>\*</sup>Ms. Rajni Khurana has been appointed w.e.f. 29<sup>th</sup> December 2023 in place of Ms. Pia Shome

<sup>§</sup>Mr. Sharad Agarwal has been appointed w.e.f. 19<sup>th</sup> February 2024 in place of Mr. Om Sharma.

<sup>#</sup>Mr. Satish Kumar has been appointed w.e.f. 1<sup>st</sup> November 2023 in place of Ms. Namrata Sajjani

### 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:

- 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.
- Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision-making.
- 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 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.

## Corporate Governance (Contd.)

The Nomination and Remuneration Policy is available on the website of the Company i.e. <https://www.ugrocapital.com/investor-relations/corporate-governance#subcategory-policies>.

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.

### Service Contracts, Notice Period, Severance Fees:

During the financial year Mr. Shachindra Nath, has been re-appointed as the Vice Chairman & Managing Director of the Company for a period of three years w.e.f. 22<sup>nd</sup> June, 2023 to 21<sup>st</sup> 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	Nil	N.A.

During financial year 2023-24, the Company did not advance loans to any of its Directors.

### REMUNERATION PAID TO DIRECTORS

#### 1. Vice Chairman and Managing Director

Name	Remuneration (in Lakh)
Mr. Shachindra Nath	585.63

#### 2. 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	29,00,000/-
2	Mr. Karuppasamy Singam	29,00,000/-
3	Mr. Rajeev Krishnamuralilal Agarwal	32,00,000/-
4	Mr. Karnam Sekar	21,00,000/-
5	Mr. Hemant Bhargava	21,00,000/-
6	Mrs. Smita Aggarwal*	5,00,000/-
7	Mr. Abhijit Sen*	6,00,000/-
8	Ms. Tabassum Abdulla Inamdar**	10,00,000/-

Note:

\*Resigned during the financial year 2023-24

\*\*Appointed during the financial year 2023-24

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 has been posted on the Company's website at the web-link: <https://www.ugrocapital.com/investor-relations/corporate-governance#subcategory-policies>.

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 and 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 and 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 31<sup>st</sup> March, 2024. The said Certificate is attached herewith to this Report as an Annexure C.

The Vice Chairman and 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.

## Corporate Governance (Contd.)

### 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
2022-23	8 <sup>th</sup> August 2023 03:30 PM	BSE International Convention Hall, 1 <sup>st</sup> Floor, Phiroze Jeejee bhoy Towers, Dalal Street, Fort, Mumbai - 400001.	<ol style="list-style-type: none"> <li>1) To approve alteration of Articles of Association of the Company</li> <li>2) Authorization for borrowing money under Section 180(1)(C) of the Companies Act, 2013</li> <li>3) Authorization to sell, lease, charge and/or mortgage property/ assets of the Company under section 180(1)(a) of the Companies Act, 2013</li> <li>4) To borrow funds by way of issuance of Non-Convertible Debentures</li> <li>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</li> <li>6) Appointment of Mr. Satyananda Mishra as a Director and his re-appointment as an Independent Director of the Company for the second term</li> <li>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</li> <li>8) Appointment of Mr. Karuppasamy Singam, as a Director and his re-appointment as an Independent Director of the Company for the second term</li> <li>9) To approve appointment of Mrs. Deepa Agar Hingorani as Director of the Company</li> </ol>
2021-22	12 <sup>th</sup> August 2022 11:00 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	<ol style="list-style-type: none"> <li>1) To adopt Common Seal of the Company and approve alteration of Articles of Association of the Company</li> <li>2) Authorization for borrowing money under Section 180 (c) of the Companies Act, 2013</li> <li>3) Authorization to sell, lease, charge and/or mortgage property of the Company under Section 180 (1)(a) of the Companies Act, 2013</li> <li>4) To borrow funds by way of issuance of Non-Convertible Debentures</li> <li>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</li> </ol>
2020-21	1 <sup>st</sup> September, 2021 11:00 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	<ol style="list-style-type: none"> <li>1) To approve alteration of Articles of Association of the Company</li> <li>2) Authorization for Borrowing Money under Section 180 (1) (c) of the Companies Act, 2013</li> <li>3) Authorization to sell, lease, charge and/or mortgage etc. property of the Company under Section 180 (1)(a) of the Companies Act, 2013</li> <li>4) To borrow funds by way of issuance of Non-Convertible Debentures and other instruments</li> <li>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</li> </ol>



## Corporate Governance (Contd.)

### Details of Extraordinary General Meetings held during the Financial Year:

One Extra-ordinary General Meeting of the Shareholders was held during the financial year 2023-24.

Financial Year	Date and Time	Venue	Business Transacted by Special Resolutions
2023-24	22 <sup>nd</sup> March 2024 10:30 AM	Through video conferencing/other audio-visual means	1) Increase in the authorized share capital of the Company 2) Alteration in capital clause of the Memorandum of Association of the Company

### Postal Ballot:

During the financial year 2023-24, 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	Increase in the authorized share capital of the Company	Special Resolution
	2	Alteration in capital clause of the Memorandum of Association of the Company	Special Resolution
	3	Further issue of equity shares on preferential basis	Special Resolution
	4	Re-appointment of Mr. Shachindra Nath as Vice Chairman and Managing Director of the Company	Special Resolution
	5	Adoption of revised Articles of Association 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.

#### 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	99.9644	99.9999	99.9960	99.9958	99.3986	Passed with requisite majority on 11 <sup>th</sup> May 2023.
Votes against the resolution	0.0356	0.0001	0.0040	0.0042	0.6014	
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 11<sup>th</sup> April 2023 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, 7<sup>th</sup> April 2023 and who had registered their e-mail addresses with the 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 12<sup>th</sup> April 2023 in accordance with the provisions of the Act and Secretarial Standard-2 on General Meetings.

The remote e-voting facility was provided by Central Depository Services Limited (CDSL). The remote e-voting period commenced from 9.00 a.m. (IST) on 12<sup>th</sup> April 2023 and concluded at 5:00 p.m. (IST) on 11<sup>th</sup> May 2023. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 11<sup>th</sup> May 2023. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 11<sup>th</sup> May 2023 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 CDSL and were also displayed at the Registered Office and the Corporate Office of the Company.

## Corporate Governance (Contd.)

### Postal Ballot No. 2

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 2	1	Appointment of Ms. Tabassum Abdulla Inamdar as an Independent 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.

#### b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)	Result
Item no. 1		
Votes in favour of the resolution	99.9832	Passed with requisite majority on 28 <sup>th</sup> September 2023.
Votes against the resolution	0.0168	
Total	100.00	

#### c) Procedure for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 25<sup>th</sup> August 2023 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, 25<sup>th</sup> August 2023 and who had registered their e-mail addresses with the 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 Mumbai Lakshadweep (Marathi) having circulation in Mumbai edition on 29<sup>th</sup> August 2023 in accordance with the provisions of the Act and Secretarial Standard-2 on General Meetings.

The remote e-voting facility was provided by Central Depository Services Limited (CDSL). The remote e-voting period commenced from 9.00 a.m. (IST) on 30<sup>th</sup> August 2023 and concluded at 5:00 p.m. (IST) on 28<sup>th</sup> September 2023. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 29<sup>th</sup> September 2023. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 29<sup>th</sup> September 2023 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company ([www.ugrocapital.com](http://www.ugrocapital.com)) and CDSL and were also displayed at the Registered Office and the Corporate Office of the Company.

### Postal Ballot No. 3

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 3	1	Approval for alteration of Articles of Association 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.

#### b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)	Result
Item no. 1		
Votes in favour of the resolution	99.9321	Passed with requisite majority on 2 <sup>nd</sup> December 2023.
Votes against the resolution	0.0679	
Total	100.00	

## Corporate Governance (Contd.)

### c) Procedure for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 26<sup>th</sup> October 2023 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, 27<sup>th</sup> October 2023 and who had registered their e-mail addresses with the 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 Mumbai Lakshadweep (Marathi) having circulation in Mumbai edition on 2<sup>nd</sup> November 2023 in accordance with the provisions of the Act and Secretarial Standard-2 on General Meetings.

The remote e-voting facility was provided by Central Depository Services Limited (CDSL). The remote e-voting period commenced from 9.00 a.m. (IST) on 3<sup>rd</sup> November 2023 and concluded at 5:00 p.m. (IST) on 2<sup>nd</sup> December 2023. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 4<sup>th</sup> December 2023. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 4<sup>th</sup> December 2023 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company ([www.ugrocapital.com](http://www.ugrocapital.com)) and CDSL and were also displayed at the Registered Office and the Corporate Office of the Company.

### Postal Ballot No. 4

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 4	1	To approve continuation of directorship of Mr. Satyananda Mishra, (DIN: 01807198) Non-Executive Chairman and Independent Director, beyond the age of 75 years, in his current tenure.	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.

Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on cut-off date i.e. Friday, 19<sup>th</sup> January 2024 and who had registered their e-mail addresses with the 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.

### b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)	Result
Item no. 1		
Votes in favour of the resolution	99.9744	Passed with requisite majority on 28 <sup>th</sup> February 2024.
Votes against the resolution	0.0256	
Total	100.00	

The newspaper advertisement to this effect were published, both in Business Standard newspaper (English) having nation-wide circulation and Mumbai Lakshadweep (Marathi) having circulation in Mumbai edition on 26<sup>th</sup> January 2024 in accordance with the provisions of the Act and Secretarial Standard-2 on General Meetings.

### c) Procedure for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 23<sup>rd</sup> January 2024 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as received from National Securities

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 30<sup>th</sup> January 2024 and concluded at 5:00 p.m. (IST) on 28<sup>th</sup> February 2024. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of

## Corporate Governance (Contd.)

the Company on 29<sup>th</sup> February 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 1<sup>st</sup> March 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](http://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/investor-relations/investor-information#subcategory-unclaimed-dividendshares-details>.

- 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 [www.ugrocapital.com](http://www.ugrocapital.com).
  - 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](mailto: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 organisation'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.

#### 31<sup>st</sup> Annual General Meeting

Date : 8<sup>th</sup> August 2024

Time : 11:30 a.m.

Venue/Mode of AGM: The Company is conducting the AGM through Video Conferencing / Other Audio- Visual Mode pursuant to the relevant MCA Circulars. For details, please refer to the Notice of the ensuing AGM.

#### Financial year of the Company

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

#### Book Closure

Book Closure will be from 2<sup>nd</sup> August 2024 to 8<sup>th</sup> August 2024 (both days inclusive) for the purpose of AGM.

#### Registered Office and Corporate Office of the Company

Equinox Business Park, Tower 3, 4<sup>th</sup> Floor, LBS Road, Kurla (West), Mumbai - 400 070.

#### Corporate Identification Number (CIN):

L67120MH1993PLC070739



## Corporate Governance (Contd.)

### Listing Details

#### A. 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
<b>BSE Limited</b> Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001	511742	
<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	UGROCAP	INE583D01011

The requisite listing have been paid in full to both the Stock Exchanges. None of the Company's securities have been suspended from trading.

#### B. 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 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	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Cricket Club, Bandra (East), Mumbai - 400051 Tel no. 022-26558759
2.	Catalyst Trusteeship Limited	901, 9 <sup>th</sup> 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, 14 <sup>th</sup> Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 Tel no. 022-22828200
5.	Vardhman Private Limited	3 <sup>rd</sup> Floor, Room No - 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal - 700001 Tel no. 022 - 4264 8335

#### Stock market price information.

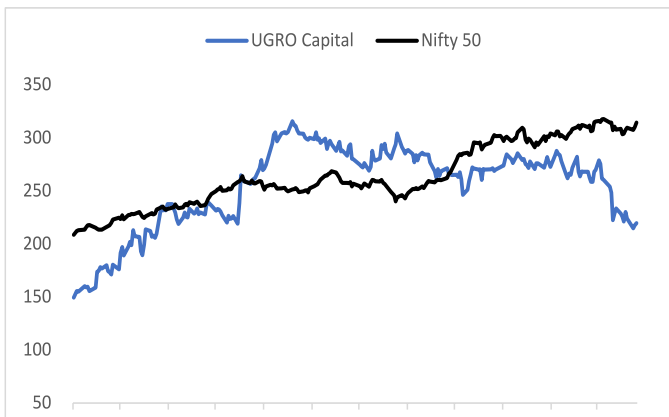
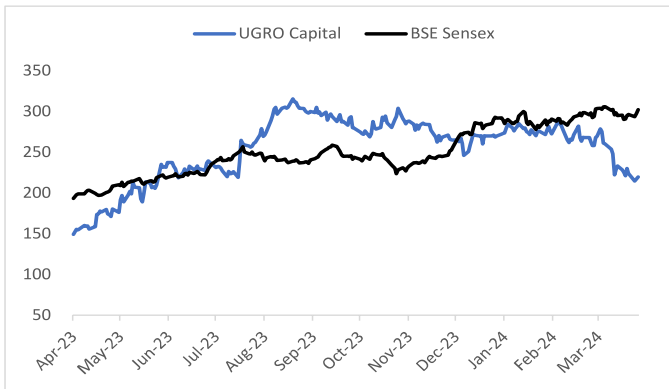
The equity shares of the Company are listed on BSE and NSE.

The reported high and low closing prices and volume of equity shares of the Company traded on BSE and NSE for FY 2023-24 are set out in the following table: -

Month	National Stock Exchange of India Limited		BSE Limited	
	High Price	Low Price	High Price	Low Price
April -2023	184.00	145.10	184.05	146.15
May-2023	239.00	173.00	238.60	173.65
June-2023	248.00	216.10	248.00	216.35
July-2023	279.00	215.20	279.40	215.30
August-2023	319.15	262.70	319.85	263.10
September-2023	317.70	278.10	317.05	278.00
October-2023	313.00	268.10	313.20	268.05
November-2023	299.70	261.00	299.00	261.25
December-2023	279.65	242.30	279.25	242.55
January-2024	295.00	265.25	292.90	268.00
February-2024	294.40	245.25	294.45	245.80
March-2024	282.40	213.00	282.00	213.15

## Corporate Governance (Contd.)

### Share Price Performance



### Distribution of Shareholding:

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31<sup>st</sup> March 2024 is given below:

#### A. Shareholding pattern by size as on 31<sup>st</sup> March 2024:

Category (shares)	Number of Shareholders	Number of Shares held	% of Total Share Capital
1 to 500	25,047	26,67,278	2.8733
501 to 1000	2,012	15,46,034	1.6654
1001 to 2000	1,074	15,99,080	1.7226
2001 to 3000	372	9,35,629	1.0079
3001 to 4000	170	6,13,020	0.6604
4001 to 5000	117	5,48,575	0.5909
5001 to 10000	257	18,26,374	1.9674
10001 and above	295	8,30,93,831	89.5120
<b>TOTAL:</b>	<b>29,344</b>	<b>9,28,29,821</b>	<b>100</b>

#### B. Shareholding pattern by ownership as on 31<sup>st</sup> March 2024:

Sr. No.	Category	Total Holders	Total shareholding	% of holding
1	Promoter Company/ entity	1	20,27,709	2.1843
2	Persons Acting in Concert to Promoter	1	46,300	0.0499
3	Body Corporate - Ltd Liability Partnership	16	5,76,276	0.6208
4	Alternate Investment Funds	3	10,77,458	1.1607
5	Directors and their relatives (excluding independent Directors and nominee Directors)	1	1,48,076	0.1595
6	Foreign Company	3	3,61,89,315	38.9846
7	Foreign Portfolio Investors	25	31,00,865	3.3404
8	Hindu Undivided Family	446	7,12,460	0.7675
9	Insurance Companies	3	24,12,857	2.5992
10	Foreign Direct Investment	1	1,52,38,095	16.4151
11	Key Managerial Personnel	2	25,001	0.0269
12	Non-Resident Indians (NRIs)	757	20,73,252	2.2334
13	Other Bodies Corporate	193	62,13,890	6.6939
14	Public	27,890	2,14,60,015	23.1176
15	Employee Benefit Trust	1	12,38,252	1.3339
16	Trusts	1	2,90,000	0.3124
<b>TOTAL</b>		<b>29,344</b>	<b>9,28,29,821</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

As on 31<sup>st</sup> March 2024, 99.96% percent of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

The details are as follows:

	No. of Shareholders as on 31 <sup>st</sup> March, 2024	Percentage (%)
Dematerialised	9,27,86,021	99.95
Physical	43,800	0.05
<b>Total</b>	<b>9,28,29,821</b>	<b>100.00</b>

### Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

As on 31<sup>st</sup> March 2024, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

## Corporate Governance (Contd.)

### 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
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 Non-Banking Financial Company having its Registered Office and Corporate office at Equinox Business Park, 4<sup>th</sup> 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 Link Intime India Private Limited. All shares transfers and related operations are conducted by:

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,  
E-mail: [www.linkintime.co.in](http://www.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-relations>

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.

## Corporate Governance (Contd.)

The Company has dispatched a letter to the Members holding shares in physical form on 1<sup>st</sup> April 2024 in relation to the above referred SEBI Circular.

Members who hold shares in dematerialised 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, Practising Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for FY 2023-24.

### 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 2023-24 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:

#### 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,  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto: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

Link 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](mailto: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](mailto:cs@ugrocapital.com)

Debenture holders would have to correspond with the respective Depository Participants for debentures held in dematerialised 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 2023-24:

1. BSE and NSE imposed fine of Rs. 11,800/- (incl. GST@18%) each, for non-compliance of Regulation 29(2)/(3) 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.
2. BSE imposed fine of Rs. 81,420/- (incl. GST@18%) for non-submission of certificate relating to fulfillment of payment obligation by issuers of Commercial Paper pursuant to Para 8.4 of Chapter XVII of SEBI operational circular number SEBI/HO/DDHS/P/CIR/2021/613 dated 10<sup>th</sup> August 2021. The Company responded within the prescribed timeline requesting for waiver of the imposed fine. However, BSE had informed the Company, of their inability to accept the Company's waiver request. Therefore, the requisite fine was duly paid by the Company.

#### 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 person 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](mailto:whistleblower@ugrocapital.com)



## Corporate Governance (Contd.)

The Whistle Blower Policy has been hosted on the Company's website at the web-link: <https://www.ugrocapital.com/investor-relations/corporate-governance#subcategory-policies>.

### 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/investor-relations/corporate-governance#subcategory-policies>

### 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/investor-relations/corporate-governance#subcategory-policies>.

### 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	(₹ in lakhs)
M/s. MSKA & Associates*	Limited Review + Reimbursement of Expenses	10.23
	Certification + Reimbursement of Expenses	3.96
M/s Sharp and Tannan Associates**	Statutory audit fees	25.00
	Tax audit	4.50
	Limited Review + Reimbursement of Expenses	17.59
	Certification + Reimbursement of Expenses	7.50
	<b>TOTAL</b>	<b>68.78</b>

\*ceased as statutory auditor w.e.f.conclusion of 30<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August 2023

\*\*appointed as a statutory auditor w.e.f. conclusion of 30<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August 2023

### 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 2023-24, 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.

## Corporate Governance (Contd.)

### 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, 2024	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 1<sup>st</sup> 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.

## Corporate Governance (Contd.)

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### 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, 2024.

**For UGRO Capital Limited**

**Sd/-  
Shachindra Nath  
Vice Chairman and Managing Director**

**Date: 02/05/2024**

## Corporate Governance (Contd.)

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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, 2024, 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, 2024.

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.

Date: 19/06/2024  
Place: Ghaziabad

For PANKAJ NIGAM & ASSOCIATES  
Company Secretaries

Sd/-  
(Pankaj Kumar Nigam)  
Membership No. FCS-7343  
Certificate of Practice No.: 7979  
UDIN: F007343F000591291



## Corporate Governance (Contd.)

### 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 2024 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 2024 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 2024;
  - (ii) significant changes in accounting policies, if any during the quarter and financial year ended 31st March 2024 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

# 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, 4 <sup>th</sup> Floor, LBS Road, Kurla (West), Mumbai - 400070
5.	Corporate address	Equinox Business Park, Tower 3, 4 <sup>th</sup> 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	2023-24
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 31 <sup>st</sup> March, 2024	Rs. 92,82,98,210/-
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 assurance provider	Not applicable
15.	Type of 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, micro enterprises 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	NA	122	122
International	NA	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 Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,678	1,497	89.21%	181	10.79%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D + E)</b>	1,678	1,497	89.21%	181	10.79%

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)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	0	0	0	0	0

#### 21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel	3	0	0%

#### 20 Turnover rate for permanent employees and workers (Trends for the past 3 years)

	FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	40%	28%	39%	63%	36%	60%	76%	26%	71%

### V. Holding, Subsidiary and Associate Companies (including joint ventures)



## Business Responsibility & Sustainability Report (Contd.)

### 21 (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

#### 22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover - 1,047.96 Crores

(iii) Net worth - 1,438.36 Crores

### VII. Transparency and Disclosures Compliances

#### 23 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)	FY 2023-24 - Current Financial Year			FY 2022-23- Previous Financial Year			
		(If Yes, then provide web-link for grievance redress policy)#	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		2	-	-	4	4	-
Shareholders	Yes		3	-	-	-	-	-
Employees and workers	Yes		-	-	-	-	-	-
Customers	Yes		444	19	-	175	5	-
Value Chain Partners	Yes		-	-	-	-	-	-
Other (please specify)	No		-	-	-	-	-	-

\* Stakeholders group considered- debenture holders of the Company.

# All applicable grievance policies are available on the website of the Company <https://www.ugrocapital.com/corporate-governance#subcategory-policies>

## Business Responsibility & Sustainability Report (Contd.)

### 24 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 templated 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.

## Business Responsibility & Sustainability Report (Contd.)

3	Data Security and Privacy	Risk	<p>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.</p>	<p>The Company has implemented the following controls for data security:</p> <ul style="list-style-type: none"> <li>- Robust encryption protocols and data masking mechanisms to protect client personal data.</li> <li>- Strict access control procedures, based on need-to-know and least privilege principles.</li> <li>- Regular Information Security audits and vulnerability assessments, to identify and eliminate potential data security risks in the company's systems.</li> <li>- 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.</li> </ul>	Negative.
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## Business Responsibility & Sustainability Report (Contd.)

### 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
<b>Policy and management processes</b>									
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	<a href="https://www.ugrocapital.com/corporate-governance#subcategory-policies">https://www.ugrocapital.com/corporate-governance#subcategory-policies</a>								
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								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors of the Company								

## Business Responsibility & Sustainability Report (Contd.)

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:																		
	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee</b>									<b>Frequency (Annually / Half yearly / Quarterly / Any other - please specify)</b>								
		<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
	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.																	
		<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>									
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:																		
	<b>Questions</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>									
	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																	



## Business Responsibility & Sustainability Report (Contd.)

### 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 metrics, 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 and Managing Director to this effect is enclosed to the Corporate Governance Report form part of the Annual Report.	
Employees other than BoD and KMPs		UGRO invests significant time and resources in the training and development of its employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication.  Such training / awareness programs are on array of topics, such as Anti-Money Laundering, Information Security, Prevention of Sexual Harassment.  New joiners are trained via the Induction program.	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 Requirements) 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 form part of Annual Report 2024			
Settlement		Nil		
Compounding fee		Nil		

## Business Responsibility & Sustainability Report (Contd.)

### 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.

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. UGRO 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 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)		FY 2022-23 (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

## Business Responsibility & Sustainability Report (Contd.)

8. **Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of Days of accounts payables	The Company being an NBFC, this is not applicable	

9. **Openness 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 2024-23 (Current Financial Year)	FY 2024-23 (Current 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.

## Business Responsibility & Sustainability Report (Contd.)

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)
<b>Permanent employees</b>											
Male	1,497	1,497	100%	1,497	100%	-	-	1497	100%	-	-
Female	181	181	100%	181	100%	181	100%	-	-	-	-
<b>Total</b>	<b>1,678</b>	<b>1,678</b>	<b>100%</b>	<b>1,678</b>	<b>100%</b>	<b>181</b>	<b>100%</b>	<b>1497</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* 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 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.46%	0.40%

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)

## Business Responsibility & Sustainability Report (Contd.)

### 2. Details of retirement benefits, for Current FY and Previous Financial Year.:

Category	FY 2023-24			FY 2022-23		
	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	2.26%	NA	Y	2.80%	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	84.21%	84.21%	NA	NA
Female	100%	100%	NA	NA
<b>Total</b>	100%	100%	NA	NA

### 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



## Business Responsibility & Sustainability Report (Contd.)

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (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)
<b>Total Permanent Employees</b>	<b>1678</b>	<b>0</b>	<b>0</b>	<b>1261</b>	<b>0</b>	<b>0</b>
- Male	1497	0	0	1108	0	0
- Female	181	0	0	153	0	0

### 8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 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)
<b>Employees</b>										
Male	1497	86	5.74%	40	2.67%	1108	94	8.48%	254	22.92%
Female	181	34	18.78%	10	5.52%	153	28	18.30%	52	33.99%
<b>Total</b>	<b>1678</b>	<b>120</b>	<b>7.15%</b>	<b>50</b>	<b>2.98%</b>	<b>1261</b>	<b>122</b>	<b>9.67%</b>	<b>306</b>	<b>24.27%</b>

### 9. Details of performance and career development reviews of employees and worker:

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
<b>Employees</b>						
Male	1497	1033	69.00%	1108	801	72.29%
Female	181	147	81.22%	153	109	71.24%
<b>Total</b>	<b>1678</b>	<b>1180</b>	<b>70.32%</b>	<b>1261</b>	<b>910</b>	<b>72.16%</b>

### 10. Health and safety management system:

- 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.
- 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.

## Business Responsibility & Sustainability Report (Contd.)

- 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 2023-24	FY 2022-23
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 2023-24			FY 2022-23		
	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.

## Business Responsibility & Sustainability Report (Contd.)

### 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.

## Business Responsibility & Sustainability Report (Contd.)

### 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 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/ C)
<b>Employees</b>						
Permanent	986	959	97.26%	1176	870	73.98%
Other than permanent	-	-	-	-	-	-
<b>Total employees</b>	<b>986</b>	<b>959</b>	<b>97.26%</b>	<b>1176</b>	<b>870</b>	<b>73.98%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	1,497	0	-	1,498	100%	1,246	0	-	1,246	100%
Female	181	0	-	181	100%	164	0	-	164	100%
<b>Other than permanent</b>										
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*	350 lacs	0	0
Key Managerial Personnel	2**	125.50 lacs	0	0
Employees other than BoD and KMP	1,495	6.50 lacs	181	6.75 lacs

\* Remuneration of Vice Chairman and Managing Director has been considered.

\*\* Remuneration of Chief Financial Officer and Company Secretary has been considered.

## Business Responsibility & Sustainability Report (Contd.)

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	11.95%	13%

**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 Redressal Policy.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	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	0	0	0	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 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	0	0
<b>From non-renewable sources</b>		
Total electricity consumption (D)	9,77,000	8,50,000
Total fuel consumption (E)	0	0
Energy consumption sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	9,77,000	8,50,000
<b>Total energy consumed (A+B+C+D+E+F)</b>	9,77,000	8,50,000
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.00009	0.00012
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.0020592	0.0027456
<b>Energy intensity in terms of physical output</b>	0.00002	0.00002
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

\*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 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	54,08,000	46,08,000
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	54,08,000	46,08,000
<b>Total volume of water consumption (in kilolitres)</b>	54,08,000	46,08,000
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.00052	0.00067
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)</b>	0.0118976	0.0153296
<b>Water intensity in terms of physical output</b>	0.00009	0.00010
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

\* 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 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Surface water		Not Applicable
(ii) Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) Third party water		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Seawater / desalinated water		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation - No

## Business Responsibility & Sustainability Report (Contd.)

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	NA	FY 2023-24	FY 2022-23
NOx		0	0
SOx		0	0
Particulate matter (PM)		0	0
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others - please specify		0	0

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 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity</b>	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**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- **The Company being an NBFC this is not applicable**

## Business Responsibility & Sustainability Report (Contd.)

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 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
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)		
<b>Total (A+B + C + D + E + F + G+ H)</b>		
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)		
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)		
<b>Waste intensity in terms of physical output</b>		
<b>Waste intensity (optional)</b> - the relevant metric may be selected by the entity		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled		Not Applicable
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration		Not Applicable
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		

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

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**

## Business Responsibility & Sustainability Report (Contd.)

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
8	Internet Mobile Association of India	National



## Business Responsibility & Sustainability Report (Contd.)

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					

\* Note: During the year Company has engaged with external Impact Assessment Agency and the report has been uploaded on the Company website - <https://www.ugrocapital.com/file-download2/222#:~:text=Most%20MSMEs%20reported%20in%20their,loan%20from%20U%20GRO%20Capital.&text=MSMEs%20hired%20additional%20permanent%20~7%20employees%20of%20which%20were%20women>

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: NA, since the Company is an NBFC

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

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 2023-24	FY 2022-23
Rural	1.39%	0.74%
Semi-urban	0.35%	0.35%
Urban	15.13%	13.81%
Metropolitan	83.14%	85.10%

## Business Responsibility & Sustainability Report (Contd.)

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

- 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.

- 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	0
Safe and disposable usage	0
Recycling and/or safe disposal	0

- Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending	Remarks	Received during the year	Pending	Remarks
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	444	19	-	175	5	-

- Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

- 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://ugrocapital.com/privacy-policy>"

- 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 :

There were no issues related to cyber security and data privacy reported by customers

- Provide the following information relating to data breaches:

- Number of instances of data breaches: No data breach instances were observed
- Percentage of data breaches involving personally identifiable information of customers: Not applicable
- Impact, if any, of the data breaches: Not applicable

# INDEPENDENT AUDITOR'S REPORT

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**To The Members of UGRO Capital Limited**

**Report on the Audit of the Financial Statements**

## **Opinion**

We have audited the accompanying financial statements of **UGRO Capital Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our report.

## Auditor's Report (Contd.)

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p><b>Impairment of loans including Expected Credit Loss (ECL)</b></p> <p>Total loans as at March 31, 2024 was Rs. 5,43,221.03 lakh (net of ECL), (Refer Note 5 to the financial statements)</p> <p>Impairment provision as at March 31, 2024: Rs. 11,749.36 lakh, (Refer Note 5 to the financial statements)</p> <p>Ind AS 109, <i>Financial Instruments</i> requires the Company to provide for impairment of its financial assets using the ECL approach.</p> <p>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.</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics;</li> <li>b) Estimation of losses in respect of groups of loans which had no/minimal defaults in the past;</li> <li>c) Staging of loans and estimation of behavioural life;</li> <li>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).</li> </ol> <p>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.</p>	<p>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:</p> <p>Process understanding and Test of Controls:</p> <ol style="list-style-type: none"> <li>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).</li> <li>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.</li> </ol> <p>Test of details:</p> <ol style="list-style-type: none"> <li>3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following: <ol style="list-style-type: none"> <li>a. Evaluated underlying data related to estimates and judgements used for developing ECL models.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>e. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan.</li> <li>f. Verified the ECL provision on restructured cases pursuant to the RBI Circular, on a sample basis.</li> <li>g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy.</li> <li>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.</li> <li>i. Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness.</li> <li>j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Standard.</li> </ol> </li> </ol>

## 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



## Auditor's Report (Contd.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The financial statements of the Company for the year ended March 31, 2023 was audited by the predecessor auditor who has issued an unmodified opinion on the financial statements, vide report dated May 15, 2023.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'** a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under aforesaid section which are required to be commented upon by us; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations on its financial position in its financial statements – (Refer Note 42 to the financial statements);
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 60(g)(1) to the financial statements);
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

## Auditor's Report (Contd.)

- iv. (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement:
- (v) The Company neither declared nor paid dividend during the year. Accordingly, the Company is not required to comply with Section 123 of the Act; and
- (vi) In our opinion and based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Further, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable from April 1, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration No. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner

Membership No. (F) 037457  
UDIN: 24037457BKGEFX9704

Mumbai, May 2, 2024

## Auditor's Report (Contd.)

### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets
  - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment; and
    - (B) The Company is maintaining proper records showing full particulars of intangible assets;
  - (b) The Company physically verifies the property, plant and equipment to cover all items once in a period of three years considering the value and materiality involved which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further, the Company has physically verified its property, plant and equipment in the previous financial year. No material discrepancies were noticed on such physical verification;
  - (c) According to the information and explanations given to us, there are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(c) of the Order is not applicable to the Company. However, the Company has repossessed properties under the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Arbitration and Conciliation Act, 1996 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly, disclosed as non-current assets held for sale. (Refer Note 11 of the financial statements)
  - (d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the year; and
  - (e) According to the information and explanations given to us, there are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(ii)(a) of the Order is not applicable to the Company; and
  - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, during the year, in aggregate from banks and/or financial institutions on the basis of security of loans. The quarterly returns / statements filed by the Company with such banks and/or financial institutions are in agreement with the books of account.
- (iii) (a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(a) of the Order is not applicable to the Company.
  - (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are, *prima facie*, not prejudicial to the Company's interest;
  - (c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act / Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest are not received as stipulated, the impact thereof is taken by the Company in course of its periodic regulatory reporting;
  - (d) In respect of the aforesaid loans and advances, Rs. 17,147.91 lakh is overdue for more than ninety days (Refer Note 51(a)C to the financial statements), we have been informed that the Company has taken all reasonable steps, including legal actions to recover the principal and the interest, as the case may be;
  - (e) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(e) of the Order is not applicable to the Company; and
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has neither, directly or indirectly, granted any loan, or provided guarantee for security to any of its directors or to any other persons in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor

## Auditor's Report (Contd.)

made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, reporting on the Paragraph 3(iv) of the Order is not applicable to the Company.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, reporting on the Paragraph 3(v) of the Order is not applicable to the Company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148 of the Act for any of the products of the Company. Accordingly, reporting on the Paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, cess and any other statutory dues to the appropriate authorities, though there has been a slight delays in a few cases. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable; and
- (b) In our opinion, there are no statutory dues referred to (a) above, which have not been deposited on account of any dispute.
- (viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the 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 67 to the financial statements);
- (b) We have not come across of any instances of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2024. Accordingly, reporting on the Paragraph 3(xi)(b) of the Order is not applicable to the Company; and
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on the Paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

## Auditor's Report (Contd.)

- (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  
(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 assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (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: 24037457BKGEFX9704

Mumbai, May 2, 2024



## 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 **URGO Capital Limited** (the 'Company'), as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai, May 2, 2024

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration No. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner

Membership No. (F) 037457  
UDIN: 24037457BKGEFX9704

# BALANCE SHEET

## as at March 31, 2024

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I. ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	8,835.15	4,014.77
Bank balances other than cash and cash equivalents above	4	36,652.91	17,166.14
Loans	5	543,221.03	380,636.21
Investments	6	5,918.60	6,010.69
Other financial assets	7	2,021.19	2,531.23
		<b>596,648.88</b>	<b>410,359.04</b>
<b>Non-financial assets</b>			
Current tax assets (net)	8	275.18	203.78
Deferred tax assets (net)	9	295.94	2,547.36
Property, plant and equipment	10	449.60	379.30
Non-current assets held for sale	11	10,142.11	2,194.55
Right-of-use assets	12	4,775.08	3,364.08
Capital work-in-progress	13	-	2.82
Intangible assets under development	14	-	1,431.41
Other intangible assets	15	7,760.87	4,741.53
Other non-financial assets	16	7,650.29	5,334.81
		<b>31,349.07</b>	<b>20,199.64</b>
<b>TOTAL ASSETS</b>		<b>627,997.95</b>	<b>430,558.68</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	17	65.00	9.27
Payables	18		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		448.65	145.97
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		821.57	1,168.80
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		89.85	96.78
Debt securities	19	139,483.13	114,434.45
Borrowings (other than debt securities)	20	322,322.27	200,459.00
Subordinated liabilities	21	3,519.13	-
Other financial liabilities	22	7,654.85	7,501.83
		<b>474,404.45</b>	<b>323,816.10</b>

# BALANCE SHEET

## as at March 31, 2024

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	23	2,895.67	1,567.77
Provisions	24	5,987.17	6,009.73
Other non-financial liabilities	25	874.49	760.77
		<b>9,757.33</b>	<b>8,338.27</b>
<b>TOTAL LIABILITIES</b>		<b>484,161.78</b>	<b>332,154.37</b>
<b>EQUITY</b>			
Equity share capital	26	9,159.16	6,932.11
Other equity	27	134,677.01	91,472.20
<b>TOTAL EQUITY</b>		<b>143,836.17</b>	<b>98,404.31</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>627,997.95</b>	<b>430,558.68</b>

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  
Place : Mumbai  
Date : May 02, 2024

Sd/-  
**Satish Kumar Chelladurai**  
Company Secretary

Place : Mumbai  
Date : May 02, 2024

# STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2024

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Interest income	28	70,794.38	48,291.34
Net gain on derecognition of financial instruments under amortised cost category	29	30,746.33	15,407.22
Net gain on fair value changes	30	147.85	-
Fees and commission income	31	3,107.62	1,946.81
<b>Total revenue from operations</b>		<b>104,796.18</b>	<b>65,645.37</b>
Other income	32	3,371.94	2,730.91
<b>Total income</b>		<b>108,168.12</b>	<b>68,376.28</b>
<b>Expenses</b>			
Finance costs	33	44,292.40	29,327.40
Net loss on fair value changes	34	1.54	640.11
Impairment on financial instruments	35	11,627.96	5,679.99
Employee benefits expenses	36	18,285.41	14,071.48
Depreciation, amortization and impairment	37	3,533.10	1,763.74
Other expenses	38	12,551.46	8,510.72
<b>Total expenses</b>		<b>90,291.87</b>	<b>59,993.44</b>
<b>Profit before exceptional items and tax</b>		<b>17,876.25</b>	<b>8,382.84</b>
<b>Exceptional items</b>		-	-
<b>Profit before tax</b>		<b>17,876.25</b>	<b>8,382.84</b>
<b>Tax Expense:</b>			
(1) Current tax		3,647.61	2,298.62
(2) Deferred tax		2,477.20	1,828.08
(3) Excess/short provision of tax of earlier years		(183.04)	278.50
<b>Total tax expenses</b>		<b>5,941.77</b>	<b>4,405.20</b>
<b>Profit for the year (A)</b>		<b>11,934.48</b>	<b>3,977.64</b>

# STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2024

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss :			
- Remeasurements of the defined benefit obligations		(40.71)	(24.03)
- Income tax relating to items that will not be reclassified to profit and loss		11.85	7.00
<b>Subtotal (B)</b>		<b>(28.86)</b>	<b>(17.03)</b>
Items that will be reclassified to profit and loss :			
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		(734.58)	45.33
- Income tax relating to items that will be reclassified to profit and loss		213.91	(13.20)
<b>Subtotal (C)</b>		<b>(520.67)</b>	<b>32.13</b>
<b>Other comprehensive income for the year (net of tax) (D) = (B) + (C)</b>		<b>(549.53)</b>	<b>15.10</b>
<b>Total comprehensive income for the year (E) = (A) + (D)</b>		<b>11,384.95</b>	<b>3,992.74</b>
<b>Earnings per equity share (Face Value of Rs.10 each)</b>	41		
Basic (Rs.)		<b>13.39</b>	<b>5.69</b>
Diluted (Rs.)		<b>13.20</b>	<b>5.66</b>

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

### 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 : May 02, 2024

Sd/-

**Satish Kumar Chelladurai**

Company Secretary

Place : Mumbai

Date : May 02, 2024



# STATEMENT OF CASH FLOWS

## for the period ended March 31, 2024

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities :</b>		
Profit before tax	17,876.25	8,382.84
<b>Adjustments for:</b>		
Interest income on loans	(67,587.95)	(46,850.12)
Cash inflow from interest on loans	62,972.94	44,700.75
Interest income on debt securities	(247.21)	(248.42)
Interest on income tax	(7.39)	(6.29)
Employee stock option expense	449.87	256.41
Depreciation, amortisation and impairment	3,533.10	1,763.74
Impairment on financial instruments	11,627.96	5,679.99
Net gain on sale of financial instruments / fair valuation of financial instruments	(30,894.18)	(15,407.22)
Net loss on fair value changes	1.54	640.11
Finance cost on borrowings	38,951.71	25,257.97
Cash outflow towards finance cost borrowings	(38,288.62)	(21,763.21)
Provision for gratuity net of payment and compensated absences	370.46	380.73
Property, plant and equipment written-off	-	7.17
Interest on other financial assets	(77.51)	-
Interest on lease liabilities	516.45	-
Gain on pre-closure of lease	(25.66)	-
<b>Operating profit before working capital changes</b>	<b>(828.24)</b>	<b>2,794.45</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in loans	(146,794.71)	(125,753.63)
(Increase)/decrease in other non-financial assets	(2,315.48)	(2,252.98)
(Increase)/decrease in other financial assets	502.89	(1,830.23)
(Increase)/decrease in derivative financial assets	-	22.29
Increase/(decrease) in derivative financial liabilities	55.73	9.27
Increase/(decrease) in trade payables	(55.30)	702.33
Increase/(decrease) in other non-financial liabilities	113.72	396.54
Increase/(decrease) in other financial liabilities	(1,538.73)	2,120.08
Increase/(decrease) in provisions	(433.73)	2,917.76
<b>Cash (used in) operating activities</b>	<b>(151,293.85)</b>	<b>(120,874.12)</b>
Income taxes paid	(2,200.68)	(1,168.70)
<b>Net cash (used in) operating activities (A)</b>	<b>(153,494.53)</b>	<b>(122,042.82)</b>
<b>Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(273.48)	(133.36)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(19,491.05)	(4,906.08)
Sale/realisation of investments	74,499.38	259.08
Purchase of investments	(74,296.29)	-
Interest received from investments	282.52	282.54
Payments for intangible assets	(3,766.11)	(3,956.38)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(23,045.03)</b>	<b>(8,454.20)</b>

# STATEMENT OF CASH FLOWS

## for the period ended March 31, 2024

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from financing activities :</b>		
Proceeds from issuance of equity share capital during the year	34,598.90	-
Payment for purchase of treasury shares	-	(2,495.26)
Share issue expense	(1,001.88)	(5.90)
Principal payment of lease liabilities	(1,270.48)	(781.38)
Total borrowings and debt securities repaid	(190,137.37)	(126,315.31)
Total borrowings and debt securities availed	339,170.77	257,534.70
<b>Net cash generated from financing activities (C)</b>	<b>181,359.94</b>	<b>127,936.85</b>
<b>Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>4,820.38</b>	<b>(2,560.17)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>4,014.77</b>	<b>6,574.94</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 3)</b>	<b>8,835.15</b>	<b>4,014.77</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	-
Balance with banks :		
in current accounts	8,835.15	4,014.77
in Fixed deposits (maturing within a period of three months)	-	-
<b>TOTAL</b>	<b>8,835.15</b>	<b>4,014.77</b>

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

**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 : May 02, 2024

Sd/-  
**Satish Kumar Chelladurai**

Company Secretary

Place : Mumbai

Date : May 02, 2024

# STATEMENT OF CHANGES IN EQUITY

## for the year ended March 31, 2024

### A. Equity Share Capital (Refer Note 26)

(Rupees in lakh)

As at March 31, 2024

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the current reporting period
6,932.11	-	6,932.11	2,227.05	9,159.16
<b>As at March 31, 2023</b>				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year*	Balance as at the end of the previous reporting period
7,055.94	-	7,055.94	(123.83)	6,932.11

\*Treasury shares issued during the year - (Refer Note 26)

### B. Other equity (Refer Note 27)

As at March 31, 2024

Particulars	Statutory reserve u/s 45-IC*	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options outstanding	Reserves & Surplus				Total
						Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the current reporting period	3,197.01	1,046.00	75,352.48	11,354.58	483.62	-	-	38.51	-	91,472.20
Total Comprehensive Income for the current year	-	-	-	(28.86)	-	-	-	(520.67)	-	(549.53)
Transfer to retained earnings	-	-	-	11,934.48	-	-	-	-	-	11,934.48
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,386.90	-	-	(2,386.90)	-	-	-	-	-	-
Share based Payment for the year	-	-	-	449.89	-	-	-	-	-	449.89
Premium on ESOP exercised during the year	-	-	507.57	-	-	-	-	-	-	507.57
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	192.32	-	(192.32)	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	28.79	(28.79)	-	-	-	-	-
Share issue expense	-	-	(1,001.88)	-	-	-	-	-	-	(1,001.88)
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-
Premium on equity shares issued	-	-	31,864.28	-	-	-	-	-	-	31,864.28
<b>Balance at the end of the current reporting period</b>	<b>5,583.91</b>	<b>1,046.00</b>	<b>106,914.77</b>	<b>20,902.09</b>	<b>712.40</b>	<b>-</b>	<b>-</b>	<b>(482.16)</b>	<b>-</b>	<b>134,677.01</b>

**B. Other equity (Refer Note 27)  
As at March 31, 2023**

(Rupees in lakh)

Particulars	Reserves & Surplus										Total
	Statutory reserve u/s 45-IC*	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus		
Balance at the beginning of the previous reporting period	2,401.48	1,046.00	77,723.91	7,975.75	446.86	-	-	6.38	-	-	89,600.38
Total Comprehensive Income for the current year	-	-	-	(17.03)	-	-	-	32.13	-	-	15.10
Transfer to retained earnings	-	-	-	3,977.64	-	-	-	-	-	-	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	795.53	-	-	(795.53)	-	-	-	-	-	-	-
Share based Payment for the year	-	-	-	-	256.41	-	-	-	-	-	256.41
Premium on ESOP exercised during the year	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on allotment of shares pursuant to ESOP Scheme	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	219.65	(219.65)	-	-	-	-	-	-
Share issue expense	-	-	-	(5.90)	-	-	-	-	-	-	(5.90)
Premium on treasury shares	-	-	(2,371.43)	-	-	-	-	-	-	-	(2,371.43)
<b>Balance at the end of the previous reporting period</b>	<b>3,197.01</b>	<b>1,046.00</b>	<b>75,352.48</b>	<b>11,354.58</b>	<b>483.62</b>	<b>-</b>	<b>-</b>	<b>38.51</b>	<b>-</b>	<b>-</b>	<b>91,472.20</b>

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

**For and on behalf of the Board of Directors of  
UGRO CAPITAL LIMITED**

Sd/-  
**Shachindra Nath**  
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DIN : 00510618

Sd/-  
**Hemant Bhargava**  
Independent Director and  
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DIN : 01922717

**Kishore Kumar Lodha**  
Chief Financial Officer  
Place : Mumbai  
Date : May 02, 2024

**Satish Kumar Chelladurai**  
Company Secretary

Place : Mumbai  
Date : May 02, 2024

# NOTES FORMING PART OF THE FINANCIAL STATEMENT for the year ended March 31, 2024

## 1. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of registration bearing ref. no. 13.00325 as non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer under the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, issued by the Reserve Bank of India ("RBI"). The Company is also registered under Registration of Factors (Reserve Bank) Regulations, 2022 dated January 14, 2022, as NBFC – Factor, vide Certificate of registration bearing ref. no. N-13.02475 dated January 9, 2024, issued by RBI, authorizing the Company to commence and carry out the factoring business. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components, Micro enterprises and Light Engineering.

The financial statements are approved for issue by the Company's Board of Directors on May 02, 2024.

## 2A. Material Accounting Policies

### (1) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as updated on March 21, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

### (2) Basis of preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values as at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

- 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:

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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.

## (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.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### (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

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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 statement for the year ended March 31, 2024 (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. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI and other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Category of financial instrument	Manner of recognition of loss allowance
Financial assets measured at amortised cost	Recognised in profit or loss with corresponding adjustment in the carrying value through a loss allowance account.
Debt investments measured at FVTOCI	Recognised in profit or loss with corresponding adjustment in OCI. The loss allowance is accumulated in the 'Reserve for debt instruments through OCI', and is not adjusted with the carrying value of the financial asset

### Impairment methodology:

#### Overall impairment methodology

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
Credit quality	Not deteriorated significantly since its initial recognition.	Deteriorated significantly since its initial recognition	Objective evidence of impairment
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12-month ECL	Life-time ECL	Life-time ECL
ECL Computation	(PD * LGD * EAD)	(PD * LGD * EAD)	Expected Cash Flow basis

#### 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 91<sup>st</sup> day past due.
- ii) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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.

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.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### (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.

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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### (19) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### (20) Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of the Balance Sheet.

### (21) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has applied these amendments for the first time in the financial statements.

#### (a) Amendments to Ind-AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

#### (b) Amendments to Ind-AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

#### (c) Amendments to Ind-AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind-AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has previously recognized deferred tax on leases on a net basis. As a result of these amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind-AS 12, there is no impact on the balance sheet. There was also no impact on the opening retained earnings as at 1<sup>st</sup> April 2022.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(d) **New standards and amendments issued but not effective**

There are no such standards which are notified but not yet effective.

(e) The other amendments to Ind-AS notified by these rules are primarily in the nature of clarifications.

### 3. Cash and cash equivalents

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balances with banks		
- in current accounts*	8,835.15	4,014.77
<b>Total</b>	<b>8,835.15</b>	<b>4,014.77</b>

\*Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.

### 4. Bank balances other than cash and cash equivalents above

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend on equity shares	1.27	1.36
Fixed deposits with banks and financial institutions*	36,658.98	17,167.83
Less: Impairment loss allowance**	7.34	3.05
<b>Total</b>	<b>36,652.91</b>	<b>17,166.14</b>

\*Earmarked balances with banks and financial institutions are to the tune of Rs. 34,481.21 lakh (Previous year: Rs. 17,167.83 lakh)

\*\*Impairment loss allowance is calculated on fixed deposits with banks and financial institutions.

### 5. Loans

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans at amortised cost</b>		
<b>(A)</b>		
Supply chain receivables	57,952.22	45,887.83
Term loans	497,018.17	343,548.37
<b>Total Gross Loans</b>	<b>554,970.39</b>	<b>389,436.20</b>
Less: Impairment loss allowance	11,749.36	8,799.99
<b>Total Net Loans</b>	<b>543,221.03</b>	<b>380,636.21</b>
<b>(B)</b>		
Secured by book debts	63,321.39	50,686.61
Secured by property	186,160.58	131,600.04
Secured by machinery	72,365.46	56,091.96
Unsecured	233,122.96	151,057.59
<b>Total Gross Loans</b>	<b>554,970.39</b>	<b>389,436.20</b>
Less: Impairment loss allowance	11,749.36	8,799.99
<b>Total Net Loans</b>	<b>543,221.03</b>	<b>380,636.21</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(C)</b>		
<b>Loans in India</b>		
Public sector	-	-
Others	554,970.39	389,436.20
<b>Total Gross Loans</b>	<b>554,970.39</b>	<b>389,436.20</b>
Less: Impairment loss allowance	11,749.36	8,799.99
<b>Total - Net (a)</b>	<b>543,221.03</b>	<b>380,636.21</b>
<b>Loans outside India (b)</b>	-	-
<b>Total - Net (a)+(b)</b>	<b>543,221.03</b>	<b>380,636.21</b>

### Notes :

1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2024 and March 31, 2023.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.
3. Gross loans classified as unsecured include quasi-secured loans backed by First Loss Default Guarantee (FLDG) and loans partly secured by Government Guarantee Schemes.

### 6. Investments

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Investments - at FVTPL</b>		
Security receipts	1,692.13	1,748.92
<b>Investments - at Amortised Cost</b>		
Debt securities	4,227.29	4,262.60
Less: Impairment loss allowance	0.82	0.83
<b>Total Net Investments</b>	<b>5,918.60</b>	<b>6,010.69</b>
Investments in India	5,919.42	6,011.52
Investments outside India	-	-
<b>Total - Gross</b>	<b>5,919.42</b>	<b>6,011.52</b>
Less: Impairment loss allowance	0.82	0.83
<b>Total - Net</b>	<b>5,918.60</b>	<b>6,010.69</b>

Note : For valuation methodology refer note 54

### 7. Other financial assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	1,280.10	730.84
Other receivables	744.26	1,803.56
Less: Impairment loss allowance	3.17	3.17
<b>Total</b>	<b>2,021.19</b>	<b>2,531.23</b>



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 8. Current tax assets (net)

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Current tax assets</b>		
Advance tax and tax deducted at source (Net of provision for tax Rs.2,139.48 lakh (Previous year: Rs.55.96 lakh))	275.18	203.78
<b>Total</b>	<b>275.18</b>	<b>203.78</b>

### 9. Deferred tax assets (net)

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax assets</b>		
<b>Tax effect of timing differences on account of :</b>		
Unutilised minimum alternate tax credit entitlement	7,537.88	4,105.37
Income tax losses carried forward	5,905.96	3,025.64
Provision for impairment losses on financial instruments	3,488.29	2,628.18
Deferred revenue income - processing fees allowed upfront in income tax	707.18	1,740.14
Employee benefit provisions and expenses	914.50	860.69
Others	377.23	100.76
<b>Total (A)</b>	<b>18,931.04</b>	<b>12,460.78</b>
<b>Deferred tax liabilities</b>		
<b>Tax effect of timing differences on account of :</b>		
Receivables on EIS Direct assignment and Co-lending transactions	11,215.41	4,200.47
Deferred loan sourcing cost allowed upfront in income tax	4,244.46	3,819.62
Prepaid fees / charges on borrowings allowed upfront in income tax	2,600.10	1,533.92
Difference in written down value of property, plant and equipment and intangible assets	569.59	342.76
Others	5.54	16.65
<b>Total (B)</b>	<b>18,635.10</b>	<b>9,913.42</b>
<b>Deferred tax assets (net) (A-B)</b>	<b>295.94</b>	<b>2,547.36</b>

### 10. Property, plant and equipment

(Rupees in lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	IT and Office equipments	Leasehold im-provements	Furniture and fixtures	Total	IT and Office equipments	Leasehold im-provements	Furniture and fixtures	Total
<b>At cost as at the beginning of the year</b>	<b>570.18</b>	<b>351.33</b>	<b>103.97</b>	<b>1,025.48</b>	<b>502.23</b>	<b>375.75</b>	<b>28.30</b>	<b>906.28</b>
Additions during the year	245.77	11.17	19.36	276.30	74.94	-	75.86	150.79
Disposals during the year	-	-	-	-	(6.99)	(24.42)	(0.18)	(31.59)
<b>At cost as at the end of the year</b>	<b>815.95</b>	<b>362.50</b>	<b>123.33</b>	<b>1,301.78</b>	<b>570.18</b>	<b>351.33</b>	<b>103.97</b>	<b>1,025.48</b>
<b>Accumulated depreciation as at the beginning of the year</b>	<b>319.11</b>	<b>318.27</b>	<b>8.80</b>	<b>646.18</b>	<b>206.54</b>	<b>264.71</b>	<b>4.60</b>	<b>475.85</b>
Depreciation/amortisation for the year	152.89	44.08	9.03	206.00	115.02	75.46	4.27	194.75

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total
Disposals during the year	-	-	-	-	(2.45)	(21.90)	(0.07)	(24.42)
<b>Accumulated depreciation as at the end of the year</b>	<b>472.00</b>	<b>362.35</b>	<b>17.82</b>	<b>852.18</b>	<b>319.11</b>	<b>318.27</b>	<b>8.80</b>	<b>646.18</b>
<b>Net carrying amounts as at the end of the year</b>	<b>343.95</b>	<b>0.15</b>	<b>105.50</b>	<b>449.60</b>	<b>251.07</b>	<b>33.06</b>	<b>95.17</b>	<b>379.30</b>

### 11. Non-current assets held for sale

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets held for sale	10,142.11	2,194.55
<b>Total</b>	<b>10,142.11</b>	<b>2,194.55</b>

'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 than the principal outstanding, then impairment loss is recorded for the difference amount. Impairment loss recorded for measuring non-current assets held for sale for the year ended March 31, 2024 is Rs. 120.22 lakh (Previous year Rs. 39.79 lakh)

### 12. Right-of-use assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At fair value as at the beginning of the year</b>	<b>5,337.03</b>	<b>3,896.26</b>
Remeasurement of assets	25.66	43.22
Additions during the year	2,777.70	1,632.02
Deletion during the year	(243.42)	(234.47)
<b>At fair value as at the end of the year</b>	<b>7,896.97</b>	<b>5,337.03</b>
<b>Accumulated depreciation as at the beginning of the year</b>	<b>1,972.95</b>	<b>1,357.98</b>
Depreciation for the year	1,148.94	614.97
<b>Accumulated depreciation as at the end of the year</b>	<b>3,121.89</b>	<b>1,972.95</b>
<b>Net carrying amount as at the end of the year</b>	<b>4,775.08</b>	<b>3,364.08</b>

### 13. Capital work-in-progress

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	-	2.82
<b>Total</b>	<b>-</b>	<b>2.82</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

The ageing for capital work-in-progress as at March 31, 2023 is as follows

(Rupees in lakh)

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.82	-	-	-	2.82
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.82</b>

### 14. Intangible assets under development

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Softwares	-	1,431.41
<b>Total</b>	<b>-</b>	<b>1,431.41</b>

The ageing for Intangible assets under development as at March 31, 2023 is as follows

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	946.07	165.89	280.19	39.26	1,431.41
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>946.07</b>	<b>165.89</b>	<b>280.19</b>	<b>39.26</b>	<b>1,431.41</b>

### 15. Other intangible assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Softwares :</b>		
<b>At cost as at the beginning of the year</b>	<b>7,186.49</b>	<b>4,092.98</b>
Additions during the year	5,197.51	3,093.51
Disposal during the year	-	-
<b>At cost as at the end of the year</b>	<b>12,384.00</b>	<b>7,186.49</b>
<b>Accumulated amortisation as at the beginning of the year</b>	<b>2,444.96</b>	<b>1,490.94</b>
Amortisation for the year	2,178.17	954.02
Disposal during the year	-	-
<b>Accumulated amortisation as at the end of the year</b>	<b>4,623.13</b>	<b>2,444.96</b>
<b>Net carrying amounts as at the end of the year</b>	<b>7,760.87</b>	<b>4,741.53</b>

Note: No revaluation of any class of asset was carried out during the year.

### 16. Other non-financial assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to vendors and employees	3,218.01	2,616.33
Goods and service tax input credit receivable	2,125.74	1,022.57
Prepaid expenses	2,306.54	1,695.91
<b>Total</b>	<b>7,650.29</b>	<b>5,334.81</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 17. Derivative financial instruments

(Rupees in lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Notional Amounts	Fair value - Assets	Fair value - Liabilities	Notional Amounts	Fair value - Assets	Fair value - Liabilities
<b>Part I</b>						
(i) Currency derivatives:						
- Currency swaps*	37,694.23	-	65.00	23,746.43	-	9.27
(ii) Interest rate derivatives	-	-	-	-	-	-
<b>Total Derivative Financial Instruments</b>	<b>37,694.23</b>	<b>-</b>	<b>65.00</b>	<b>23,746.43</b>	<b>-</b>	<b>9.27</b>
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Currency derivatives	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives*	37,694.23	-	65.00	23,746.43	-	9.27
<b>Total Derivative Financial Instruments</b>	<b>37,694.23</b>	<b>-</b>	<b>65.00</b>	<b>23,746.43</b>	<b>-</b>	<b>9.27</b>

\* This refers to Cross-Currency Interest rate Swap and Full Currency Swap.

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk (Refer Note 60(c)).

### 18. Payables

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade payables</b>		
Due to Micro and small enterprises	448.65	145.97
Due to creditors other than micro and small enterprises	821.57	1,168.80
<b>Other payables</b>		
Due to Micro and small enterprises	-	-
Due to creditors other than micro and small enterprises		
- Accrued employee benefits	54.44	78.92
- Payable to customers	35.41	17.86
<b>Total</b>	<b>1,360.07</b>	<b>1,411.55</b>

The ageing for trade payables as at 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	-	-	-	-	-	-
<b>Total</b>	<b>1,164.05</b>	<b>8.49</b>	<b>8.94</b>	<b>64.50</b>	<b>24.24</b>	<b>1,270.22</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

The ageing for trade payables as at March 31, 2023 is as follows:

(Rupees in lakh)

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	145.97	-	-	-	-	145.97
Others	1,032.70	0.41	110.00	18.73	6.96	1,168.80
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,178.67</b>	<b>0.41</b>	<b>110.00</b>	<b>18.73</b>	<b>6.96</b>	<b>1,314.77</b>

### 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, 2024	As at March 31, 2023
1. The principal amount remaining unpaid at the end of the accounting year.	448.65	145.97
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.	-	-
<b>The balance of MSMED parties as at the end of the year</b>	<b>448.65</b>	<b>145.97</b>

### 19. Debt securities

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
<b>Secured</b>				
Redeemable non-convertible debentures	123,627.37	123,627.37	85,495.83	85,495.83
Liabilities arising out of securitization transactions	3,758.93	3,758.93	16,130.24	16,130.24
<b>Unsecured</b>				
Commercial Paper	6,849.59	6,849.59	12,146.52	12,146.52
Redeemable non-convertible debentures	5,247.24	5,247.24	661.86	661.86
<b>Total</b>	<b>139,483.13</b>	<b>139,483.13</b>	<b>114,434.45</b>	<b>114,434.45</b>



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
Debt securities in India	139,483.13	139,483.13	114,434.45	114,434.45
Debt securities outside India	-	-	-	-
<b>Total</b>	<b>139,483.13</b>	<b>139,483.13</b>	<b>114,434.45</b>	<b>114,434.45</b>

### 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, 2024	As at March 31, 2023
10.27% Secured Unrated Unlisted Redeemable Non-Convertible Debenture	100,000	24,990	30/Jan/28	30/Jan/24	Half-Yearly Repayment	24,990.00	-
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	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 Debenture	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	-
10.50% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	2,800	26/Sep/26	27/Sep/23	Half-Yearly Repayment	2,333.33	-
11% Secured Rated Listed Redeemable Non-Convertible Debenture Series V	1,000	464,198	27/May/26	27/Feb/24	Bullet Repayment	4,641.98	-
10.50% Secured Rated Listed Redeemable Non-Convertible Debenture Series IV	1,000	341,527	27/May/26	27/Feb/24	Bullet Repayment	3,415.27	-
G-SEC Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non-Convertible Debentures	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

## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024	As at March 31, 2023
10.35% Secured Rated Listed Redeemable Non-Convertible Debenture Series III	1,000	258,511	27/Feb/26	27/Feb/24	Quarterly Repayment	2,585.11	-
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series III	1,000	492,811	26/Sep/25	26/Sep/22	Bullet Repayment	4,928.11	4,928.00
10.25% Secured Rated Listed Redeemable Non-Convertible Debenture Series I	1,000	271,193	27/Aug/25	27/Feb/24	Bullet Repayment	2,711.93	-
10.75% Secured Rated Listed Redeemable Non-Convertible Debenture Series II	1,000	664,571	27/Aug/25	27/Feb/24	Bullet Repayment	6,645.71	-
G-SEC Linked Secured Rated Unlisted Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	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 Debenture	100,000	3,000	10/May/25	10/Nov/23	Bullet Repayment	3,000.00	-
10.40% Secured Rated Listed Non-Convertible Debenture Series III	1,000	440,106	05/May/25	05/May/22	Bullet Repayment	4,401.06	4,401.06
8.56% Secured Rated Listed Redeemable Non-Convertible Debenture	100,000	5,000	18/Mar/25	18/Sep/23	Bullet Repayment	5,000.00	-
10.25% Secured Rated Listed Non-Convertible Debenture	1,000,000	250	19/Jan/25	19/Jan/22	Bullet Repayment	2,500.00	2,500.00
11.55% Rated Unlisted Secured Redeemable Taxable Non-Convertible Debentures	100,000	2,500	31/Dec/24	26/Mar/21	Yearly Repayment	833.33	1,666.67
10.35% Secured Rated Listed Redeemable Non-Convertible Debenture Series II	1,000	115,499	26/Dec/24	26/Sep/22	Bullet Repayment	1,154.99	1,155.00
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 Debenture	10,000	50,000	29/Aug/24	29/Aug/22	Quarterly Repayment	1,250.00	3,750.00

## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024	As at March 31, 2023
10% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	2,000	24/Aug/24	24/Feb/23	Bullet Repayment	2,000.00	2,000.00
10.15% Secured Rated Listed Non-Convertible Debenture Series II	1,000	78,011	05/Aug/24	05/May/22	Bullet Repayment	780.11	780.11
10.15% Secured Rated Listed Redeemable Non-Convertible Debenture Series I	1,000	391,690	26/Mar/24	26/Sep/22	Bullet Repayment	-	3,917.00
10.03% Secured Rated Listed Non-Convertible Debenture	1,000	500,000	16/Feb/24	16/Nov/21	Nine-Monthly Repayment	-	3,333.35
G-SEC Linked Secured Rated Listed Non-Convertible Debenture	1,000,000	1,300	23/Jan/24	23/May/22	Bullet Repayment	-	13,000.00
10% Secured Rated Listed Non-Convertible Debenture Series I	1,000	204,038	04/Nov/23	05/May/22	Bullet Repayment	-	2,040.38
10.25% Secured Rated Listed Non-Convertible Debenture	1,000,000	250	15/Oct/23	15/Jul/22	Bullet Repayment	-	2,500.00
G-SEC Linked Secured Rated Listed Redeemable Taxable Market Linked Non-Convertible Debentures	1,000,000	200	05/Sep/23	31/Aug/21	Bullet Repayment	-	2,000.00
10% Secured Rated Listed Senior, Transferable, Redeemable Non-Convertible Debentures	1,000,000	500	08/Jun/23	08/Jun/20	Bullet Repayment	-	5,000.00
G-SEC Linked Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	150	30/May/23	30/Nov/21	Bullet Repayment	-	1,500.00
Base Sensex 30 Linked Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	500	15/May/23	06/Aug/21	Bullet Repayment	-	5,000.00
<b>Total</b>						<b>122,580.91</b>	<b>82,671.57</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Redeemable non-convertible debentures (Unsecured):

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
10.25% Unsecured Rated Listed Redeemable Non-Convertible Debenture	100,000	5,000	18/Apr/26	24/Jan/24	Quarterly Repayment	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	666.67
<b>Total</b>						<b>5,333.33</b>	<b>666.67</b>

### Commercial papers (Unsecured):

(Rupees in lakh)

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
UGRO/2023-24/CP-33	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	-
UGRO/2022-23/CP-19	500,000	07/Mar/24	10-Mar-23	Redeemable at PAR at the end of 363 days from the date of allotment	-	1,500.00
UGRO/2022-23/CP-18	500,000	4-Jul-23	3-Mar-23	Redeemable at PAR at the end of 123 days from the date of allotment	-	2,500.00
UGRO/2022-23/CP-17	500,000	30-Jun-23	2-Mar-23	Redeemable at PAR at the end of 120 days from the date of allotment	-	2,500.00
UGRO/2022-23/CP-20	500,000	29-Jun-23	31-Mar-23	Redeemable at PAR at the end of 90 days from the date of allotment	-	3,000.00
UGRO/2022-23/CP-15	500,000	28-Apr-23	2-Nov-22	Redeemable at PAR at the end of 177 days from the date of allotment	-	3,000.00
<b>Total</b>					<b>7,000.00</b>	<b>12,500.00</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Liabilities arising out of securitization transactions:

(Rupees in lakh)

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Monthly Repayment	3,843.26	16,339.99

#### Notes:

- 1) The Rate of Interest on the securitization transactions vary from 8.00% to 12.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
- 2) The Rate of Interest on the Commercial Papers vary from 8.00% to 10.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
- 3) All Non Convertible Debentures are redeemable at par.
- 4) The above Secured Non-Convertible Debentures are secured by hypothecation of receivables under financing activities. The Company has maintained the required Security Cover.
- 5) Above borrowings were used fully for the purpose for which the same were obtained.
- 6) There was no defaults in the repayment of the above borrowings.
- 7) The amount disclosed above represent the principal outstanding as at March 31, 2024 and as at March 31, 2023.
- 8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

### 20. Borrowings (other than debt securities)

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
<b>(a) Term loans</b>				
From banks	191,027.83	191,027.83	129,413.27	129,413.27
From other parties	75,900.31	75,900.31	43,339.42	43,339.42
External commercial borrowings	39,019.14	39,019.14	24,228.38	24,228.38
<b>(b) Loans repayable on demand</b>				
Cash credit	-	-	-	-
Bank overdraft	16,374.99	16,374.99	3,477.93	3,477.93
<b>Total</b>	<b>322,322.27</b>	<b>322,322.27</b>	<b>200,459.00</b>	<b>200,459.00</b>
Borrowings in India	283,303.13	283,303.13	176,230.62	176,230.62
Borrowings outside India	39,019.14	39,019.14	24,228.38	24,228.38
<b>Total</b>	<b>322,322.27</b>	<b>322,322.27</b>	<b>200,459.00</b>	<b>200,459.00</b>
Secured	315,923.39	315,923.39	195,964.10	195,964.10
Unsecured	6,398.88	6,398.88	4,494.90	4,494.90
<b>Total</b>	<b>322,322.27</b>	<b>322,322.27</b>	<b>200,459.00</b>	<b>200,459.00</b>



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Term Loan from Banks (Secured):

(Rupees in lakh)

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	7,053.00	5,953.00
Monthly Repayment	73,492.17	39,122.56
Quarterly Repayment	113,726.86	85,316.88
Half-yearly Repayment	400.00	1,200.00
<b>Total</b>	<b>194,672.02</b>	<b>131,592.44</b>

### Term Loan from Others (Secured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	1,100.00	-
Monthly Repayment	30,667.48	24,560.74
Quarterly Repayment	40,205.33	14,875.00
<b>Total</b>	<b>71,972.82</b>	<b>39,435.74</b>

### Term Loan from Others (Unsecured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Monthly Repayment	920.00	2,040.00
Quarterly Repayment	4,375.00	-
Half-yearly Repayment	-	2,500.00
<b>Total</b>	<b>5,295.00</b>	<b>4,540.00</b>

### External Commercial Borrowings (Secured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	25,328.80	11,381.00
Half-yearly Repayment starting from September 2025 onwards	4,095.00	4,095.00
Half-yearly Repayment starting from August 2025 onwards	8,270.00	8,270.00
<b>Total</b>	<b>37,693.80</b>	<b>23,746.00</b>

The Company has total External Commercial Borrowing (ECBs) of USD 21.125 million, USD 10 million and USD 15 million (previous year USD 14.125 million and USD 15 million) for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time. The borrowings have a maturity of three, four and five years respectively. In terms of the RBI guidelines, the borrowing has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The charges for raising of the aforesaid ECBs have been amortised over the tenure of such ECBs.

#### Notes:

- 1) The rate of interest on the above borrowings vary from 9.00% to 14.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
- 2) The above secured borrowings are secured by hypothecation of receivables under financing activities. The Company has maintained the required security cover.
- 3) Out of the above, The Company holds sanctioned borrowings amounting to Rs.1,20,500 Lakh as at March 31, 2024 (Previous Year: 76,500 lakh) which is guaranteed by a director.
- 4) Term Loans were used fully for the purpose for which the same were obtained.
- 5) There was no defaults in the repayment of the borrowings.
- 6) The balance tenure on the above borrowings is upto 5 years.
- 7) The amount disclosed above represent the principal outstanding as at 31st March, 2024 and as at 31st March, 2023.
- 8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 21. Subordinated liabilities

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
<b>Unsecured</b>				
Privately placed Subordinated (Tier II) redeemable non-convertible debentures	3,519.13	3,519.13	-	-
<b>Total</b>	<b>3,519.13</b>	<b>3,519.13</b>	<b>-</b>	<b>-</b>
Subordinated Liabilities in India	3,519.13	3,519.13	-	-
Subordinated Liabilities outside India	-	-	-	-
<b>Total</b>	<b>3,519.13</b>	<b>3,519.13</b>	<b>-</b>	<b>-</b>

#### Subordinated debt (Unsecured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at 31st March, 2024	As at 31st March, 2023
12.5% Unsecured Rated Listed Redeemable Non-Convertible Debenture.	100,000	350	15/Sep/29	15/Mar/24	Bullet Repayment	3,500.00	-

#### Notes:

- 1) The above non-convertible debentures (Subordinated Debt) are redeemable at par.
- 2) Subordinated liabilities were used fully for the purpose for which the same were obtained.
- 3) There is no default in repayment of subordinated liabilities.
- 4) The amount disclosed above represent the principal outstanding as at March 31, 2024
- 5) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

### 22. Other financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend payable on equity shares	1.27	1.36
<b>Others payables :</b>		
Collateral margin money received	32.37	32.37
Deferred consideration on direct assignments	-	23.81
Lease liabilities (Refer Note 48)	5,209.90	3,518.15
Other liabilities	1,768.95	3,102.57
Book overdraft	417.19	598.40
Provision on unrealised gain*	225.17	225.17
<b>Total</b>	<b>7,654.85</b>	<b>7,501.83</b>

\* The unrealised gain is on account of sale of loan to ARC.

### 23. Current tax liabilities (net)

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for tax [(net of advance tax and tax deducted at source Rs. 751.94 lakh (Previous year: Rs. 730.85 lakh)]	2,895.67	1,567.77
<b>Total</b>	<b>2,895.67</b>	<b>1,567.77</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 24. Provisions

(Rupees in lakh)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Provision for employee benefits :</b>		
-Provision for gratuity (Refer Note 46b)	305.33	171.83
-Provision for compensated absences (Refer Note 46c)	881.76	604.09
-Provision for bonus	600.00	1,200.00
-Long Term Incentive Plan (LTIP)	606.65	233.02
Provision for expenses	3,593.43	3,800.79
<b>Total</b>	<b>5,987.17</b>	<b>6,009.73</b>

### 25. Other non-financial liabilities

(Rupees in lakh)

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues payable	874.49	760.77
<b>Total</b>	<b>874.49</b>	<b>760.77</b>

### 26. Equity

#### a. Details of authorised, issued and subscribed share capital :

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised capital</b>				
Equity shares of Rs. 10 each	154,500,000	15,450.00	81,500,000	8,150.00
Preference shares of Rs. 10 each	20,500,000	2,050.00	20,500,000	2,050.00
<b>Issued, subscribed and fully paid-up (A)</b>				
Equity shares of Rs. 10 each, fully paid-up	92,829,821	9,282.99	70,559,319	7,055.94
<b>Less: Treasury shares held through ESOP Trust (B)</b>				
Equity shares of Rs. 10 each, fully paid-up	(1,238,252)	(123.83)	(1,238,252)	(123.83)
<b>Equity shares (Net of Treasury shares) (A-B)</b>	<b>91,591,569</b>	<b>9,159.16</b>	<b>69,321,067</b>	<b>6,932.11</b>

#### 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, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	70,559,319	7,055.94	70,559,319	7,055.94
Add: equity shares issued during the year *	22,270,502	2,227.05	-	-
<b>Shares outstanding as at the end of the year</b>	<b>92,829,821</b>	<b>9,282.99</b>	<b>70,559,319</b>	<b>7,055.94</b>

\*During the year, the company issued and allotted 66,11,325 shares through Qualified Institutions Placement (QIP), 1,52,38,095 through preferential allotment and 4,21,082 equity shares of Rs 10 each under the ESOP schemes (Previous year: Nil).

#### c. Reconciliation of the number of treasury shares outstanding as at the beginning and end of the year:

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	1,238,252	123.83	-	-
Add: equity shares acquired from secondary market	-	-	1,238,252	123.83
<b>Shares outstanding as at the end of the year</b>	<b>1,238,252</b>	<b>123.83</b>	<b>1,238,252</b>	<b>123.83</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

An Employee Benefit Trust ("Trust") had been constituted. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Own equity instruments so reacquired (treasury shares) are recognised at face value and deducted from Equity Share Capital to the tune of Rs. 123.83 lakh. The amount received in excess of the face value is deducted from the Securities Premium Account. Pursuant to the same, the Company had granted 11,11,929 options on October 10, 2022 during the year ended March, 31 2023. During the year ended March 31, 2024, there has been no secondary market acquisition by the trust.

### d. Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding.

### e. Particulars of shareholders holding more than 5% of the equity share capital :

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Danish Sustainable Development Goals Investment Fund K/S	15,238,095	16.42%	-	-
Newquest Asia Investments III Limited	15,116,279	16.28%	15,116,279	21.42%
Clearsky Investment Holdings Pte Limited	15,116,279	16.28%	15,116,279	21.42%
Samena Fidem Holdings	5,956,757	6.42%	5,956,757	8.44%
<b>Total</b>	<b>51,427,410</b>	<b>55.40%</b>	<b>36,189,315</b>	<b>51.29%</b>

### f. Shares reservation :

Particulars	As at March 31, 2024	As at March 31, 2023
	No. of Shares	No. of Shares
Equity shares of Rs. 10 each		
Number of Shares reserved for ESOPs (Refer Note 47)	3,110,220	3,345,238

### 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 Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

### h. Shareholding of promoters (including promoter group) Disclosure :

Shares held by promoters (including promoter group) as at the end of the year:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP (promoter)	2,027,709	2.18%	-	2,027,709	2.87%	-
2. Shachindra Nath (person acting in concert of promoter)	46,300	0.05%	-	-	-	-
<b>Total</b>	<b>2,074,009</b>	<b>2.23%</b>	<b>-</b>	<b>2,027,709</b>	<b>2.87%</b>	<b>-</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 27. Other equity

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Securities premium account	106,914.77	75,352.48
(ii) Employee stock options scheme outstanding account	712.40	483.62
(iii) Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934	5,583.91	3,197.01
(iv) Capital reserve	1,046.00	1,046.00
(v) Retained earnings - other than remeasurement of post-employment benefit obligations	20,930.95	11,371.61
(vi) Retained earnings - Remeasurement of post- employment benefit obligations	(28.86)	(17.03)
(vii) Cash flow hedges reserve	(482.16)	38.51
<b>Total</b>	<b>134,677.01</b>	<b>91,472.20</b>

#### Nature and purpose of reserves :

##### (i) Securities Premium Account:

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

##### (ii) Employee stock options scheme outstanding:

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option schemes of the Company.

##### (iii) Statutory reserves u/s 45-IC of the RBI Act, 1934:

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

##### (iv) Capital Reserve:

Capital reserve comprises of the amount received on share warrants and 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.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 28. Interest income

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>At Amortised Cost:</b>		
Interest on loans	67,587.95	46,850.12
Interest on deposits with Banks	1,969.28	930.48
Interest on other financial assets	77.51	41.35
Other interest income	912.43	220.97
Interest on debt securities	247.21	248.42
<b>Total</b>	<b>70,794.38</b>	<b>48,291.34</b>

### 29. Net gain on derecognition of financial instruments under amortised cost category

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on derecognition of financial instruments	30,746.33	15,407.22
<b>Total</b>	<b>30,746.33</b>	<b>15,407.22</b>

### 30. Net gain on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on financial instruments at fair value through profit and loss:		
(a) On trading portfolio		
- Gain on sale of investments	147.85	-
<b>Total</b>	<b>147.85</b>	<b>-</b>
Fair value changes:		
Realised	147.85	-
Unrealised	-	-
<b>Total</b>	<b>147.85</b>	<b>-</b>

### 31. Fees and commission income

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fees and commission Income	3,107.62	1,946.81
<b>Total</b>	<b>3,107.62</b>	<b>1,946.81</b>

### 32. Other Income

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Marketing advisory fees	265.00	707.50
Technology support fees	625.00	1,686.93
Web display fees	243.87	330.00
Insurance commission income	2,230.68	0.02
Interest on income tax refund	7.39	6.46
<b>Total</b>	<b>3,371.94</b>	<b>2,730.91</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 33. Finance costs

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest Costs</b>		
<b>Interest expense on financial liabilities measured at amortised cost:</b>		
<b>(a) Interest on borrowings</b>		
Interest on borrowings from banks and financial institutions	30,691.22	17,346.36
<b>(b) Interest on debt securities</b>		
Interest on redeemable non-convertible debentures / discount on commercial paper	13,065.60	11,476.56
<b>(c) Interest on lease liabilities</b>		
Interest on lease liabilities	516.45	504.48
<b>(d) Interest on subordinated liabilities</b>		
Interest expenses on subordinated liabilities	19.13	-
<b>Total</b>	<b>44,292.40</b>	<b>29,327.40</b>

### 34. Net loss on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Net Loss on financial instruments at fair value through profit or loss</b>		
- On financial instruments	1.54	640.11
<b>Total</b>	<b>1.54</b>	<b>640.11</b>
<b>Fair value changes:</b>		
Realised	-	-
Unrealised	1.54	640.11
<b>Total</b>	<b>1.54</b>	<b>640.11</b>

### 35. Impairment on financial instruments

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>On financial instruments measured at amortised cost:</b>		
<b>Impairment on financial instruments</b>		
- Loans	11,623.67	5,591.20
- Other assets	-	88.62
- Fixed deposits	4.30	0.18
- Debt securities	(0.01)	(0.01)
<b>Total</b>	<b>11,627.96</b>	<b>5,679.99</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 36. Employee benefit expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, other allowances and bonus	16,986.36	13,186.28
Contribution to provident and other funds (Refer Note 46a)	552.13	437.82
Gratuity expenses (Refer Note 46b(ii))	99.64	64.23
Staff welfare expenses	197.41	126.74
Share based payments to employees (Refer Note 47)	449.87	256.41
<b>Total</b>	<b>18,285.41</b>	<b>14,071.48</b>

### 37. Depreciation, amortisation and impairment

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	207.12	194.75
Amortization on intangible assets	2,177.04	954.02
Depreciation on right of use assets	1,148.94	614.97
<b>Total</b>	<b>3,533.10</b>	<b>1,763.74</b>

### 38. Other expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent expenses	621.44	334.00
Communication expenses	1,116.14	746.33
Printing and stationery expenses	140.06	98.70
Advertisement and publicity expenses	213.95	29.69
Directors' sitting fees	153.00	189.00
Payments to auditor**	68.78	67.80
Legal and professional expenses	3,531.95	2,612.41
Insurance expenses	507.10	285.18
Rates and taxes expenses	1,528.39	1,350.83
Computer maintenance and software expenses	877.79	588.60
Marketing and brand promotion expenses	75.59	62.29
Meeting and event expenses	318.45	113.75
Travelling, lodging and boarding expenses	881.41	669.89
Brokerage expenses	7.15	0.75
Miscellaneous expenses	2,474.82	1,309.00
CSR expenditure (Refer Note 39)	35.44	52.50
<b>Total</b>	<b>12,551.46</b>	<b>8,510.72</b>

#### \*\* Payments to auditor :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a. As Auditor	51.50	57.00
b. For taxation matters	4.50	3.00
c. For company law matters	-	2.00
d. For other services (including reimbursement of expenses)	12.78	5.80
<b>Total</b>	<b>68.78</b>	<b>67.80</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 39. 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.1,706.14 lakh, basis which the Company was required to spend Rs.34.12 lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on : (Rupees in lakh)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Amount Spent	Amount unpaid/provision	Total	Amount Spent	Amount unpaid/provision	Total
(i) Construction/acquisition of any asset	35.44	-	35.44	-	-	-
(ii) On purpose other than (i) above	-	-	-	52.50	-	52.50

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) In case of Section 135(5) excess amount spent : (Rupees in lakh)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
5.25	-	34.12	35.44	6.57

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) The additional disclosures with regard to CSR activities are summarized below:

- (i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
- (ii) The total of previous years' shortfall amounts - Nil
- (iii) The reason for above shortfalls - Not applicable.

## Notes forming part of the financial statement for the year ended March 31, 2024 (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. 35.44 lakh against Rs. 34.12 lakh which was the required amount to be spent under CSR activities. The amount is spent towards renovation, construction and restoration of Prem Mahavidhyalaya Inter College in Vrindavan, Uttar Pradesh.

### II. Disclosure in relation to Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2024 and March 31, 2023 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2024 and March 31, 2023.

### III. Details of Crypto currency or Virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024 and March 31, 2023.

### 40. Additional Regulatory Information (to the extent applicable and reportable)

#### I. 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	-	-	-	-	-	-



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Title deeds of immovable property not held in the name of the Company as at March 31, 2023:

							(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	348.88	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award	-	
Non-current assets held for sale	Building	1,782.95	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, 2024 and March 31, 2023.

### III. Wilful Defaulter:

The Company is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2024 and March 31, 2023.

### IV. Details pertaining to transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 is as follows:

a. The Company does not have any transactions with the struck off companies during the year ended March 31, 2024.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

b. Name of struck off company with whom Company had a transaction during the year ended March 31, 2023.

<b>Name of the Company</b>	Northern Aircool Private Limited*
<b>Nature of transaction</b>	Loan Disbursement
<b>Balance outstanding as at March 31, 2023</b>	Nil
<b>Relation with struck-off company</b>	Customer

\*The Company had a transaction with the above Company before the Company was struck off as per the ROC records.

### V. Registration of charges or satisfaction with Registrar of Companies (ROC)

a. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2024.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 HDFC Term Loan- Rs. 50,00,00,000/- Charge ID 100721331 DOH Date-28.04.2023	Mumbai	29.05.2023 (Form Filed with MCA) 29.05.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on MCA V3 portal.

b. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2023.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 Nabsamruddhi Term Loan- Rs. 15,00,00,000/- Charge ID 100603629 DOH Date-05.08.2022	Mumbai	06.09.2022 (Form Filed with MCA) 13.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-4 Beacon Trusteeship Limited Charge ID-100493809 NOC Date-02.08.2022	Mumbai	23.09.2022 (Form Filed with MCA) 27.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.31,09,00,000/- Charge ID:100518344 List of Receivables Date-31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.12,40,80,000/- Charge ID:100628374 List of Receivables Date-31.12.2022	Mumbai	01.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.14,48,00,000/- Charge ID: 100628373 List of receivables:31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 Catalyst Trusteeship Limited- Rs. 82,70,00,000/- Charge ID: 100688034 Resubmission Date- 10-02-2023	Mumbai	21.03.2023 (Form filed with MCA) 22.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Canara Bank Term Loan- Rs. 75,00,00,000/- Charge ID-100684349 DOH Date-21.01.2023	Mumbai	10.03.2023 (Form filed with MCA) 15.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 IDFC First Bank Term Loan- Rs. 100,00,00,000/- Charge ID-100692382 DOH Date-30.01.2023	Mumbai	24.03.2023 (Form filed with MCA) 30.03.2023 (Charge Certification Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.

### VI. Analytical Ratios

- (a) Capital to risk-weighted assets ratio (CRAR) - Refer Note No. 60 (a)
- (b) Tier I CRAR - Refer Note No. 60 (a)
- (c) Tier II CRAR - Refer Note No. 60 (a)
- (d) Liquidity Coverage Ratio - Refer Note no. 51(b). Liquidity Risk.

### VII. Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014:

- (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;
- (b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

### 41. Earnings per share

#### Basic and diluted earnings per share [EPS] computed in accordance with the Indian Accounting Standard (Ind AS) 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Basic</b>		
Profit after tax [A]	11,934.48	3,977.64
Weighted average number of equity shares outstanding during the year (Nos.) [B]	89,104,193	69,900,472
<b>Basic earnings per share Rs. [A/B]</b>	<b>13.39</b>	<b>5.69</b>
<b>Diluted</b>		
Profit after tax [A]	11,934.48	3,977.64
Weighted average number of equity shares outstanding during the year (Nos.)	89,104,193	69,900,472
Weighted average number of potential equity shares on account of employee stock options and share warrants (Nos.)	1,275,884	422,923
Weighted average number of shares outstanding for diluted earning per share (Nos.) [B]	90,380,077	70,323,395
<b>Diluted earnings per share Rs. [A/B]</b>	<b>13.20</b>	<b>5.66</b>
Face value per share Rs.	10.00	10.00

### 42. Contingent liabilities and capital commitments:

#### a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

#### b. Capital commitments

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	4,833.02	4,477.45
- Other commitments*	3,827.53	5,141.44
- Amount of contracts remaining to be executed on capital account	517.50	760.50
<b>Total</b>	<b>9,178.05</b>	<b>10,379.39</b>

\*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Company during the year.

### 43. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 44. 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 (Upto September 01, 2022)	Amit Gupta
- Chief Financial Officer (From September 15, 2022)	Kishore Kumar Lodha
- Company Secretary (Upto June 13, 2022)	Aniket Karandikar
- Company Secretary (Upto October 31, 2023)	Namrata Sajnani
- Company Secretary (From November 1, 2023)	Satish Kumar Chelladurai
- Non- Executive Chairman & Independent Director	Satyananda Mishra
- Independent Director	Karuppasamy Singam
- Independent Director	Rajeev Agarwal
- Independent Director	Karnam Sekar
- Independent Director and Chairman - Audit Committee (From August 1, 2023)	Hemant Bhargava
- Independent Director (From August 1, 2023)	Tabassum Inamdar
- Independent Director and Chairman - Audit Committee (Upto July 4, 2023)	Abhijit Sen
- Independent Director (Upto July 4, 2023)	Smita Aggarwal

##### (ii) Other related parties :

- Livfin India Private Limited
- Indifi Technologies Private Limited



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

b. Transactions with related parties are as enumerated below:

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Transactions during the year :</b>		
<b>Income</b>		
<b>Recovery of transaction fees *</b>		
Livfin India Private Limited	63.77	94.28
<b>Expenses</b>		
<b>Sourcing Fee*</b>		
Livfin India Private Limited	29.11	33.44
Indifi Technologies Private Limited	373.00	-
<b>Reimbursement of expenses</b>		
Aniket Karandikar	-	0.02
Amit Gupta	-	0.03
Shachindra Nath	-	0.08
Kishore Kumar Lodha	0.28	1.34
Namrata Sajnani	0.08	-
Satish Kumar Chelladurai	0.02	-
<b>Director sitting fees</b>		
Hemant Bhargava	21.00	17.00
Karnam Sekar	21.00	29.00
Rajeev Agarwal	32.00	23.00
Karuppasamy Singam	29.00	26.00
Satyananda Mishra	29.00	30.00
Smita Aggarwal	5.00	25.00
Tabassum Inamdar	10.00	-
Abhijit Sen	6.00	39.00
<b>Short-term employee benefits**</b>		
Shachindra Nath	585.63	466.44
Amit Gupta	-	52.81
Kishore Kumar Lodha	252.17	190.39
Namrata Sajnani	27.44	25.92
Aniket Karandikar	-	9.04
Satish Kumar Chelladurai	14.37	-
<b>Share Based Payment</b>		
Kishore Kumar Lodha	33.24	-

\* The above figures are excluding GST.

\*\*The above figures excludes provision for gratuity and compensated absences.

The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year ended March 31, 2024 and March 31, 2023

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### c. Balance outstanding :

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Other financial assets</b>		
Livfin India Private Limited	-	11.44

### d. ESOPs held with Key Managerial Personnel :

Particulars	As at March 31, 2024 (No. of options)	As at March 31, 2023 (No. of options)
Kishore Kumar Lodha	374,010	399,010

### 45. Expenditure in foreign currency :

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Debt securities	262.64	-
Borrowings (other than debt securities)	61.91	82.86
Other expenses	23.67	27.97
Finance costs	2,986.70	418.90
Other non-financial assets	211.83	4.08
<b>Total</b>	<b>3,546.75</b>	<b>533.81</b>

### 46. Disclosure pursuant to Ind AS 19 'Employee benefits' :

#### a. Defined contribution plans :

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident fund	360.68	291.18
Employer's contribution to national pension scheme	191.28	146.29
Employer's contribution to labour welfare fund	0.17	0.35
<b>Total</b>	<b>552.13</b>	<b>437.82</b>

#### 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 statement for the year ended March 31, 2024 (contd.)

(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2024	As at March 31, 2023
Discount rate	7.16%	7.29%
Expected rate of return on plan asset	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 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, 2024	For the year ended March 31, 2023
<b>Service cost:</b>		
Current service cost	87.11	59.50
Net interest expense	12.53	4.73
<b>Components of defined benefit costs recognised in the Statement of profit or loss</b>	<b>99.64</b>	<b>64.23</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.69	(13.06)
Actuarial (Gains)/Losses on Obligations - Due to Experience	39.01	37.09
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>40.70</b>	<b>24.03</b>
<b>Total</b>	<b>140.34</b>	<b>88.26</b>

(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, 2024	As at March 31, 2023
Present value of defined benefit obligation	305.33	171.83
<b>Net liability arising from defined benefit obligation</b>	<b>305.33</b>	<b>171.83</b>

(iv). Movements in the present value of the defined benefit obligation is as follows :

(Rupees in lakh)

Particulars	Gratuity plans	
	As at March 31, 2024	As at March 31, 2023
<b>Opening defined benefit obligation</b>	<b>171.83</b>	<b>83.65</b>
Current service cost	87.11	59.50
Interest cost	12.53	4.73
Remeasurement (gains)/Loss	40.70	24.03
Benefits paid	(6.84)	(0.08)
<b>Closing defined benefit obligation</b>	<b>305.33</b>	<b>171.83</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### (v). Maturity analysis of the benefit payments :

(Rupees in lakh)

Projected benefits payable in future years	As at March 31, 2024	As at March 31, 2023
1st following year	33.94	17.43
2nd following year	28.00	21.55
3rd following year	36.12	18.02
4th following year	54.45	23.78
5th following year	53.67	31.80
Sum of years 6 To 10	154.95	91.83
Sum of years 11 and above	74.14	43.90

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

### (vi). Sensitivity analysis (defined benefit obligation) :

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.59)	13.64	(7.20)	7.80
Future salary growth (1% movement)	12.27	(11.71)	7.19	(6.77)
Attrition rate (1% movement)	(5.13)	5.16	(3.03)	3.07

#### Note :

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### c. Compensated absences

(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2024	As at March 31, 2023
<b>Demographic Assumptions</b>		
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
<b>Financial Assumptions</b>		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.16% p.a.(Indicative G.Sec referenced on 28-03-2024)	7.29% p.a.(Indicative G.Sec referenced on 31-03-2023)

## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024	As at March 31, 2023
Present value of defined benefit obligation	881.76	604.09
<b>Net liability arising from defined benefit obligation</b>	<b>881.76</b>	<b>604.09</b>

Particulars	Compensated absences	
	As at March 31, 2024	As at March 31, 2023
Discontinuance liability	942.59	648.30
Defined benefit obligation	881.76	604.09
Funding status	Unfunded	Unfunded
Fund balance	N.A.	N.A.
Current liability	212.10	143.95
Non-current liability	669.66	460.15

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii). Sensitivity analysis (defined benefit obligation) :

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(24.95)	26.89	(17.01)	18.34
Future salary growth (1% movement)	27.20	(25.68)	18.57	(17.53)
Attrition rate (1% movement)	3.03	(3.26)	2.20	(2.37)

### 47. Disclosure relating to employee stock option scheme

The Company has two employee stock option schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Capital Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the Board of Directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extraordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the Board of Directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 6,91,980 (previous year 15,01,929) options representing equal numbers of equity shares of Rs. 10 each.



## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024 and March 31, 2023 is set below :

Particulars	As at March 31, 2024	Exercise price range	As at March 31, 2023	Exercise price range
	In numbers		In numbers	
CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022: (face value of Rs. 10 each)				
<b>Options outstanding as at the beginning of the year</b>	<b>3,345,238</b>	<b>Rs. 130 - Rs. 202</b>	<b>2,991,097</b>	<b>Rs. 130</b>
Add: Options granted	691,980	Rs. 130 - Rs. 280.05	1,501,929	Rs. 137.4 - Rs. 202
Less: Options exercised*	421,082	Rs. 130 - Rs. 173.85	-	-
Less: Options lapsed	505,916	Rs. 130 - Rs. 280.05	1,147,788	Rs. 130
<b>Option outstanding as at the end of the year#</b>	<b>3,110,220</b>	<b>Rs. 130 - Rs. 271.35</b>	<b>3,345,238</b>	<b>Rs. 130 - Rs. 202</b>
<b>Exercisable as at the end of the year</b>	<b>433,146</b>		<b>138,461</b>	

\*Weighted average share price of options exercised during the year ended March 31, 2024 was Rs. 259.76.

#Weighted average remaining contractual life of options outstanding as at March 31, 2024 is 1.90 years.

The Company follows accounting policy of fair value method for employee stock options (ESOS) valuation. Accordingly, the accumulated expense of Rs. 449.87 lakh (previous year expense Rs. 256.41 lakh) has been debited to the Statement of Profit and Loss for the year ended March 31, 2024.

Particulars	CSL employee stock option scheme 2017 - Grant XXXI	CSL employee stock option scheme 2017 - Grant XXXII	CSL employee stock option scheme 2017 - Grant XXXIII	CSL employee stock option scheme 2017 - Grant XXXIV
Date of the grant	October 1, 2023	December 29, 2023	January 2, 2024	February 19, 2024
Number of options granted	150,000	100,000	50,000	190,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern		1) 50% (April 1, 2023 – March 31, 2024) 2) 50% (April 1, 2025 – March 31, 2026)		
<b>Weighted average remaining contractual life</b>				
Granted but not vested (in years)	NA	1.19	1.19	1.26
Vested but not exercised	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.			
Vesting conditions	Graded vesting based on fulfilment of IRR target mentioned in the scheme.			
Weighted average fair value of options as on the grant date (in Rs)	94.63	207.54	208.70	111.09

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

Particulars	UGRO Capital employee stock option scheme 2022 - Grant II	UGRO Capital employee stock option scheme 2022 - Grant III	UGRO Capital employee stock option scheme 2022 - Grant IV	UGRO Capital employee stock option scheme 2022 - Grant V
Date of the grant	October 1, 2023	December 29, 2023	January 2, 2024	February 19, 2024
Number of options granted	75,000	50,000	1,980	75,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date
Vesting pattern	100%	100%	100%	100%
<b>Weighted average remaining contractual life</b>				
Granted but not vested (in years)	NA	2.75	2.84	2.92
Vested but not exercised	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA
Exercise period	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.
Vesting conditions	Time Based	Time Based	Time Based	Time Based
Weighted average fair value of options as on the grant date (in Rs)	145.97	152.40	140.90	142.57

### Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer, if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

### Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

The key assumptions used in Binomial model for calculating fair value under CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XXXI	CSL employee stock option scheme 2017 - Grant XXXII	CSL employee stock option scheme 2017 - Grant XXXIII	CSL employee stock option scheme 2017 - Grant XXXIV
Risk-free interest rate	7.19%	7.07%	7.07%	7.05%
Expected volatility of share price*	44.02%	42.89%	42.70%	40.54%
Time to maturity (in years)	NA	2.26	2.25	2.12
Dividend yield	-	-	-	-
The price of equity share as on the grant date considered for valuation (in Rs.)	277.61	275.61	275.39	271.66

\*Volatilities is calculated using 3-month average market data for stock prices (Volume Weighted Average Price).

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

Particulars	UGRO Capital employee stock option scheme 2022 - Grant II	UGRO Capital employee stock option scheme 2022 - Grant III	UGRO Capital employee stock option scheme 2022 - Grant IV	UGRO Capital employee stock option scheme 2022 - Grant V
Risk-free interest rate	7.25%	7.08%	7.07%	7.09%
Expected volatility of share price*	46.59%	43.81%	43.68%	42.94%
Time to maturity (in years)	NA	3.00	3.00	3.00
Dividend yield	-	-	-	-
The price of equity share as on grant date considered for valuation (in Rs.)	277.61	275.61	275.39	271.66

\*Volatilities is calculated using 3-month average market data for stock prices (Volume Weighted Average Price).

### 48. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation/ impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. 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, 2024	As at March 31, 2023
<b>Office Premises :</b>		
<b>At fair value as at the beginning of the year</b>	<b>5,337.03</b>	<b>3,896.26</b>
Additions during the year	2,777.70	1,632.02
Deletions during the year	(243.42)	(234.47)
Remeasurement of assets	25.66	43.22
<b>At fair value as at the end of the year</b>	<b>7,896.97</b>	<b>5,337.03</b>
<b>Accumulated depreciation as at the beginning of the year</b>	<b>1,972.95</b>	<b>1,357.98</b>
Depreciation for the year	1,148.94	614.97
<b>Accumulated depreciation as at the end of the year</b>	<b>3,121.89</b>	<b>1,972.95</b>
<b>Net carrying amount as at the end of the year</b>	<b>4,775.08</b>	<b>3,364.08</b>

#### b. Amount recognised in Statement of Profit and loss :

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets	1,148.94	614.97
Interest expense on lease liabilities	516.45	504.48
<b>Total expenses recognised in Statement of profit and loss</b>	<b>1,665.39</b>	<b>1,119.45</b>

The total cash outflow on account of lease rentals amounting for the current year Rs. 1,270.48 lakh (previous year : Rs. 781.38 lakh).

The average lease term for the rented office premises is ranging between 3 to 5 years.

#### c. Lease liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities	5,209.90	3,518.15
<b>Total</b>	<b>5,209.90</b>	<b>3,518.15</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### d. Maturity analysis of lease liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	1,271.48	788.96
Later than 1 year and not later than 5 years	3,885.93	2,706.62
Later than 5 years	52.49	22.57
<b>Total</b>	<b>5,209.90</b>	<b>3,518.15</b>

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 lease and license agreement.

The Company has the right to extend the lease term as per mutually agreed terms laid down in the respective lease and license agreement. The Company takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

### 49. Impact of hedging activities

#### a) Disclosure of effects of hedge accounting on the financial position:

(Rupees in lakh)

As at March 31, 2024

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
	Assets	Liabilities	Assets	Liabilities				
Cashflow Hedge								
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	350.96	-	December 06, 2024	10.89	10.89	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	24.72	-	September 28, 2027	58.87	58.87	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	43.84	November 07, 2025	(154.38)	(154.38)	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	167.12	February 16, 2028	50.14	50.14	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,205.00	-	-	117.44	June 27, 2027	117.44	117.44	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	-	112.28	June 28, 2027	112.28	112.28	Borrowings (other than debt securities)

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

As at March 31, 2023

(Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	340.07	-	December 06, 2024	317.78	317.78	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	-	34.15	September 28, 2027	34.15	34.15	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	198.22	November 07, 2025	198.22	198.22	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	116.98	February 16, 2028	116.98	116.98	Borrowings (other than debt securities)

### b) Disclosure of effects of hedge accounting on the financial performance:

As at March 31, 2024

(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 Cost

As at March 31, 2023

(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	45.33	-	-	Finance Cost

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 50. Summarised classification of financial assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
<b>Financial assets</b>								
Cash and cash equivalents	8,835.15	-	-	<b>8,835.15</b>	4,014.77	-	-	<b>4,014.77</b>
Bank balances other than cash and cash equivalents above	36,652.91	-	-	<b>36,652.91</b>	17,166.14	-	-	<b>17,166.14</b>
Loans	543,221.03	-	-	<b>543,221.03</b>	380,636.21	-	-	<b>380,636.21</b>
Investments	4,226.47	1,692.13	-	<b>5,918.60</b>	4,261.77	1,748.92	-	<b>6,010.69</b>
Other financial assets (Refer Note 7)	2,021.19	-	-	<b>2,021.19</b>	2,531.23	-	-	<b>2,531.23</b>
<b>Total</b>	<b>594,956.75</b>	<b>1,692.13</b>	<b>-</b>	<b>596,648.88</b>	<b>408,610.12</b>	<b>1,748.92</b>	<b>-</b>	<b>410,359.04</b>
<b>Financial liabilities</b>								
Derivative financial instruments	-	-	65.00	<b>65.00</b>	-	-	9.27	<b>9.27</b>
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	448.65	-	-	<b>448.65</b>	145.97	-	-	<b>145.97</b>
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	-	-	<b>821.57</b>	1,168.80	-	-	<b>1,168.80</b>
(B) Other payables								
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	<b>-</b>	-	-	-	<b>-</b>
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	-	-	<b>89.85</b>	96.78	-	-	<b>96.78</b>
Debt securities	139,483.13	-	-	<b>139,483.13</b>	114,434.45	-	-	<b>114,434.45</b>
Borrowings (other than debt securities)	322,322.27	-	-	<b>322,322.27</b>	200,459.00	-	-	<b>200,459.00</b>
Subordinated Liabilities	3,519.13	-	-	<b>3,519.13</b>	-	-	-	<b>-</b>
Other financial liabilities (Refer Note 22)	7,429.68	225.17	-	<b>7,654.85</b>	7,276.66	225.17	-	<b>7,501.83</b>
<b>Total</b>	<b>474,114.28</b>	<b>225.17</b>	<b>65.00</b>	<b>474,404.45</b>	<b>323,581.66</b>	<b>225.17</b>	<b>9.27</b>	<b>323,816.10</b>

### 51. Financial risk management

The Company has exposure to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- 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.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 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 updated on March 21, 2024.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### A. Movement of expected credit loss on advances :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management overlay	Total
<b>Opening balances as at April 01, 2023</b>	<b>3,845.98</b>	<b>373.94</b>	<b>4,580.07</b>	-	-	<b>8,799.99</b>
<b>Changes in the loss allowance during the year:</b>						
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)
<b>Closing balance as at March 31, 2024</b>	<b>2,973.36</b>	<b>549.74</b>	<b>8,226.26</b>	-	-	<b>11,749.36</b>
<b>Opening balance as at April 01, 2022</b>	<b>2,481.66</b>	<b>93.91</b>	<b>1,215.04</b>	-	<b>273.79</b>	<b>4,064.40</b>
<b>Changes in the loss allowance during the year:</b>						
Transfer to Stage 1	5.33	(3.44)	(1.89)	-	-	-
Transfer to Stage 2	(202.42)	205.34	(2.92)	-	-	-
Transfer to Stage 3	(1,727.12)	(395.09)	2,122.21	-	-	-
New loans originated during the year	2,222.79	166.92	337.66	-	-	2,727.37
Other movements (on account of changes in EAD)	1,065.74	306.30	1,176.23	-	-	2,548.27
Amounts written off during the year	-	-	(266.26)	-	-	(266.26)
Management overlay*	-	-	-	-	(273.79)	(273.79)
<b>Closing balance as at March 31, 2023</b>	<b>3,845.98</b>	<b>373.94</b>	<b>4,580.07</b>	-	-	<b>8,799.99</b>

\* There is no reversal on account of management overlay, the same has been incorporated in the ECL Model itself during the year ended March 31, 2023.

### B. Movement of expected credit loss (ECL) on loan commitments :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balances as at April 01, 2023</b>	-	-	-	-
<b>Changes in the loss allowance during the year :</b>				
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)	-	-	-	-
<b>Closing balance as at March 31, 2024</b>	-	-	-	-
<b>Opening balances as at April 01, 2022</b>	-	-	-	-
<b>Changes in the loss allowance during the year:</b>				
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)	-	-	-	-
<b>Closing balance as at March 31, 2023</b>	-	-	-	-

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### C. Movement in gross carrying amount of advances :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
<b>Opening balance of gross carrying amount as at April 01, 2023</b>	<b>369,419.70</b>	<b>10,447.45</b>	<b>9,569.05</b>	-	<b>389,436.20</b>
<b>Changes in the gross carrying amount during the year:</b>					
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)
<b>Closing balance as at March 31, 2024</b>	<b>510,090.62</b>	<b>27,731.86</b>	<b>17,147.91</b>	-	<b>554,970.39</b>
<b>Opening balance of gross carrying amount as at April 01, 2022</b>	<b>240,279.65</b>	<b>3,255.34</b>	<b>5,641.15</b>	-	<b>249,176.14</b>
<b>Changes in the gross carrying amount during the year:</b>					
Transfer to Stage 1	1,384.17	(1,164.23)	(219.94)	-	-
Transfer to Stage 2	(5,647.62)	5,742.82	(95.20)	-	-
Transfer to Stage 3	(4,284.81)	(715.97)	5,000.78	-	-
New loans originated during the year	266,582.08	4,562.11	709.85	-	271,854.04
Other movements (on account of changes in EAD)	(128,893.77)	(1,232.62)	(1,201.33)	-	(131,327.72)
Write offs during the year	-	-	(266.26)	-	(266.26)
<b>Closing balance as at March 31, 2023</b>	<b>369,419.70</b>	<b>10,447.45</b>	<b>9,569.05</b>	-	<b>389,436.20</b>

### D. Movement in loan commitments :

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance as at April 01, 2023</b>	<b>4,477.45</b>	-	-	<b>4,477.45</b>
<b>Changes in loan commitments during the year:</b>				
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)
<b>Closing balance as at March 31, 2024</b>	<b>4,833.02</b>	-	-	<b>4,833.02</b>
<b>Opening balance as at April 01, 2022</b>	<b>882.60</b>	-	-	<b>882.60</b>
<b>Changes in loan commitments during the year:</b>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,477.45	-	-	4,477.45
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(882.60)	-	-	(882.60)
<b>Closing balance as at March 31, 2023</b>	<b>4,477.45</b>	-	-	<b>4,477.45</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024		As at March 31, 2023	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	62,789.13	1,336.35	51,968.44	1,247.82
51% - 70%	2,854.25	8.34	740.40	2.04
71% - 90%	249,651.66	825.52	181,887.88	933.51
> 90%	-	-	-	-

#### Credit impaired advances (LTV band-wise) :

LTV ratio	As at March 31, 2024		As at March 31, 2023	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,148.24	1,130.07	2,086.38	502.21
51% - 70%	70.63	11.78	4.89	1.43
71% - 90%	3,333.52	697.75	1,690.62	299.90
> 90%	-	-	-	-

### 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 statement for the year ended March 31, 2024 (contd.)

### Undiscounted cash flows by contractual maturities for 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
<b>Financial assets (inflow) :</b>							
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 7)	2,024.35	2,021.19	-	741.09	-	1,280.10	-
<b>Financial liabilities (outflow):</b>							
Derivative financial instruments	65.00	65.00	-	-	-	65.00	-
<b>Payables</b>							
<b>(A) Trade payables</b>							
(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>(B) Other payables</b>							
(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 22)	7,654.85	8,848.77	147.04	2,480.19	1,324.45	4,841.18	55.91

\* Carrying amount reported above is on a gross basis.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2023 :

(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
<b>Financial assets (inflow) :</b>							
Cash and cash equivalents	4,014.77	4,014.77	4,014.77	-	-	-	-
Bank balance other than cash and cash equivalents	17,169.19	17,169.19	3,412.54	988.26	6,432.63	6,334.40	1.36
Derivative financial instruments	-	-	-	-	-	-	-
Loans	389,436.20	384,849.48	31,274.12	51,371.24	63,369.04	173,134.43	65,700.65
Investments	6,011.52	6,011.52	-	-	-	6,011.52	-
Other financial assets (Refer Note 7)	2,534.41	2,534.41	-	1,803.57	-	730.84	-
<b>Financial liabilities (outflow):</b>							
Derivative financial instruments	9.27	9.27	-	-	9.27	-	-
<b>Payables</b>							
<b>(A) Trade payables</b>							
(I) Total outstanding dues of micro enterprises and small enterprises	145.97	145.97	-	145.97	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	1,168.80	-	1,168.80	-	-	-
<b>(B) Other payables</b>							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	96.78	96.78	-	96.78	-	-	-
Debt securities	114,434.45	116,296.98	4,134.04	17,096.13	48,270.31	46,796.50	-
Borrowings (other than debt securities)	200,459.00	203,864.05	6,151.02	20,367.12	54,704.52	122,546.39	95.00
Other financial liabilities (Refer Note 22)	7,501.83	8,290.98	95.20	3,877.24	859.76	3,430.89	27.89

\* Carrying amount reported above is on a gross basis.

### Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2024 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,833.02	4,833.02	-	-
Other commitments	-	3,827.53	3,827.53	-	-
Capital commitments (outflow)	-	517.50	317.50	200.00	-

### Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2023 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,477.45	4,477.45	-	-
Other commitments	-	5,141.44	5,141.44	-	-
Capital commitments (outflow)	-	760.50	373.50	387.00	-

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

The Company has disclosed the below information as stated in the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as updated from time to time, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

### (i) Funding concentration based on significant counterparty (both deposits and borrowings):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).

The Company had not raised any public deposits.

The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount (Rs lakh)*	% of Total Liabilities
1	29	365,674.17	75.53%

\* The Principal outstanding amounts as on March 31, 2024 have been considered above.

### (ii) Top 20 large deposits (amount in Rs lakh and % of total deposits) :

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company had not accepted any deposits during the year.

### (iii) Top 10 borrowings (amount in Rs lakh and % of total borrowings) :

Particulars	As at March 31, 2024	As at March 31, 2023
Total borrowings from ten largest lenders *	235,275.79	142,894.94
Percentage of borrowings from ten largest lenders to total borrowings of the Company	50.17%	45.34%

\* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

### (iv) Funding concentration based on significant instrument / product :

Sr No.	Name of instrument / product	As at March 31, 2024		As at March 31, 2023	
		Amount (Rs lakh)*	% of total liabilities	Amount (Rs lakh)*	% of total liabilities
1	Term loans facilities	271,939.84	56.17%	175,568.18	52.86%
2	Cash credit / overdraft facilities	16,374.99	3.38%	3,477.93	1.05%
3	Non-convertible debentures	127,914.25	26.42%	83,338.23	25.09%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	3,843.26	0.79%	16,339.99	4.92%
5	Commercial paper	7,000.00	1.45%	12,500.00	3.76%
6	External Commercial borrowing	38,456.21	7.94%	23,945.67	7.21%
7	Subordinated Debt	3,500.00	0.72%	-	-
<b>Total</b>		<b>469,028.55</b>	<b>96.87%</b>	<b>315,170.00</b>	<b>94.89%</b>

\* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### (v) Stock Ratios :

#### (a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	1.49%	1.45%	1.11%	3.97%	3.76%	2.90%

#### (b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

#### (c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	3.49%	3.38%	2.61%	1.10%	1.05%	0.81%
Working capital	1.74%	1.68%	1.30%	1.89%	1.79%	1.38%

#### (vi) Institutional set-up for liquidity risk management :

The Company has an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. The asset liability committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the concluded quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. The Company maintains a positive cumulative mismatch in all buckets.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

The Company has disclosed the below information as stated in the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN. REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as updated from time to time, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

### Liquidity Coverage Ratio (LCR)

#### (A) Quantitative Disclosure

(Rupees in lakh)

Sr. No.	Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023	
		Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)
<b>High Quality Liquid Assets</b>					
1	Total High Quality Liquid Assets (HQLA)	8,835.15	8,835.15	21,466.65	21,466.65
<b>Cash Outflows</b>					
2	Deposits (for deposit taking companies)	N.A.	N.A.	N.A.	N.A.
3	Unsecured wholesale funding	2,848.44	3,275.71	3,290.07	3,783.58
4	Secured wholesale funding	10,832.23	12,457.07	26,081.04	29,993.19
5	Additional requirements, of which	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	4,833.02	5,557.97	5,580.43	6,417.49
6	Other contractual funding obligations	6,231.86	7,166.63	6,946.15	7,988.07
7	Other contingent funding obligations	1,224.28	1,407.92	781.76	899.03
8	<b>TOTAL CASH OUTFLOWS</b>	<b>25,969.83</b>	<b>29,865.30</b>	<b>42,679.45</b>	<b>49,081.36</b>
<b>Cash Inflows</b>					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	33,486.04	25,114.53	32,638.30	24,478.72
11	Other cash inflows	22,330.68	16,748.01	20,608.78	15,456.59
12	<b>TOTAL CASH INFLOWS</b>	<b>55,816.72</b>	<b>41,862.54</b>	<b>53,247.08</b>	<b>39,935.31</b>
13	TOTAL HQLA		8,835.15		21,466.65
14	TOTAL NET CASH OUTFLOWS = Stressed Outflows - Minimum (stressed inflows; 75% of stressed outflows)		7,466.33		12,270.34
15	LIQUIDITY COVERAGE RATIO (%)		118.33%		174.95%

#### Notes:

- In Computing the above information, certain estimates/assumptions have been used by the Company's management.
- Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- 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%

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### (B) Qualitative Disclosure

#### (a) The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time :

RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2024, the applicable minimum LCR required to be maintained by NBFC is 85%.

#### (b) Intra-period changes as well as changes over time :

The details for the two quarter ended March 31, 2024 and December 31, 2023 are disclosed above. Liquidity coverage ratio was not applicable to the Company before December 31, 2023.

#### (c) The composition of HQLAs

(Rupees in lakh)

	Quarter ended March 31, 2024		Quarter ended December 31, 2023	
	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount
<b>High Quality Liquid Assets</b>				
-Cash and Cash Equivalent	8,835.15	8,835.15	5,954.44	5,954.44
-Demand deposits with Scheduled Commercial Banks	-	-	15,512.21	15,512.21
<b>Total High Quality Liquid Assets</b>	<b>8,835.15</b>	<b>8,835.15</b>	<b>21,466.65</b>	<b>21,466.65</b>

#### (d) Currency mismatch in the LCR :

The Company has taken foreign currency borrowings. The Company has entered into cross currency interest rate swap and full currency swap to hedge the foreign currency risk on such borrowing.

#### (e) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile :

All inflows/ outflows considered relevant has been considered for LCR calculation.

### 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.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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, 2024*	As at March 31, 2023*
Variable rate borrowings	241,834.86	165,035.27
Fixed rate borrowings	227,193.69	150,134.73
<b>Total borrowings</b>	<b>469,028.55</b>	<b>315,170.00</b>

\* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

The Company had the following variable rate borrowings outstanding :

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average cost	10.70%	10.60%
Outstanding balance*	241,834.86	165,035.27
% of total borrowings	51.56%	52.36%
<b>Sensitivity :</b>	<b>Impact on profit or loss</b>	
Particulars	As at March 31, 2024	As at March 31, 2023
Interest rate - increase by 1%**	(2,055.06)	(1,166.67)
Interest rate - decrease by 1%**	2,055.06	1,166.67

\* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

\*\* Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

### Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of the foreign currency borrowings. The Company manages this foreign currency risk by entering into cross-currency interest rate swaps/ full currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds the derivative financial instruments such as cross-currency interest rate swaps, full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

### d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

### Capital Management:

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

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, 2024	As at March 31, 2023
<b>The gearing ratio at each date were as follows :</b>		
Debt securities	139,483.13	114,434.45
Borrowings (other than debt securities)	322,322.27	200,459.00
Subordinated liabilities	3,519.13	-
<b>Total Debt</b>	<b>465,324.53</b>	<b>314,893.45</b>
<b>Total equity*</b>	<b>143,836.17</b>	<b>98,404.31</b>
<b>Debt to equity ratio</b>	<b>3.23</b>	<b>3.20</b>

\*Total equity = Equity share capital + Other equity

**52. Details of all collaterals used as security for liabilities** (Rupees in lakh)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2024	As at March 31, 2023
<b>Assets type :</b>		
1. Loans receivable as collateral under lending agreements	479,257.00	342,953.54
2. Loans receivable as collateral under PTC agreements	2,306.96	2,306.96
3. Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	100.41	-
4. Fixed deposits as collateral under lending agreements (apart from point no. 3 above and 5 below)	23,160.36	9,124.95
5. Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	2,126.73	2,096.91

**53. Income tax** (Rupees in lakh)

**a. The major components of tax expense for the year ended March 31, 2024 and March 31, 2023:**

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1</b>	<b>Statement of profit and loss :</b>		
	<b>Profit and loss section :</b>		
	<b>Current income tax :</b>		
	Tax for current year as per minimum alternate tax	3,647.61	2,298.62
	<b>Deferred tax :</b>		
	Tax expense on origination and reversal of temporary differences	2,477.20	1,828.08
	<b>Excess/short provision of tax of earlier years:</b>		
	Tax expense for earlier years as per minimum alternate tax	(183.04)	278.50
	<b>Income tax expense reported in the Statement of profit and loss</b>	<b>5,941.77</b>	<b>4,405.20</b>
<b>2</b>	<b>Other comprehensive income (OCI) section :</b>		
	<b>Deferred tax :</b>		
	Net (loss)/ gain on remeasurement of defined benefit obligations	(11.85)	(7.00)
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	(213.91)	13.20
	<b>Income tax expense/(gain) reported in the OCI section</b>	<b>(225.76)</b>	<b>6.20</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### b. Reconciliation of effective tax rate :

(Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Profit before tax as per books	17,876.25	8,382.84
2	Book profit as per MAT	3,000.63	13,156.03
3	Applicable income tax rate	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	<b>Tax at the applicable income tax rate on profit before tax (A)</b>	<b>5,205.56</b>	<b>2,441.08</b>
6	<b><u>Tax effect of amounts not deductible / not taxable while calculating taxable income</u></b>		
	-Corporate social responsibility	10.32	15.29
	-Interest /penalty on TDS	2.83	-
	-Other adjustments	32.07	59.21
	-Impact on account of brought forward losses	690.99	1,889.62
	<b>Total of adjustments (B)</b>	<b>736.21</b>	<b>1,964.12</b>
7	<b>Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)</b>	<b>5,941.77</b>	<b>4,405.20</b>
8	Tax under MAT (Current Tax)	3,464.57	2,577.12
9	<b>Less: MAT credit entitlement (D)</b>	<b>(3,464.57)</b>	<b>(2,577.12)</b>
10	<b>Total Deferred tax ( E) = (D) - (C)</b>	<b>2,477.20</b>	<b>1,828.08</b>
11	<b>Total Tax expense/(refund)</b>	<b>5,941.77</b>	<b>4,405.20</b>

\* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

### 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, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A</b>	<b><u>Deferred tax assets (DTA)</u></b>				
1	Provision for compensated absences	256.77	175.91	80.86	92.19
2	Provision for gratuity	88.91	50.04	38.87	25.68
3	Deferred revenue income - processing fees allowed upfront in income tax	707.18	1,740.14	(1,032.96)	903.77
4	Provision for impairment losses on financial instruments	3,488.29	2,628.18	860.11	1,379.06
5	Lease rentals expense under Ind AS 116	176.50	93.63	82.87	(6.62)
6	Preliminary expenses	-	7.13	(7.13)	(62.69)
7	Disallowance on account of Employee stock options scheme outstanding	217.44	217.44	-	(0.00)
8	Unutilised minimum alternate tax credit entitlement	7,537.88	4,105.37	3,432.51	2,518.03
9	Income tax losses carried forward	5,905.96	3,025.64	2,880.32	169.13
10	Provision for bonus	174.72	349.44	(174.72)	145.60
11	Provision for long term incentive plan	176.66	67.86	108.80	67.86
12	Others	200.73	-	200.73	(1.36)
13	<b>Total (A)</b>	<b>18,931.04</b>	<b>12,460.78</b>	<b>6,470.26</b>	<b>5,230.65</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Sr. No.	Particulars	Balance Sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>B</b>	<b>Deferred tax liabilities (DTL)</b>				
1	Difference in written down value of property, plant and equipment and intangible assets	569.59	342.76	226.83	123.92
2	Receivables on EIS Direct assignment and Co-lending transactions	11,215.41	4,200.47	7,014.94	3,752.72
3	Unrealised gain/ (loss) on investments	-	-	-	-
4	Prepaid fees/ charges on debt securities allowed upfront in income tax	821.18	542.37	278.81	194.17
5	Prepaid fees/ charges on borrowings allowed upfront in income tax	1,778.92	991.55	787.37	366.97
6	Deferred loan sourcing cost allowed upfront in income tax	4,244.46	3,819.62	424.84	2,610.51
7	Others	5.54	16.65	(11.11)	16.65
<b>8</b>	<b>Total (B)</b>	<b>18,635.10</b>	<b>9,913.42</b>	<b>8,721.68</b>	<b>7,064.94</b>
<b>C</b>	<b>Deferred tax asset/ (liability)</b>	<b>295.94</b>	<b>2,547.36</b>	<b>-</b>	<b>-</b>
<b>D</b>	<b>Deferred tax expense/ (benefit)</b>	<b>-</b>	<b>-</b>	<b>2,251.42</b>	<b>1,834.29</b>

### 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.

### 54. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### a. Fair value hierarchy of financial instruments classified in amortised cost category :

(Rupees in lakh)

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Assets</b>								
Loans	-	-	535,641.89	554,970.39	-	-	380,707.90	389,436.20
Investments	4,045.16	-	-	4,227.29	4,069.86	-	-	4,262.60
Other financial assets (Refer Note 7)	-	-	2,024.35	2,024.35	-	-	2,534.41	2,534.41
<b>Total</b>	<b>4,045.16</b>	<b>-</b>	<b>537,666.24</b>	<b>561,222.03</b>	<b>4,069.86</b>	<b>-</b>	<b>383,242.31</b>	<b>396,233.21</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Liabilities</b>								
Debt securities	-	140,328.80	-	139,483.13	-	113,013.35	-	114,434.45
Borrowings (other than debt securities)	-	326,648.21	-	322,322.27	-	204,193.98	-	200,459.00
Subordinated liabilities	-	3,698.41	-	3,519.13	-	-	-	-
Other financial liabilities (Refer Note 22)	-	-	7,654.85	7,654.85	-	-	7,501.83	7,501.83
<b>Total</b>	<b>-</b>	<b>470,675.42</b>	<b>7,654.85</b>	<b>472,979.38</b>	<b>-</b>	<b>317,207.33</b>	<b>7,501.83</b>	<b>322,395.28</b>

There were no transfers between Level 1 and Level 2 during the year.

### Valuation methodologies of financial instruments not measured at fair value :

#### Short-term financial assets and liabilities :

For financial assets and financial liabilities that are of short-term nature, the carrying amount itself is considered as its fair value. Such instruments include: other financial assets and other financial liabilities.

#### Loans and advances to customers:

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. For loans having contractual residual maturity less than one year, the carrying value has been considered as fair value. Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

#### Debt securities and Borrowings:

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

### b. Fair value hierarchy of financial instruments classified in Fair Value through Profit or Loss (FVTPL) category:

(Rupees in lakh)

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Assets</b>								
Investments in mutual funds	-	-	-	-	-	-	-	-
Investments in security receipts	-	1,692.13	-	1,692.13	-	1,748.92	-	1,748.92
<b>Total</b>	<b>-</b>	<b>1,692.13</b>	<b>-</b>	<b>1,692.13</b>	<b>-</b>	<b>1,748.92</b>	<b>-</b>	<b>1,748.92</b>

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, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Liabilities</b>								
Derivative financial instruments	-	65.00	-	65.00	-	9.27	-	9.27
<b>Total</b>	<b>-</b>	<b>65.00</b>	<b>-</b>	<b>65.00</b>	<b>-</b>	<b>9.27</b>	<b>-</b>	<b>9.27</b>

There were no transfers between Level 1 and Level 2 during the year.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 55. Maturity profile of assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets :</b>						
<b>Financial assets :</b>						
Cash and cash equivalents	8,835.15	-	8,835.15	4,014.77	-	4,014.77
Bank balances other than cash and cash equivalents above	33,073.54	3,579.37	36,652.91	10,831.75	6,334.39	17,166.14
Loans	204,727.29	338,493.74	543,221.03	143,460.05	237,176.16	380,636.21
Investments	-	5,918.60	5,918.60	-	6,010.69	6,010.69
Other financial assets (Refer Note 7)	741.09	1,280.10	2,021.19	1,800.39	730.84	2,531.23
<b>Non-financial assets:</b>						
Current tax assets (net)	275.18	-	275.18	203.78	-	203.78
Deferred tax assets (net)	-	295.94	295.94	-	2,547.36	2,547.36
Property, plant and equipment	-	449.60	449.60	-	379.30	379.30
Non-current assets held for sale	10,142.11	-	10,142.11	2,194.55	-	2,194.55
Right-of-use assets	1,296.02	3,479.06	4,775.08	922.46	2,441.62	3,364.08
Capital work-in-progress	-	-	-	2.82	-	2.82
Intangible assets under development	-	-	-	1,431.41	-	1,431.41
Other intangible assets	-	7,760.87	7,760.87	-	4,741.53	4,741.53
Other non-financial assets (Refer Note 16)	6,374.84	1,275.45	7,650.29	4,721.27	613.54	5,334.81
<b>Total</b>	<b>265,465.22</b>	<b>362,532.73</b>	<b>627,997.95</b>	<b>169,583.25</b>	<b>260,975.43</b>	<b>430,558.68</b>
<b>Liabilities :</b>						
<b>Financial liabilities :</b>						
Derivative financial instruments	-	65.00	65.00	9.27	-	9.27
(A) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	448.65	-	448.65	145.97	-	145.97
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	-	821.57	1,168.80	-	1,168.80
(B) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	-	89.85	96.78	-	96.78
Debt securities	34,189.54	105,293.59	139,483.13	68,107.94	46,326.51	114,434.45
Borrowings (other than debt securities)	134,688.02	187,634.25	322,322.27	79,954.55	120,504.45	200,459.00
Subordinated Liabilities	19.13	3,500.00	3,519.13	-	-	-
Other financial liabilities (Refer Note 22)	3,491.25	4,163.60	7,654.85	4,523.66	2,978.17	7,501.83
<b>Non-financial liabilities:</b>						
Current tax liabilities (net)	2,895.67	-	2,895.67	1,567.77	-	1,567.77
Provisions	4,800.08	1,187.09	5,987.17	5,233.81	775.92	6,009.73
Other non-financial liabilities (Refer Note 25)	874.49	-	874.49	760.77	-	760.77
<b>Total</b>	<b>182,318.25</b>	<b>301,843.53</b>	<b>484,161.78</b>	<b>161,569.32</b>	<b>170,585.05</b>	<b>332,154.37</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 56. 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, 2023	Cash inflow / (outflow)	Creation of right of use assets*	As at March 31, 2024
Debt securities	114,434.45	25,048.68	-	139,483.13
Borrowings (other than debt securities)	200,459.00	121,863.27	-	322,322.27
Subordinated Liabilities	-	3,519.13	-	3,519.13
<b>Other financial liabilities</b>				
Lease liabilities	3,518.15	(1,270.48)	2,962.23	5,209.90

\*The figures represent net of creation, remeasurement and deletion of right of use assets.

Particulars	As at April 01, 2022	Cash inflow / (outflow)	Creation of right of use assets*	As at March 31, 2023
Debt securities	70,376.77	44,057.68	-	114,434.45
Borrowings (other than debt securities)	109,807.09	90,651.91	-	200,459.00
<b>Other financial liabilities</b>				
Lease liabilities	2,858.76	(781.38)	1,440.77	3,518.15

\*The figures represent net of creation, remeasurement and deletion of right of use assets.

### 57. Financial assets are transferred but not derecognised in their entirety :

#### a. Securitisation

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets*	6,846.81	-	18,252.35	-
Carrying amount of associated Liabilities*	3,843.26	-	16,339.99	-
<b>For those liabilities that have recourse only to the transferred financial assets</b>				
Fair value of assets (A)	6,827.36	-	18,348.09	-
Fair value of associated liabilities (B)	3,842.74	-	16,385.17	-
<b>Net position (C) = (A - B)</b>	<b>2,984.62</b>	<b>-</b>	<b>1,962.92</b>	<b>-</b>

\* The amount disclosed above represent the principal outstanding as on March 31, 2024 and as on March 31, 2023 respectively.

#### b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and co-lending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of de-recognised financial asset	247,341.82	144,807.71
Carrying amount of retained asset at amortised cost	58,926.10	31,866.75
Net gain on sale of the de-recognised financial asset*	30,746.33	15,407.22

\*It represents net gain on derecognition of financial asset for the year ended March 31, 2024 and March 31, 2023 .



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 58. Events after the reporting period

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

### 59. Disclosure under Regulation 34(3) and 53(f) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Loans and advances in the nature of loans to Subsidiaries</b>		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
<b>b) Loans and advances in the nature of loans to Associates</b>		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
<b>c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested</b>		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
<b>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.</b>	Not Applicable	Not Applicable

60. Disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the “Notification”), as updated from time to time.

#### a. Capital to risk assets ratio (CRAR)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
i)	CRAR (%)	20.75	20.23
ii)	CRAR - Tier I capital (%)	19.50	19.63
iii)	CRAR - Tier II capital (%)	1.25	0.60
iv)	Amount of subordinated debt raised as Tier-II capital	3,500	-
v)	Amount raised by issue of perpetual debt instruments	-	-

#### b. Investments

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
(1)	Value of investments		
(i)	Gross value of investments		
(a)	In India	5,919.42	6,011.52
(b)	Outside India,	-	-
(ii)	Provision for depreciation		
(a)	In India	0.82	0.83
(b)	Outside India,	-	-
(iii)	Net value of investments		
(a)	In India	5,918.60	6,010.69
(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	Opening balance	0.83	0.84
	Add : provisions made during the year	-	-
	Less : Write-off / write-back of excess provisions during the year	0.01	0.01
	Closing balance	0.82	0.83

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### c. Derivatives

#### 1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
I	The Notional principal of swap agreement	37,694.23	23,746.43
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	(65.00)	(9.27)

#### 2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

#### 3. Disclosures on risk exposure 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, 2024		As at March 31, 2023	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	37,694.23	-	23,746.43	-
II	Marked to market position (a) Asset [+] Estimated Gain (b) Liability [-] Estimated Loss	- (65.00)	-	- (9.27)	-
III	Credit Exposure	37,629.23	-	23,737.16	-
IV	Unhedged exposures	-	-	-	-

\* Cross-currency interest rate swap and full currency swap

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### d. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2024 as follow:

(Rupees in lakh)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
<b>Assets</b>											
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
<b>Liabilities</b>											
<b>Borrowings :</b>											
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 Debt	-	-	19.13	-	-	-	-	-	-	3,500.00	3,519.13

\* Impairment loss allowance of Rs 11,749.36 lakh on advances is not a part of the above disclosure.

\*\* Impairment loss allowance of Rs 0.82 lakh on investments is not a part of the above disclosure.

### Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2023 as follow:

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
<b>Assets</b>											
Advances*	10,495.73	3,542.47	17,234.03	22,353.02	26,466.63	24,592.81	38,775.37	127,824.46	45,309.97	72,841.71	389,436.20
Investments**	-	-	-	-	-	-	-	3,311.04	2,700.48	-	6,011.52
<b>Liabilities</b>											
<b>Borrowings :</b>											
Borrowings (other than debt securities)	2,734.91	149.66	3,153.01	9,158.79	10,977.88	19,640.91	34,139.40	94,418.75	25,991.54	94.15	200,459.00
Debt securities	-	-	3,917.39	4,812.51	11,922.07	8,270.72	39,185.25	33,039.57	13,286.94	-	114,434.45

\* Impairment loss allowance of Rs. 8,799.99 lakh on advances is not a part of the above disclosure.

\*\* Impairment loss allowance of Rs. 0.83 lakh on investments is not a part of the above disclosure.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### e. Exposures :

(Rupees in lakh)

Category	As at March 31, 2024	As at March 31, 2023
<b>1) Exposure to real estate sector :</b>		
<b>A. Direct exposure</b>		
<b>(i) Residential mortgages :* </b>		
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.	181,970.19	125,965.38
<b>(ii) Commercial real estate :</b>		
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.	-	-
<b>(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:</b>		
a. Residential	-	-
b. Commercial real estate	-	-
<b>B. Indirect exposure</b>		
(i) Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total exposure to real estate sector</b>	<b>181,970.19</b>	<b>125,965.38</b>
* These comprise of properties held as underlying security at gross exposure at default.		
Particulars	As at March 31, 2024	As at March 31, 2023
<b>2) Exposure to capital market :</b>		
(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	-	-
<b>Total exposure to capital market</b>	<b>-</b>	<b>-</b>

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 3. Sectoral exposure

(Rupees in lakh)

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied activities</b>	<b>13,307.17</b>	<b>-</b>	<b>0.00%</b>	<b>5,919.17</b>	<b>-</b>	<b>0.00%</b>
<b>2. Industry</b>						
i. Food Processing	32,861.82	1,190.38	3.62%	30,497.09	452.23	1.48%
ii. Textiles	39,390.44	1,402.10	3.56%	28,988.78	181.59	0.63%
iii. Wood & Wood Products	13,873.66	353.74	2.55%	11,023.11	60.66	
iv. Paper & Paper Products	14,388.36	192.58	1.34%	12,986.63	49.25	0.38%
v. Rubber, Plastic & their Products	21,881.92	504.40	2.31%	17,770.15	104.63	0.59%
vi. Chemicals & Chemical Products	8,507.40	451.19	5.30%	10,939.76	332.64	
vii. Basic Metal & Metal Product	33,398.34	543.46	1.63%	30,073.73	92.19	0.31%
viii. Vehicles, Vehicle Parts & Transport Equipment	9,044.46	850.59	9.40%	9,489.40	648.55	
ix. All Engineering	20,044.93	776.61	3.87%	31,274.15	871.79	2.79%
x. Others	245,365.66	3,797.06	1.55%	146,860.98	2,061.64	1.40%
<b>Total of industry (i+ii+iii+iv+v+vi+vii+viii+ix+x)</b>	<b>438,756.99</b>	<b>10,062.11</b>	<b>2.29%</b>	<b>329,903.78</b>	<b>4,855.17</b>	<b>1.47%</b>
<b>3. Services</b>						
i. Transport Operators	17,138.65	458.35	2.67%	6,335.11	22.11	0.35%
ii. Other Services	190,529.22	3,186.76	1.67%	123,725.47	1,438.51	1.16%
iii. Tourism, Hotel and Restaurants	33,222.60	641.87	1.93%	19,947.55	401.61	2.01%
iv. Professional Services	36,717.22	444.21	1.21%	19,056.02	177.41	0.93%
v. Wholesale Trade (other than Food Procurement)	82,683.58	1,457.82	1.76%	42,753.86	804.67	1.88%
vi. Retail Trade	83,892.12	1,587.67	1.89%	53,264.22	1,684.20	3.16%
vii. Others	8,377.36	644.00	7.69%	7,165.51	517.26	7.22%
<b>Total of services (i+ii+iii+iv+v+vi+vii)</b>	<b>452,560.75</b>	<b>8,420.68</b>	<b>1.86%</b>	<b>272,247.74</b>	<b>5,045.77</b>	<b>1.85%</b>
<b>4. Personal Loans</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>5. Others</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>

Note:-

1) The above disclosure is prepared basis the principal outstanding of total asset under management and accordingly the comparative details of the previous year is restated.

2) To ensure comparability of the disclosures, details of sectors where exposure to a particular sector or industry is less than 10% of Tier 1 capital in the relevant financial year is also disclosed.

#### 4. Intra-group exposures

The Company is a standalone entity hence there is no intra group exposure.

#### 5. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure.

#### 6. Details of financing of parent company products:

The Company does not have any parent company hence, this clause is not applicable.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 7. Details of single borrower limit (SBL) / group borrower limit (GBL) exceeded by the Company :

Particulars	As at March 31, 2024	As at March 31, 2023
Single borrower limit (SBL) / group borrower limit (GBL) exceeded by the Company.	-	-

### 8. Unsecured advances :

Details of unsecured advances the rights, licenses, authorisations, etc. charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Advances against securities of intangible assets	-	-

### f. Miscellaneous:

#### 1. Registration obtained from other financial sector regulators:

Particulars	Type	Number Reference
Insurance Regulatory and Development Authority of India (IRDAI)	Corporate Agent	CA0733

#### 2. Disclosure of penalties imposed by RBI and other regulators :

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Securities and Exchange Board of India*	1.17	-

\*the penalties were levied prima facie for instances of delayed submissions of intimations with stock exchanges about certain routine matters like CP redemption, record date intimation etc. which does not have material impact on the Company.

During the previous year, there are no penalties imposed by the RBI and other regulators.

#### 3. Related party transactions:

Details of all material transactions with related parties has been given in note 44 of the financial statements.



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 4. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2024:

Rating agency	Type	Rating FY 23-24	Rating FY 22-23
India Ratings & Research Private Limited	Bank loans (long term)	IND A/Stable	IND A/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND A/Stable	-
India Ratings & Research Private Limited	Sub-debt	IND A/Stable	-
India Ratings & Research Private Limited	Commercial Paper	IND A1	-
CRISIL Ratings Limited	Bank loans (long term)	CRISIL A/Stable	CRISIL A-/Positive
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A/Stable	CRISIL A-/Positive
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A/Stable	CRISIL PPMLD A-/Positive
CRISIL Ratings Limited	Commercial paper	CRISIL A1	CRISIL A1
CRISIL Ratings Limited	Tier II Bond	-	CRISIL A-/Positive
Acuite Rating & Research Limited	Bank loans (long term)	-	ACUITE A/Stable
Acuite Rating & Research Limited	Commercial paper (short term)	-	ACUITE A1
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE AA-/CE/Stable	PP-MLD/ACUITE AA-/CE/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE A/Stable	PP-MLD/ACUITE A/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term)	ACUITE A / stable	ACUITE A / stable

### 5. Remuneration of directors :

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Transactions with the independent directors</b>	153.00	189.00
Directors' Sitting Fees		

Refer Note 44 for remuneration to executive directors.

### 6. During the year there are no changes in the accounting policies and no prior period items (Refer Note 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, 2024	As at March 31, 2023
Provision for depreciation on investments	(0.01)	(0.01)
Provision towards NPA	3,646.18	3,091.24
Provision made towards income tax	3,647.61	2,298.62
Provision for depreciation on fixed deposits	4.30	0.18
Provision for standard assets	(696.80)	1,644.35

## Notes forming part of the financial statement for the year ended March 31, 2024 (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, 2024	As at March 31, 2023
Total advance to twenty largest borrowers	10,962.41	12,050.35
Percentage of advances to twenty largest borrowers to total advances of the Company	2.21%	3.32%

#### (ii) Concentration of exposures :

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to twenty largest borrowers	11,161.21	12,079.77
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	2.06%	3.20%

#### (iii) Concentration of NPAs :

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four NPA accounts	1,562.57	1,447.12

#### (iv) Sector-wise NPAs :

Sr. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2024	As at March 31, 2023
1	Agriculture & allied activities	-	-
2	MSME	3.07%	2.41%
3	Corporate borrowers	100.00%	100.00%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note: Sector-wise NPA Corporate borrowers consist of one customer thus resulting in 100% NPA.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### 4. Movement of NPAs :

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net NPAs to net advances (%)	1.64%	1.31%
(ii) Movement of NPAs (gross)		
(a) Opening balance	9,569.05	5,641.15
(b) Additions during the year	14,773.16	5,720.50
(c) Reductions during the year	7,194.30	1,792.60
(d) Closing balance	17,147.91	9,569.05
(iii) Movement of Net NPAs		
(a) Opening balance	4,988.98	4,152.32
(b) Additions during the year	7,821.47	3,530.19
(c) Reductions during the year	3,888.79	2,693.53
(d) Closing balance	8,921.66	4,988.98
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	4,580.07	1,488.83
(b) Provisions made during the year	9,135.08	3,357.50
(c) Write-off / write-back of excess provisions	5,488.90	266.26
(d) Closing balance	8,226.25	4,580.07

### 5. Overseas assets (for those with joint ventures and subsidiaries abroad) :

There are no overseas assets.

### 6. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) :

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

### h. Customer complaints :

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	No. of complaints pending as at the beginning of the year	5	1
(b)	No. of complaints received during the year	444	175
(c)	No. of complaints redressed during the year	430	171
(d)	No. of complaints pending as at the end of the year	19	5

### 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, 2024	As at March 31, 2023
<b>Complaints received by the NBFC from its customers</b>		
1. Number of complaints pending at beginning of the year	4	1
2. Number of complaints received during the year	344	148
3. Number of complaints disposed during the year	337	145
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	11	4
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	100	27
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	87	23
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	5	3
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

## Notes forming part of the financial statement for the year ended March 31, 2024 (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
<b>Current Year</b>					
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	-
<b>Total</b>	<b>5</b>	<b>444</b>	<b>154%</b>	<b>19</b>	<b>1</b>
<b>Previous Year</b>					
Loans and advances	1	43	438%	1	1
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	50	900%	1	1
Difficulty in operation of accounts	-	4	(20%)	-	-
Recovery Agents/ Direct Sales Agents	-	9	800%	-	-
Other	-	69	527%	3	1
<b>Total</b>	<b>1</b>	<b>175</b>	<b>483%</b>	<b>5</b>	<b>3</b>

# This also includes complaints raised with RBI.

### j. Corporate Governance (refer Corporate Governance section in the annual report)

#### k. Breach of covenant

During the year ended March 31, 2024 there is no breach of covenant.

Breach in terms of covenant in respect of loan availed by the Company for the year ended March 31, 2023 is as follows: JM Financial Products Limited had sanctioned a Term Loan of Rs. 4,000 lakh and had stipulated to maintain a CRAR of >20.24%, which was marginally breached by 0.01%, since the CRAR of the Company stood at 20.23% as of March 31, 2023. However, the Company has raised fresh Equity in April 2023 and therefore considering the impact of this event occurring after the Balance Sheet date (Refer Note 60 of Annual Report FY 2022-2023), there is no breach of the covenant. The maturity of the term loan is due on September 29, 2023. There is no material impact on the cost or liquidity of the Company as the Company has already complied with the covenant on a post balance sheet event basis.

#### l. Divergence in asset classification and provisioning

During the year ended March 31, 2024 no divergence in asset classification and provisioning has been reported.

During the year ended March 31, 2023 the Company underwent routine RBI supervision for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 and no divergence in asset classification and provisioning has been reported.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### m. Schedule to the Balance Sheet of a NBFC:

(Rupees in lakh)

Sr. No.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side:</b>					
<b>1. Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:</b>					
a	Debentures:				
i	Secured	123,627.37	-	85,495.83	-
ii	Unsecured (other than falling within the meaning of public deposits)	5,247.24	-	661.86	-
b	Deferred credits	-	-	-	-
c	Term loans	305,947.29	-	196,981.07	-
d	Inter - corporate loans and borrowings	-	-	-	-
e	Commercial paper	6,849.59	-	12,146.52	-
f	Public deposits	-	-	-	-
g	Other loans	-	-	-	-
i	Liabilities arising out of securitization transactions	3,758.93	-	16,130.24	-
ii	Bank overdraft	16,374.99	-	3,477.93	-
iii	Subordinated Liabilities	3,519.13	-	-	-
<b>2. Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>					
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	-	-	-	-
<b>Assets Side :</b>		<b>Amount outstanding</b>		<b>Amount outstanding</b>	
<b>3. Break - up of gross loans and advances including bills receivables (other than those included in (4) below ):</b>					
a	Secured		321,847.43		238,378.61
b	Unsecured		233,122.96		151,057.59
<b>4. Break - up of leased assets and stock on hire and other assets counting towards asset financing activities:</b>					
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
<b>Assets Side :</b>		<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
<b>5. Break - up of investments:</b>					
<b>Current investments</b>					
a	Quoted				
(i)	Shares				
a.	Equity		-		-
b.	Preference		-		-
(ii)	Debentures and bonds		-		-

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
<b>b Unquoted</b>				
(i) Shares				
a. Equity	-	-	-	-
b. Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
<b>Long term investments</b>				
<b>a Quoted</b>				
(i) Shares				
a. Equity	-	-	-	-
b. Preference	-	-	-	-
(ii) Debentures and bonds	4,226.47		4,261.77	
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
<b>b Unquoted</b>				
(i) Shares				
a. Equity	-	-	-	-
b. Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	1,692.13		1,748.92	
<b>6. Borrower group wise classification of assets financed in (3) and (4) above (gross):</b>				
<b>Category</b>	<b>Amount net of provisions</b>			
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>a Related parties **</b>				
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other related parties	-	-	-	-
<b>b Other than related parties</b>	317,837.63	225,383.40	235,378.47	145,257.74
<b>Total</b>	<b>317,837.63</b>	<b>225,383.40</b>	<b>235,378.47</b>	<b>145,257.74</b>
** As per accounting standard issued by ICAI.				
<b>7. Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>	<b>Market Value/ Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	<b>Market Value/ Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
<b>Category</b>				
<b>1 Related parties **</b>				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
<b>2 Other than related parties</b>	5,737.29	5,918.60	5,818.78	6,010.69
<b>Total</b>	<b>5,737.29</b>	<b>5,918.60</b>	<b>5,818.78</b>	<b>6,010.69</b>
** As per accounting standard issued by ICAI.				



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

8. Other information		Amount	Amount
Particulars			
<b>a</b>	<b>Gross non-performing assets:</b>	<b>17,147.91</b>	<b>9,569.05</b>
	i. Related parties	-	-
	ii. Other than related parties	17,147.91	9,569.05
<b>b</b>	<b>Net non-performing assets:</b>	<b>8,921.66</b>	<b>4,988.98</b>
	i. Related parties	-	-
	ii. Other than related parties	8,921.66	4,988.98
<b>c</b>	<b>Assets acquired in satisfaction of debt</b>	<b>10,142.11</b>	<b>2,194.55</b>

### n. Restructured accounts for the year ended March 31, 2024:

(Rupees in lakh)

Sr. No.	Type of restructuring	Asset classification	Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1.	Restructured accounts as on April 1, 2023	No. of borrowers	-	-	-	-	-	-	4	-	-	-	4
		Amount outstanding	-	-	-	-	-	-	604.03	-	-	-	604.03
		Provision thereon	-	-	-	-	-	-	220.79	-	-	-	220.79
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	1	-	-	-	1
		Amount outstanding	-	-	-	-	-	-	57.87	-	-	-	57.87
		Provision thereon	-	-	-	-	-	-	6.45	-	-	-	6.45
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	(2)	2	-	-	-
		Amount outstanding	-	-	-	-	-	-	(75.02)	74.52	-	-	(0.50)
		Provision thereon	-	-	-	-	-	-	(58.08)	57.71	-	-	(0.37)
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
7.	Others *	No. of borrowers	-	-	-	-	-	-	1	-	-	-	1
		Amount outstanding	-	-	-	-	-	-	5.99	-	-	-	5.99
		Provision thereon	-	-	-	-	-	-	160.82	-	-	-	160.82
8.	Restructured accounts as on March 31, 2024	No. of borrowers	-	-	-	-	-	-	1	2	-	-	3
		Amount outstanding	-	-	-	-	-	-	477.13	74.52	-	-	551.65
		Provision thereon	-	-	-	-	-	-	317.08	57.71	-	-	374.79

\* It represents change in amount outstanding on account of adjustment of unapplied receipts and increase in provision thereon.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### Restructured accounts for the year ended March 31, 2023:

(Rupees in lakh)

Sr. No.	Type of restructuring	Under CDR Mechanism / SME Debt					Others				
		Restructuring Mechanism									
Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2022	No. of borrowers	-	-	-	-	-	4	-	-	4
		Amount outstanding	-	-	-	-	-	636.34	-	-	636.34
		Provision thereon	-	-	-	-	-	79.14	-	-	79.14
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	4	-	-	4
		Amount outstanding	-	-	-	-	-	(32.31)	-	-	(32.31)
		Provision thereon	-	-	-	-	-	141.65	-	-	141.65
8.	Restructured accounts as on March 31, 2023	No. of borrowers	-	-	-	-	-	4	-	-	4
		Amount outstanding	-	-	-	-	-	604.03	-	-	604.03
		Provision thereon	-	-	-	-	-	220.79	-	-	220.79

\* It represents recovery against the existing 4 accounts and increase in provision thereon.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

### o. 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)
<b>Performing assets</b>						
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
<b>Subtotal</b>		<b>525,675.22</b>	<b>3,523.11</b>	<b>522,152.11</b>	<b>2,000.01</b>	<b>1,523.10</b>
<b>Non-performing assets (NPA)</b>						
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	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>1,701.54</b>	<b>693.63</b>	<b>1,007.91</b>	<b>1,366.43</b>	<b>(672.80)</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>17,147.91</b>	<b>8,226.25</b>	<b>8,921.66</b>	<b>2,921.06</b>	<b>5,305.19</b>
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	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>506,603.91</b>	<b>2,973.37</b>	<b>503,630.54</b>	<b>1,809.76</b>	<b>1,163.61</b>
	<b>Stage 2</b>	<b>27,731.86</b>	<b>549.74</b>	<b>27,182.12</b>	<b>190.25</b>	<b>359.49</b>
	<b>Stage 3</b>	<b>17,147.91</b>	<b>8,226.25</b>	<b>8,921.66</b>	<b>2,921.06</b>	<b>5,305.19</b>
	<b>Total</b>	<b>551,483.68</b>	<b>11,749.36</b>	<b>539,734.32</b>	<b>4,921.07</b>	<b>6,828.29</b>

\* The above numbers are reported at gross excluding effective interest rate impact on the same.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31, 2023:

(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)
<b>Performing assets</b>						
Standard	Stage 1	362,278.62	3,845.98	358,432.64	1,780.62	2,065.36
	Stage 2	10,447.45	373.94	10,073.51	109.34	264.60
<b>Subtotal</b>		<b>372,726.07</b>	<b>4,219.92</b>	<b>368,506.15</b>	<b>1,889.96</b>	<b>2,329.96</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 3	6,740.56	2,893.34	3,847.22	715.05	2,178.29
Doubtful - up to 1 year	Stage 3	2,711.80	1,648.58	1,063.22	2,674.13	(1,025.55)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>2,711.80</b>	<b>1,648.58</b>	<b>1,063.22</b>	<b>2,674.13</b>	<b>(1,025.55)</b>
Loss	Stage 3	116.68	38.15	78.53	115.99	(77.84)
<b>Subtotal for NPA</b>		<b>9,569.04</b>	<b>4,580.07</b>	<b>4,988.97</b>	<b>3,505.17</b>	<b>1,074.90</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	9,618.89	-	9,618.89	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>371,897.51</b>	<b>3,845.98</b>	<b>368,051.53</b>	<b>1,780.62</b>	<b>2,065.36</b>
	<b>Stage 2</b>	<b>10,447.45</b>	<b>373.94</b>	<b>10,073.51</b>	<b>109.34</b>	<b>264.60</b>
	<b>Stage 3</b>	<b>9,569.04</b>	<b>4,580.07</b>	<b>4,988.97</b>	<b>3,505.17</b>	<b>1,074.90</b>
	<b>Total</b>	<b>391,914.00</b>	<b>8,799.99</b>	<b>383,114.01</b>	<b>5,395.13</b>	<b>3,404.86</b>

\*The above numbers are reported at gross excluding effective interest rate impact on the same.

p. Liquidity Risk Management: Refer Note no. 51(b). Liquidity Risk.

q. Loans to Directors, Senior Officers and Relatives of Directors

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives*	-	60.00

\* This represent aggregate amount of sanctioned loans and advances during the said period.

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

61. Disclosures as required by the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the “Notification”), as updated from time to time.

### Details of securitization:

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator*	10.00	10.00
2	Total amount of securitized assets as per books of the SPEs	6,846.81	18,252.35
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	2,306.96	2,306.96
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	2,126.73	2,096.91
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	a. Sale consideration received for the securitised assets	-	21,113.89
	b. Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
7	Performance of facility provided.	-	-
	a. Cash Collateral (CC)		
	i) Amount paid	2,050.37	2,050.37
	ii) Repayment received	-	-
	iii) Outstanding amount	2,050.37	2,050.37
	b. Over-Collateralization (OC)		
	i) Amount paid	2,306.96	2,306.96
	ii) Repayment received	-	-
	iii) Outstanding amount	2,306.96	2,306.96
	c. Equity		
	i) Amount paid	515.00	515.00
	ii) Repayment received	-	-
	iii) Outstanding amount	515.00	515.00
8	Average default rate of portfolios observed in the past.	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints	-	-
	(a) Directly/Indirectly received and;		
	(b) Complaints outstanding		

\*Only the SPVs relating to outstanding securitization transactions.

**62** The Company has neither purchased any credit impaired financial assets nor has the company transferred any credit impaired assets to the Asset Reconstruction Company during the financial year 2023-2024 and 2022-2023 in terms of guidelines issued by RBI circular number RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 as updated from time to time. Further, the Company has also not sold any credit impaired financial asset to institutions other than to securitization/reconstruction company (SC/RC).

### 63 Gold Loans

The Company does not provide any loans on collateral of gold and gold jewellery.

### 64 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021.

Under the Circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

(Rupees in lakh)

Sr. No	Particulars	March 31, 2024	March 31, 2023
1	Aggregate amount	14.59	14.59
2	Refunded/adjusted	-	-
3	Outstanding balance	14.59	14.59



## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

**65 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India (“RBI”) vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR. STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the “Notification”) as updated from time to time.**

a. Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2024 \*

Sr. No	Particulars	To Banks / NBFCs
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in lakh)	64,076.75
2	Aggregate consideration received (Rs. in lakh)	64,076.75
3	Weighted average Maturity of Loans (in years)	7.79
4	Weighted average Holding period of Loans (in years)	0.91
5	Retention of Beneficial economic interest (in %)	13.32%
6	Coverage of Tangible security (in % ) **	230.21%
7	Rating- wise distribution of rated loans	Non-Rated

Note

\* The above table does not include loans transferred by the Company through Co-Lending arrangements.

\*\* For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b. The Company has not acquired loans not in default during the year ended March 31, 2024, under the said Notification.

c. The Company has neither transferred nor acquired any stressed loans during the year ended March 31, 2024, under the said Notification.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on March 31, 2024 is given below:

Ratings	Recovery Rating*	Rating Agency	Amount (in Lakh)
IVR RR1	100% - 150%	Infomerics Valuation and Ratings Private Limited	887.15
BW RR3	100% - 150%	Infomerics Valuation and Ratings Private Limited	804.98

\*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

**66 During the year ended March 31, 2024, the Company has transferred loans amounting to Rs. 1,83,265.07 lakh through Co-lending arrangements to the respective participating banks under circular no. RBI/2020-21/63 FIDD.CO.Plan. BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-Lending by Banks and NBFCs to Priority Sector which are akin to Direct assignment transaction.**

**67 Disclosure on frauds pursuant to the RBI Master Direction- Monitoring of Frauds in NBFCs, Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016 detected and reported to RBI:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Number of Frauds	3.00	-
Amount involved (Rs. in Lakh)	122.90	-

## Notes forming part of the financial statement for the year ended March 31, 2024 (contd.)

- 68 Disclosure pursuant to Reserve Bank of India RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to Resolution Framework for COVID-19 related stress read with RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021, pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and Small Businesses.

(Rupees in lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2024	Of (A), amount written off during the half year ended March 31, 2024	Of (A), amount paid by the borrowers during the half year ended March 31, 2024	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2024 *
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs					
Others	2,907.62	5.89	-	1,566.97	1,334.76
<b>Total</b>	<b>2,907.62</b>	<b>5.89</b>	<b>-</b>	<b>1,566.97</b>	<b>1,334.76</b>

\* Total ECL Provision for the above loans as on March 31, 2024 is Rs 133.48 Lakh.

- 69 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP BC/4/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)":

(Rupees in lakh)

Typers of borrower	Year	No. of accounts restructured	Amount outstanding
MSMEs	As at March 31, 2024	47	2,130.50
	As at March 31, 2023	144	4,121.34

- 70 Previous year figures have been reclassified/ regrouped wherever necessary to conform to/ with the current year classification/ disclosure.

The accompanying notes are an integral part of the financial statements.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration Number : 109983W

**Tirtharaj Khot**  
Partner  
Membership No : (F) 037457

Place : Mumbai  
Date : May 02 , 2024

For and on behalf of the Board of Directors of  
**UGRO CAPITAL LIMITED**

**Shachindra Nath**  
Vice Chairman &  
Managing Director  
DIN : 00510618

**Kishore Kumar Lodha**  
Chief Financial Officer

Place : Mumbai  
Date : May 02 , 2024

**Hemant Bhargava**  
Independent Director & Chairman - Audit  
Committee  
DIN : 01922717

**Satish Kumar Chelladurai**  
Company Secretary