# U GRO Capital Limited

(Our Company was incorporated as Chokhani Securities Private Limited under the Companies Act, 1956 on February 10, 1993 with the Registrar of Companies, Maharashtra at Mumbai. Our Company was subsequently converted to a public limited company pursuant to the fresh Certificate of Incorporation issued by the RoC on July 26, 1994. The name of the Company was subsequently changed from "Chokhani Securities Limited" to "U GRO Capital Limited" and the fresh Certificate of Incorporation was issued by RoC on September 26, 2018. The CIN of our Company is L67120MH1993PLC070739 and PAN of our Company is AAACC2069E. Our Company is also registered with RBI as Systemically Important non-deposit taking Non-Banking Finance Company with registration no. No. 13.00325. For further details about our Company, see "History and Certain Other Corporate Matters" on page 87)

**Registered Office**: 4th Floor, Tower 3, Equinox Business Park, Off BKC, LBS Road, Kurla (West), Mumbai - 400 070, Maharashtra, India
Tel.: +91 +91 22 4182 1600
Website: www.ugrocapital.com; E-mail: cs@ugrocapital.com
**Company Secretary & Compliance Officer**: Ms. Namrata Sajnani, Tel.: +91 22 4182 1600; E-mail: cs@ugrocapital.com
**Chief Financial Officer**: Amit Gupta; Tel.: +91 22 4182 1600; E-mail: amit.gupta@ugrocapital.com
**Statutory Auditor**: M S K A & Associates, Chartered Accountants, 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali, Railway Colony, Ram Nagar, Goregaon (East), Mumbai - 400 063; Tel.: +91 22 6831 1600; E-mail: swapnilkale@mska.in, Contact Person: Mr. Swapnil Kale

**PROMOTER OF OUR COMPANY: POSHIKA ADVISORY SERVICES LLP**; Tel.: +91 124 4091 777; E-mail: snath@poshika.com

**PUBLIC ISSUE BY U GRO CAPITAL LIMITED ("COMPANY" OR THE "ISSUER") OF RATED, SECURED, SENIOR, LISTED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1000 EACH ("NCDS") FOR AN AMOUNT UPTO ₹ 5,000 LAKHS, HEREINAFTER REFERRED TO AS "BASE ISSUE SIZE" WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UPTO ₹ 5,000 LAKHS, AGGREGATING UP TO ₹ 10,000 LAKHS, HEREINAFTER REFERRED TO AS THE "OVERALL ISSUE SIZE" (COLLECTIVELY THE "ISSUE"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, AS AMENDED AND THE SEBI OPERATIONAL CIRCULAR DATED AUGUST 10, 2021 AS AMENDED. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.**

## GENERAL RISK

Investment in NCDs involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of "Risk Factors" on page 13 of this Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or investor's decision to purchase such securities."

## ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading.

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

For details relating to coupon rate, coupon payment frequency, redemption date, redemption amount & eligible investors of the NCDs, please refer to "Issue Structure" on page 156.

## CREDIT RATING

| | |
|---|---|
| **Acuite Ratings and Research Limited**<br>708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai - 400 042<br>Tel: +91 22 4929 4000; E-mail: chitra.mohan@acuite.in; Contact Person: Chitra Mohan | **CRISIL Ratings Limited**<br>CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076<br>Tel: +91 -22 4040 5800; E-mail: crisilratingdesk@crisil.com; Contact Person: Krishnan Sitaraman |

The NCDs proposed to be issued under the Issue have been rated "ACUITE A+ (read as ACUITE A plus) (Outlook: Stable)" for an amount of ₹ 20,000 lakhs by Acuite Ratings and Research Limited vide their rating letter dated May 19, 2022, revalidated as on July 11, 2022 and July 27, 2022 and press release for rating rationale dated May 19, 2022 and "CRISIL A- (read as CRISIL A minus) (Outlook: Stable)" for an amount of ₹ 25,000 lakhs by CRISIL Ratings Limited vide their rating letter dated May 26, 2022, (valid for 180 days) and press release for rating rationale dated May 26, 2022. The ratings provided by Acuite Ratings & Research Limited and CRISIL Ratings Limited are valid as on the date of this Prospectus and shall remain valid on date of the Issue and Allotment of NCDs and the listing of the NCDs on Stock Exchanges. The ratings provided by Acuite Ratings & Research Limited and CRISIL Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure II and Annexure III of this Prospectus for the rationale and press release for the above ratings.

## LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). NSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE and NSE vide their letters dated DCS/BM/PI-BOND/010/22-23 and NSE/LIST/D/2022/0109 respectively.

## PUBLIC COMMENTS

The Draft Prospectus dated August 12, 2022 was filed with the NSE and BSE, both on August 12, 2022, pursuant to the provisions of the SEBI NCS Regulations and to be kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on August 23, 2022.

| LEAD MANAGERS TO THE ISSUE | | REGISTRAR TO THE ISSUE | DEBENTURE TRUSTEE TO THE ISSUE * |
|---|---|---|---|
| **Sundae Capital Advisors Private Limited**<br>Level 11, Platina, Plot No. C - 59<br>'G' Block, Bandra Kurla Complex<br>Bandra (East), Mumbai - 400 051<br>**Telephone:** +91 22 6884 1336<br>**E-mail Id:** ugroncd.2022@sundaecapital.com<br>**Investor grievance e-mail Id**: grievance.mb@sundaecapital.com<br>**Contact person:** Ashi Sood / Ridima Gulati<br>**Website:** www.sundaecapital.com<br>**SEBI registration number:** INM000012494 | **Tipsons Consultancy Services Private Limited**<br>401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015<br>**Telephone:** +91 79 6682 8047/6682 8120<br>**E-mail Id:** neha.jain@tipsons.com<br>**Investor grievance e-mail Id**: igr@tipsons.com<br>**Contact person:** Neha Jain / Sandeep Bhansali<br>**Website:** www.tipsons.com<br>**SEBI registration number:** INM000011849 | **Link Intime India Private Limited**<br>C 101, 247 Park B S Marg<br>Vikhroli West, Mumbai - 400 083<br>**Telephone**: +91 22 4918 6200<br>**Email Id**: ugrocapital.ncd3@linkintime.co.in<br>**Contact person:** Shanti Gopalkrishnan<br>**Website:** www.linkintime.co.in<br>**SEBI registration number:** INR000004058 | **IDBI Trusteeship Services Limited**<br>Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001<br>**Telephone**: +91 22 4080 7000<br>**Email Id**: itsl@idbitrustee.com/ gaurav.jeswani@idbitrustee.com/ / nikhil@idbitrustee.com<br>**Investor grievance e-mail Id**: itsl@idbitrustee.com / gaurav.jeswani@idbitrustee.com /nikhil@idbitrustee.com / response@idbitrustee.com<br>**Contact person**: Mr. Nikhil Lohana/Mr. Gaurav Jeswani<br>**Website:** www.idbitrustee.com<br>**SEBI registration number:** IND000000460 |

## ISSUE PROGRAMME **

| Issue Opens on | Monday, September 05, 2022 | Issue Closes on | Thursday, September 22, 2022 |
|---|---|---|---|

** IDBI Trusteeship Services Limited under Regulation 8 of SEBI NCS Regulations has by its letter dated August 10, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue and the same is annexed as Annexure IV in this Prospectus.*

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Investment and Borrowing Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. Applications through the UPI route will be accepted, subject to compliance by the investor with the eligibility criteria and due procedure for UPI applications prescribed by SEBI. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. For further details please refer to "General Information" on page 31.*

*A copy of the Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to "Material Contracts and Documents for Inspection" on page 250.*

**TABLE OF CONTENTS**


| | |
|---|---|
| DEFINITIONS AND ABBREVIATIONS | 1 |
| CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION | 10 |
| FORWARD LOOKING STATEMENTS | 12 |
| RISK FACTORS | 13 |
| GENERAL INFORMATION | 31 |
| CAPITAL STRUCTURE | 40 |
| OBJECTS OF THE ISSUE | 47 |
| STATEMENT OF TAX BENEFITS | 50 |
| INDUSTRY OVERVIEW | 63 |
| OUR BUSINESS | 73 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 87 |
| KEY REGULATIONS AND POLICIES | 90 |
| OUR MANAGEMENT | 104 |
| OUR PROMOTER | 115 |
| FINANCIAL INFORMATION | 119 |
| KEY OPERATIONAL AND FINANCIAL PARAMETERS | 120 |
| FINANCIAL INDEBTEDNESS | 122 |
| OUTSTANDING LITIGATIONS | 145 |
| MATERIAL DEVELOPMENTS | 155 |
| ISSUE STRUCTURE | 156 |
| TERMS OF THE ISSUE | 174 |
| ISSUE PROCEDURE | 189 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 219 |
| MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION | 236 |
| MATRIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 250 |
| DECLARATION | 252 |
| ANNEXURE I - DAY COUNT CONVENTION | 253 |
| ANNEXURE II – ACUITE RATING LETTER AND RATIONALE | 255 |
| ANNEXURE III - CRISIL RATING LETTER AND RATIONALE | 303 |
| ANNEXURE IV - CONSENT OF THE DEBENTURE TRUSTEE | 312 |

## DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Prospectus to "the Issuer", "our Company", "the Company" or "UCL" are to U GRO Capital Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Equinox Business Park, Tower 3, Fourth Floor, LBS Road, Kurla Mumbai - 400 070, Maharashtra, India. Unless the context otherwise indicates, all references in this Prospectus to "we" or "us" or "our" are to our Company. Unless the context otherwise indicates or implies, the following terms have the following meanings in this Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

### COMPANY RELATED TERMS

| Term | Description |
|---|---|
| "we" or "us" or "our" | Unless the context otherwise indicates or implies, refers to our Company |
| ₹ / Rs. / INR / Rupees / Indian Rupees | The lawful currency of the Republic of India |
| Articles / Articles of Association / AoA | Articles of Association of our Company |
| Assets Liability Committee or ALCO | Assets Liability Committee as constituted by the Board of Directors |
| Audit Committee | Audit committee as constituted by the Board of Directors |
| Board/ Board of Directors | Board of Directors of our Company or a duly constituted committee thereof |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, Ms. Namrata Sajnani |
| Corporate Social Responsibility Committee | Corporate Social Responsibility Committee as constituted by the Board of Directors |
| Director(s) | Director of our Company, unless otherwise specified |
| Equity Shares | Equity shares of our Company of face value of ₹10 each |
| Investment and Borrowing Committee / IBC | Investment and Borrowing Committee as constituted by the Board of Directors |
| Independent Director | A Non-Executive, Independent Director as per the Companies Act, 2013 and the SEBI LODR Regulations, who are currently on the Board of our Company |
| Key Managerial Personnel | The Key Managerial Personnel of the Company appointed in accordance with the provisions of SEBI ICDR Regulations and the Companies Act, 2013 |
| Memorandum / Memorandum of Association / MoA | Memorandum of Association of our Company |
| Nomination and Remuneration Committee | Nomination and remuneration committee as constituted by the Board of Directors |
| Promoter | Poshika Advisory Services LLP |
| Promoter Group | Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 of the SEBI ICDR Regulations |
| Reformatted Financial Information | The Reformatted Statement of Assets and Liabilities of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020 and Reformatted Statement of Profit and Loss, the Reformatted Statement of Cash Flows and Reformatted Statement of change in equity for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 |
| Risk Management Committee | Risk management committee as constituted by the Board of Directors |
| Registered Office | Equinox Business Park, Tower 3, Fourth Floor, LBS Road, Kurla Mumbai - 400 070, Maharashtra, India |
| RoC | Registrar of Companies, Maharashtra at Mumbai |

| Term | Description |
|---|---|
| Shareholder(s) | The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee as constituted by the Board of Directors |
| Statutory Auditor | The current statutory auditors of our Company, M S K A & Associates, Chartered Accountants |

**ISSUE RELATED TERMS**

| Term | Description |
|---|---|
| Abridged Prospectus | The memorandum containing the salient features of the Prospectus |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form |
| Acuité/ Acuite | Acuité Ratings & Research Limited |
| Allotment/ Allot/ Allotted | The issue and allotment of the NCDs to successful Applicants pursuant to the Issue |
| Allotment Advice | The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment |
| Allottee(s) | The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to the Issue |
| Applicant / Investor / ASBA Applicant | A person who applies for the issuance and Allotment of NCDs pursuant to the terms of, the Prospectus, the Abridged Prospectus and the Application Form through ASBA process or through UPI Mechanism |
| Application | An application to subscribe to the NCDs (whether physical or electronic) offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Prospectus |
| Application Amount | The aggregate value of the NCDs applied for as indicated in the Application Form for the Issue |
| Application Form/ ASBA Form | The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Prospectus |
| "ASBA" or "Application Supported by Blocked Amount" or "ASBA Application" | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail individual investors which will be considered as the application for Allotment in terms of the Prospectus |
| ASBA Account | A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 5,00,000 |
| ASBA Circular | Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018 |
| Banker(s) to the Issue | Collectively, the Public Issue Account Bank, Sponsor Bank and the Refund Bank |
| Base Issue Size | ₹ 5,000 lakhs |
| Basis of Allotment | The basis on which NCDs will be allotted to successful Applicants under the Issue and which is described in ***"Issue Procedure"*** on page 189. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Location for RTA and Designated CDP Locations for CDPs |
| Broker Centres | Broker Centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com |
| BSE | BSE Limited |

| Term | Description |
|---|---|
| Category I - Institutional Investors | • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;<br>• Provident funds and pension funds with minimum corpus of ₹25 crore, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs;<br>• Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended;<br>• Resident Venture Capital Funds registered with SEBI;<br>• Insurance Companies registered with IRDA;<br>• State industrial development corporations;<br>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;<br>• Insurance funds set up and managed by the Department of Posts, the Union of India;<br>• National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;<br>• Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹ 50,000 Lakhs as per its last audited financial statements; and<br>• Mutual Funds registered with SEBI |
| Category II - Non-Institutional Investors | • Companies within the meaning of Section 2(20) of the Companies Act, 2013;<br>• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;<br>• Co-operative banks and regional rural banks;<br>• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;<br>• Scientific and/or industrial research organisations, which are authorized to invest in the NCDs;<br>• Partnership firms in the name of the partners;<br>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);<br>• Association of Persons; and<br>• Any other incorporated and/ or unincorporated body of persons |
| Category III - High Net-Worth Individuals | High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakh across all series of NCDs in Issue |
| Category IV - Retail Individual Investors | Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 10 Lakh, across all series of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| CDP / Collecting Depository Participant | A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular |
| Collecting Registrar and Share Transfer Agents or CRTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations |
| Coupon / Interest Rate | The aggregate rate of interest payable in connection with the NCDs in accordance with this Prospectus. Please see the section titled “Issue Structure” on page 156. |

| Term | Description |
|---|---|
| Credit Rating Agencies | For the present Issue, the credit rating agencies being, Acuité and CRISIL |
| CRISIL | CRISIL Ratings Limited |
| Debenture Trustee Agreement | Agreement dated August 10, 2022 entered into between the Debenture Trustee and our Company wherein the appointment of the Debenture Trustee to the Issue is agreed as between our Company and the Debenture Trustee |
| Debenture Trust Deed | Trust deed to be entered into between the Debenture Trustee and the Company, which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for creating appropriate security, in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 120% security cover (one hundred and twenty percent) |
| Debenture Trustee/ Trustee | IDBI Trusteeship Services Limited |
| Deemed Date of Allotment | The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or Investment and Borrowing Committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or Investment and Borrowing Committee thereof and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual Allotment may occur on a date other than the Deemed Date of Allotment |
| Demographic Details | The details of an Applicant, such as his address, bank account details, UPI ID, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form. |
| Depositories Act | The Depositories Act 1996 |
| Depository(ies) | National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL) |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time |
| Designated Date | The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Prospectus and the Public Issue Account and Sponsor Bank Agreement |
| Designated Intermediary(ies) | Collectively, the Lead Managers, Lead Broker, agents, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue in relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism,<br><br>Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Lead Broker, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular |
| Designated RTA Locations | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹5,00,000) are available on the website of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com/, as updated from time to time |
| Designated Stock Exchange | National Stock Exchange of India Limited |

| Term | Description |
|---|---|
| Direct Online Application | An online interface enabling direct applications through UPI by an application based/web interface, by investors to a public issue of debt securities with an online payment facility |
| Draft Prospectus | The Draft Prospectus dated August 12, 2022, filed by our Company with the Stock Exchanges for receiving public comments in accordance with the provisions of the SEBI NCS Regulations and to SEBI for record purpose |
| Interest / Coupon Payment Date | The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in this Prospectus. Please see the section titled "Issue Structure" on page 156 |
| Issue | Public issue by our Company of rated, secured, senior, listed, transferable, redeemable NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 10,000 lakhs |
| Issue Agreement | Agreement dated August 10, 2022 between our Company and the Lead Managers |
| Issue Closing Date | September 22, 2022 |
| Issue Opening Date | September 05, 2022 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms |
| Lead Broker | Tipsons Stock Brokers Private Limited |
| Lead Managers/ LMs | Sundae Capital Advisors Private Limited and Tipsons Consultancy Services Private Limited |
| Listing Agreement | The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company |
| Market Lot | 1 (one) NCD |
| NCDs or Debentures | Rated, secured, senior, listed, transferable, redeemable, non-convertible debentures of face value ₹ 1,000 each that our Company proposes to issue through this Issue |
| NCD Holder/ Debenture Holder(s)/ Bond Holder(s) | Holder of secured and/or unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each |
| NSE | National Stock Exchange of India Limited |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue |
| Prospectus | The Prospectus dated August 26, 2022 to be filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. |
| Public Issue Account | An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date as specified for the Prospectus |
| Public Issue Account Bank | An account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts on the Designated Date |
| Public Issue Account and Sponsor Bank Agreement | Agreement dated August 24, 2022 entered into amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank, Sponsor Bank and the Lead Managers for appointment of Sponsor Bank in accordance with SEBI Operational Circular and for collection of the Application Amounts from ASBA Accounts and UPI mandates and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof |
| Record Date | The record date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (Fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors / Investment and Borrowing Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be |

| Term | Description |
|---|---|
| | In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date |
| Recovery Expense Fund | The recovery expense fund created by our Company with the Designated Stock Exchange, in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and in Regulation 11 of SEBI NCS Regulations |
| Redemption Amount | The amount repayable on redemption of the NCDs, as specified in the Prospectus |
| Redemption Date | The date on which our Company is liable to redeem the NCDs |
| Refund Account | Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made |
| Refund Bank(s) | The Banker to the Issue, with whom the Refund Account will be opened, which shall be specified in the Prospectus |
| Register of Debenture Holders | The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 |
| Registered Broker or Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and the stock exchanges having nationwide terminals and eligible to procure Applications from Applicants |
| Registrar to the Issue/ Registrar / RTA / Share Transfer Agent | Link Intime India Private Limited |
| Registrar Agreement | Agreement dated August 10, 2022 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| Security | As specifically disclosed in "Issue Structure" on page 156 of this Prospectus and detailed in the Debenture Trust Deed |
| Self-Certified Syndicate Banks or SCSBs | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA and UPI, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time or at such other website as may be prescribed by SEBI from time to time |
| Specified Cities/Specified Locations | Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Lead Broker, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Sponsor Bank | A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹5,00,000 and carry out any other responsibilities in terms of the SEBI Operational Circular |
| Stock Exchanges | BSE and NSE |
| Sundae | Sundae Capital Advisors Private Limited |
| Syndicate or Members of the Syndicate Collectively, the Lead Brokers appointed in relation to the Issue | Syndicate or Members of the Syndicate Collectively, the Lead Broker appointed in relation to the Issue |
| Syndicate ASBA Application Locations | ASBA Applications through the Lead Managers, Lead Broker or the Trading Members of the Stock Exchanges only in the Specified Cities |
| Syndicate ASBA | Applications through the Members of the Syndicate or the Designated Intermediaries |
| Syndicate SCSB Branches | In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on |

| Term | Description |
|---|---|
| | http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time |
| Tenor | Tenor shall mean the tenor of the NCDs, as specifically disclosed in "Issue Structure" on page 156 |
| Tipsons | Tipsons Consultancy Services Private Limited |
| Total Equity | Total Equity shall mean Total Equity mentioned herein as per the Reformatted Financial Information |
| Transaction Documents | Transaction documents shall mean the Draft Prospectus, and this Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, *"Material Contracts and Documents for Inspection"* on page 250 |
| Transaction Registration Slip or TRS | The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form |
| Trading Members | Intermediaries registered with a Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange |
| Tripartite Agreements | Tripartite agreement dated March 20, 2019 among our Company, the Registrar and CDSL and tripartite agreement dated March 20, 2019 among our Company, the Registrar and NSDL |
| "UPI" or "UPI Mechanism" | Unified Payments Interface mechanism in accordance with the SEBI Operational Circular as amended from time to time, to block funds for application value upto ₹ 5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants |
| UPI ID | Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India |
| "UPI Mandate Request" or "Mandate Request" | A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment |
| Wilful Defaulter | Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| Working Day(s) | Working Day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI NCS Regulations. However, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai |

**CONVENTIONAL AND GENERAL TERMS OR ABBREVIATION**

| Term | Description |
|---|---|
| AGM | Annual General Meeting |
| AIF | An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time |
| AS | Accounting Standards issued by Institute of Chartered Accountants of India |
| ASBA | Application Supported by Blocked Amount |
| AUM | Asset Under Management |

| Term | Description |
|---|---|
| CAGR | Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| Companies Act/ Act/ Companies Act, 2013 | The Companies Act 2013, to the extent notified, read with rules framed, by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended and replaced from time to time |
| CP | Commercial Paper |
| CRAR | Capital to Risk-Weighted Assets Ratio |
| CRPC | Code of Criminal Procedure, 1973, as amended |
| CSR | Corporate Social Responsibility |
| ECB | External Commercial Borrowings |
| ECS | Electronic Clearing Scheme |
| DIN | Director Identification Number |
| DRR | Debenture Redemption Reserve |
| EGM | Extraordinary General Meeting |
| FCNR | Foreign Currency Non-Repatriable |
| FDI | Foreign Direct Investment |
| FDI Policy | The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time |
| FEMA | Foreign Exchange Management Act, 1999, as amended |
| Financial Year/ Fiscal/ FY | Period of 12 months ended March 31 of that particular year |
| FIR | First Information Report |
| GDP | Gross Domestic Product |
| GoI or Government | Government of India |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Income Tax Act | Income Tax Act, 1961, as amended |
| Income Tax Rules | Income Tax Rules, 1962, as amended |
| IND AS / Ind AS | Indian accounting standards, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally accepted accounting principles in India, including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IT | Information Technology |
| MCA | Ministry of Corporate Affairs, GoI |
| MoF | Ministry of Finance, GoI |
| NACH | National Automated Clearing House |
| NBFC | Non-Banking Financial Company, as defined under applicable RBI guidelines |
| NEFT | National Electronic Fund Transfer |
| NSDL | National Securities Depository Limited |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| QIP | Qualified Institutional Placement |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| SARFAESI Act | Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended |

| Term | Description |
|---|---|
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI NCS Regulations | Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended |
| SEBI Listing Regulations / SEBI LODR Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Defaults (Procedure) Circular | The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "*Standardisation of procedure to be followed by Debenture Trustee(s)in case of 'Default' by Issuers of listed debt securities*" |
| SEBI Due Diligence Circular | The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*" |
| SEBI Listing Timelines Requirements | The requirements in respect of the timelines for listing of debt securities prescribed in Chapter I (*Application process in case of public issues of securities and timelines for listing*) of the SEBI Operational Circular |
| SEBI Monitoring Circular | The SEBI circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23 dated November 12, 2020 on "*Monitoring and Disclosures by Debenture Trustee(s)*" |
| SEBI Operational Circular | Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI, as amended |
| SEBI Recovery Expense Fund Circular | The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"* |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |

**BUSINESS/ INDUSTRY RELATED TERMS**

| Term | Description |
|---|---|
| Adjusted CRAR | Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments) |
| CIBIL | Credit Information Bureau (India) Limited |
| IBA | Indian Bank Association |
| KYC | Know Your Customer |
| MSME/s | Micro, small and medium enterprises |
| NBFC | Non-Banking Finance Company |
| NBFC-ND-SIs | Systemically Important Non - Deposit accepting NBFC |
| NPA | Non-performing assets |
| ROE | Return on Equity |
| UIDAI | Unique Identification Authority of India |

*Notwithstanding anything contained herein, capitalised terms that have been defined in "Capital Structure", "Key Regulations and Policies", "History and Certain Corporate Matters", "Statement of Tax Benefits", "Our Management", "Financial Information", "Financial Indebtedness", "Outstanding Litigations", "Issue Procedure" and "Main Provisions of the Articles of Association of our Company" on pages 40, 90, 87, 50, 104, 119, 122, 145, 189 and 236 respectively, will have the meanings ascribed to them in such sections.*

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

### Certain Conventions

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions and all references to the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

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

### Presentation of Financial Information

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

Our Company publishes its financial statements in Rupees in lakhs. Our Company's financial statements as at and for the year ended March 31, 2022, 2021, and 2020 and Limited Review Financial Statements for the period ending June 30, 2022 have been prepared in accordance with Ind AS.

The Reformatted Financial Information are included in this Prospectus. The reports on the Reformatted Financial Information, as issued by the Statutory Auditors of our Company, M S K A & Associates, Chartered Accountants are included in this Prospectus in *"Financial Information"* on page 119.

Further, the unaudited interim standalone financial results for the three months period ended June 30, 2022 prepared in accordance with Regulation 52 of SEBI LODR Regulations included in the Prospectus have been subject to limited review by the Statutory Auditors of our Company, M S K A & Associates, Chartered Accountants and are not indicative of full year financial results of operations. The said results for the three months period ended June 30, 2022 are not comparable with annual financial information.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, the financial data for the financial years ended on March 31, 2022, March 31 2021 and March 31, 2020 has been derived from the Reformatted Financial Information included in this Prospectus.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Reformatted Financial Information in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

### Non-GAAP Financial Measures

Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt / Total Equity (together, **"Non-GAAP Financial Measures"**), presented in this Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Financial measures are not standardised terms, hence a direct comparison of these Non-GAAP

Financial Measures between companies may not be possible. Other companies in financial services industry may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Financial Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

**Currency and Unit of Presentation**

In this Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. Dollars" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Prospectus, data will be given in ₹ in lakhs and / or crore.

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

**Industry and Market Data**

Any industry and market data used in this Prospectus consists of estimates based on data reports compiled by Government bodies, professional organisations and analysts, data from other external sources, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies, and assumptions may vary widely among different market and industry sources.

Given that we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

**General Risk**

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

Specific attention of investors is invited to statement of risk factors contained under section "Risk Factors" on page 13. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share;
- Performance of the financial and capital markets in India and globally;
- We are involved in certain legal and other proceedings which, if determined against us, may have impact on our operations;
- The outcome of any legal or regulatory proceedings we are or may become a party to; Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, Insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations; and
- Any increase in the levels of non-performing assets **("NPA")** on our loan portfolio, for any reason; whatsoever would adversely affect our business and results of operations.

For further discussion of factors that could cause our actual results to differ, see ***"Risk Factors"*** on page 13 of this Prospectus. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Industry Overview" and "Our Business" on page 63 and 73 respectively of this Prospectus. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

## RISK FACTORS

*An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, and the information provided in "Our Business" on page 73 and "Financial Information" on page 119, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless stated otherwise, the financial data in this section is as per our Reformatted Financial Information for the Financial Year ending March 31, 2022, 2021 and 2020 and Limited Reviewed Financial Statements for the period ending June 30, 2022 prepared in accordance with Ind AS.*

**Risks relating to our Business and our Company**

1. ***The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

   The COVID-19 pandemic which is once in a lifetime occurrence has brought with it an unimaginable suffering to people and to almost all sections of the economy. The nationwide lockdowns to curtail the transmission of disease, had put the global economy in extreme stress of the level not seen since the Great Depression and would have a long-lasting economic impact. Countries across the globe continued to face drastic economic and social disruptions along with tragic loss of lives and livelihoods. Eruptions of new waves and variants of the virus necessitated restrictions and lockdowns. The dynamic and evolving nature of the pandemic with its resurgence (third wave) at the mid of the financial year 2021- 2022 once again created uncertainty, including economic impact. Hopefully, the outreach of vaccination drives across the country, additional efforts to set up medical infrastructure and obtain required medical supplies, in addition to continued adherence to COVID-19 specific protocols will help in overcoming this testing situation.

   The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations, MSME lending and the efficiency in collection efforts resulting in increase in the delinquency rates and consequent increase in provisions therefor.

   The Reserve Bank of India had announced relief measures for MSMEs amongst other including the restructuring guidelines to retain loans from banks and NBFCs' to such qualifying MSMEs classified as standard within the regulatory framework. RBI also declared Resolution Framework for COVID-19-related stress through which a window to enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated.

   The physical and emotional wellbeing of employees continues to be a top priority for UGRO. Accordingly, the Company has taken various measures to provide support to its employees. The number of COVID-19 positive employees and their family members are being tracked on a daily basis to provide them support as and when required. The Company has also provided specific group insurance policy and home care insurance cover to employees and their families who contracted COVID-19.

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

We, our Directors and Promoter are subject to certain legal proceedings including civil suits, consumer litigations, tax litigations etc. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we or our Promoter and Directors shall be successful in any or all of these actions. In the event, we or our Promoter and Directors suffer any adverse order, our reputation may suffer and may impact our business and results of operations. We cannot assure that an adverse order by any statutory or governmental authority would not have a negative impact on our profit and financial condition. For further details of the legal proceedings that we are subject to, please refer to "Outstanding Litigation" on page 145.

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

We are engaged in the lending business. Our results of operations are substantially dependent upon the level of our Net Interest Margins. Interest income from our financing activities is the largest component of our total income, and constituted 86.83% and 95.76%, of our total income for the Financial Year 2022 and 2021, respectively. As of June 30, 2022, March 31, 2022 and March 31, 2021, our loan book was ₹ 2,90,726.42 Lakhs, ₹ 2,49,112.74 Lakhs and ₹ 1,30,831.61 Lakhs respectively. We borrow and lend funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

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

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

As an NBFC, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from issuance of redeemable non-convertible debentures, term loans, borrowing from banks, issue of equity shares. As a part of business strategy, the Company also down sell its loan portfolio for raising of additional funds for meeting its business requirements. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. While our borrowing costs have been competitive in the past, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, prospects, cash flow, results of operations and financial condition.

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

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

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, our customer portfolio consists of individuals, small and medium enterprises and other group of the under banked community, who may or may not have easy access to financing from commercial banks or other organized lenders and often have limited credit history. Such borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs have increased from ₹ 3,647.71 lakhs as at March 31, 2021 representing 2.79% of the loan book to ₹ 5641.15 lakhs as at March 31, 2022 representing 2.28% of the total loans and advances and our Net NPAs have increased from 2,297.45 lakhs as at March 31, 2021 representing 1.75% of the loan book to ₹ 4152.32 lakhs as at March 31, 2022 representing 1.70% of the total loans and advances. Our Gross NPAs as of June 30, 2022 stands at ₹ 6194.15 lakhs representing 2.13% of the loan book and our Net NPAs stands at ₹ 4490.48 lakhs representing 1.57% of the loan book. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs have increased from ₹ 3,647.71 lakhs as at March 31, 2021 representing 2.77% of the loan book to ₹ 5641.15 lakhs as at March 31, 2022 representing 2.28% of the total loans and advances and our Net NPAs have increased from 2,297.45 lakhs as at March 31, 2021 representing 1.74% of the loan book to ₹ 4152.32 lakhs as at March 31, 2022 representing 1.70% of the total loans and advances. Our Gross NPAs as of June 30, 2022 stands at ₹ 6194.15 lakhs representing 2.13% of the loan book and our Net NPAs stands at ₹ 4490.48 lakhs representing 1.57% of the loan book. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

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

The present management has acquired our Company in the Financial Year 2018-19 from the erstwhile management. As per the strategy of the Company, we have recently forayed into MSME lending. As a result of our limited operating history under the new management, there is limited historical operating information available to help prospective investors to evaluate our past performance as an entity. Given we have limited operating history in the loan finance business, we may face significant challenges in developing and institutionalizing our procedures and policies for that business. The loan finance business would require extensive monitoring, strict compliance with KYC requirements and prudent risk management. Our growth

plans will place significant demands on our operational, credit, financial and other internal risk controls, making our management of asset quality increasingly important.

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

***7. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.***

Out of our Company's total loan portfolio of ₹ 3,656 crore as at June 30, 2022, 45% of the aggregate value of our loan book i.e. ₹ 1,654 crore is secured by collaterals, 27% of the aggregate value of our loan book i.e. ₹ 975 crore is secured by receivables and cash collateral and ₹ 1,026 crore representing 28% of the aggregate value of our loan book is unsecured loans. The value of collaterals is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) the markets in the areas in which we operate.

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

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

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

We are classified as a systemically important non - deposit accepting NBFC with asset size of more than ₹ 50,000 lakhs and therefore we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs.

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

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

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the RBI SI Master Directions provides for the regulatory framework governing NBFCs pertaining to provision for standard assets.

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

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

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

During the course of finalization of inspection, regulatory authorities may share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities may also seek certain clarifications and share their findings in the ordinary course of business. We cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise / the authorities will not make similar or other observations in the future.

In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

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

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements imposed by the RBI from time to time. In future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as a systemically important non-deposit taking NBFC and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable

legislations governing shops and establishments, professional tax, labour-related registrations, GST registrations and trade licenses of the particular state in which we operate. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition, cash flows and results of operation.

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

12. ***The Equity Shares of our Company are listed on BSE and NSE and our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our promoter liable to prosecution and/or penalties.***

Our Company is subject to the obligations and reporting requirements under SEBI LODR Regulations. Though our Company endeavours to comply with all such obligations/reporting requirements, there might be certain instances of non-compliance and delays in future in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Further there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

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

Our loan book comprises of unsecured loans. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

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

As of June 30, 2022, our unsecured lending book was ₹ 1,026 cr constituting 28% of our total loan book. Further, our lending products generally do not have any definite end-use restrictions and our customers may utilise such loans for various purposes, which are often incapable of being monitored on a regular basis or at all.

Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

14. ***Our business operations involve transactions with relatively high risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition***.

A certain portion of our target customers typically have limited access to credit with limited to or no prior credit history. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability

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

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

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

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

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

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

We may infrequently engage in cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

17. ***If we are unable to manage our growth effectively, our business and reputation could be adversely affected.***

We commenced our lending business to MSMEs in the financial year 2018-19. As on June 30, 2022, we were operating from 20 prime branches and 76 micro branches with a total loan portfolio of ₹ 3,656 crores and catering to 25,000+ customers. Our loan book (Asset Under Management) has grown from ₹ 1317 crores as at March 31, 2021 to ₹ 2,969 crores as at March 31, 2022. As of June 30, 2022 our loan book stands at ₹ 3,656 crores.

There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

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

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

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

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

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

***20. System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information

systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

21. ***Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition***.

The cost and availability of debt capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our long-term debt is presently rated "ACUITE A+ (read as ACUITE A Plus) (Outlook: Stable)" and "CRISIL A- (Outlook: Stable)", which reflects the credit worthiness of our Company and also increases the confidence of the lender.

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations and cash flows. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our future borrowings.

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

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Know Your Customer) Master Directions, 2016 dated February 25, 2016, as amended ("KYC Directions") and the adoption of anti-money laundering policies and compliance procedures in all our branches may not be completely effective. As our Company has been classified as the NBFC-ND-SIs from the fourth quarter of Fiscal 2020, we are subject to the RBI's guidelines on financial regulation of NBFCs, including, KYC procedure and policies, all our branches may not be completely effective with adequate internal policies, processes and controls in place with the KYC Directions and other prescribed KYC procedures. There can be no assurance that attempts to launder money using us as a vehicle will not be made. Additionally, certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event, we are required to comply with the provisions of these state money lending laws and KYC Compliances, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, KYC Compliances, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected.

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

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete

information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

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

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving the NBFC standards and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or evolving market standards.

***25. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

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

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

(in ₹ lakhs)

| Particulars | Financial Year 2022 | Financial Year 2021 | Financial Year 2020 |
|---|---|---|---|
| Net cash generated from/ (used in) operating activities | (1,13,181.67) | (34,712.06) | (79,880.62) |
| Net cash generated from/ (used in) investing activities | 4,137.95 | (4,591.73) | 17,872.79 |
| Net cash generated from/ (used in) financing activities | 1,03,253.11 | 50,794.70 | 30,795.49 |

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see "Financial Information" on page 119.

***27. This Prospectus includes certain unaudited interim financial results, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited interim financial results during the Issue Period.***

This Prospectus includes the three months period ended June 30, 2022 unaudited interim financial results prepared in accordance with Regulation 52 of SEBI LODR Regulations in respect of which the Statutory Auditors have issued their review report dated July 22, 2022. For further details in relation to three months period ended June 30, 2022 unaudited interim financial results, see the chapter titled "Financial Information" on page 119. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations and should not place undue reliance on or base their investment decision solely on the financial information included in this Prospectus.

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

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

We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. For further details on our insurance arrangements, see "Our Business" on page 73.

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

As of June 30, 2022, all of our offices including our Registered and Corporate Office and branches are located in leased premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

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

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

We have entered into certain transactions with related parties, while we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. For details, see "Related Party Transactions" under "Financial Information" on page 119.

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

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

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

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

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

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

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, see "Objects of the Issue" at page 47. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employ 1,277 full-time employees as of June 30, 2022, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business

and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

***34. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Loan industries contained in this Prospectus.***

While facts and other statistics in this Prospectus relating to India, the Indian economy as well as the Loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in "Industry Overview" on page 63. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***35. We do not own the trademark for the logo used by our Company. Consequently, our ability to use the trademark and logo may be impaired.***

We have applied for our current logo "", under Class 35 and 36 under the Trade Marks Act, 1999, however we are yet to receive a registration certificate for the same. As such, we may not be able to prevent infringement of our trademark and may be unable to seek remedies for infringement of our trademark by third parties other than relief against passing off by other entities, which may not provide sufficient protection.

Further, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

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

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

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

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

***38. Our ability to pay dividends in the future will depend on restrictive covenants of our financing arrangements, our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

Any dividends to be declared and paid by us in the future are required to be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association, Dividend Policy and applicable laws and regulations. Our ability to pay dividends in the future will depend on our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements, business prospects and any other financing arrangements. Dividends distributed by us will be taxed by any applicable dividend distribution tax and may be subject to other requirements prescribed by the regulatory authorities, as the case may be. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future consistent with our past practices, or at all. For details pertaining to dividend declared by us in the past, please see "Other Regulatory and Statutory Disclosures" on page 219. As per the law, dividends may be paid out of profits earned during the year or out of accumulated profits earned by a company in previous years and transferred by it to its reserves (subject to certain conditions). Any accumulated profits that are not distributed in a given year are retained and may be available for distribution in subsequent years.

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

The proceeds of this Issue will be used by the Issuer in accordance with applicable laws and not for any specified projects. For further details, see "Objects of the Issue" on page 47.

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

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

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

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

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

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

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

We are not barred from raising future borrowings and may charge its assets from time to time for any of such future borrowings. In the event of a default in repayment of the borrowings of the Company which will also trigger cross default of the Debentures, the borrowings of the Company which are secured with the assets of the Issuer will have a higher probability of being repaid/redeemed than the Debentures.

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

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

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

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

**External Risk Factors**

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

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

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

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

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

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

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

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

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

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares. Any of the above factors may adversely affect our business, results of operation and financial condition.

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

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

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

Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss. Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs, which shall be free from any encumbrance, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

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

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

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

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

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

***53. In case of outstanding debt instruments or borrowings:***

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date hereof, the Issuer has not committed any default in

compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

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

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

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, NBFC-ND-SI registered with RBI that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

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

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

**PROMINENT NOTES**

1. This is a public issue of NCDs by our Company aggregating up to ₹ 10,000 lakhs.
2. For details on the interest of our Company’s Directors, please see “Our Management” and “Capital Structure” on pages 104 and 40 respectively.
3. Our Company has entered into certain related party transactions and disclosed in “Financial Information” on page 119.
4. Any clarification or information relating to the Issue shall be made available by the Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
5. Investors may contact the Registrar to the Issue, Company Secretary & Compliance Officer and Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue. All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the respective Stock Exchange.
6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the “Basis of Allotment” set out in “Issue Procedure” on page 189.
7. Our Equity Shares are currently listed on BSE and NSE.
8. Except as disclosed under Note No. 38(a) of the Reformatted Financial Information, there are no contingent liabilities.
9. For further information, relating to certain significant legal proceedings that we are involved in, see “Outstanding Litigation” on page 145.

## GENERAL INFORMATION

Our Company was incorporated as Chokhani Securities Private Limited under the Companies Act, 1956 on February 10, 1993 with the Registrar of Companies, Maharashtra at Mumbai. Our Company was subsequently converted to a public limited company pursuant to the fresh Certificate of Incorporation issued by the ROC on July 26, 1994. Subsequently, the name of our Company was changed to U GRO Capital Limited w.e.f. September 26, 2018 and a fresh Certificate of Incorporation was obtained from Registrar of Companies, Maharashtra at Mumbai. The CIN of our Company is L67120MH1993PLC070739.

**NBFC Registration**

Our Company is a systemically important non-deposit accepting Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 and registered with effect from March 11, 1998 having Registration No. 13.00325. Our Company is engaged in the business of lending with technology focused small business lending platform. The Company focus on Healthcare, Education, Chemicals, Food Processing / FMCG, Hospitality, Electrical Equipment & Components, Auto Components, Light Engineering and Micro Enterprises segments

**Registered Office**

Equinox Business Park,
Tower 3, 4th Floor, LBS Road,
Kurla (W), Mumbai - 400 070, Maharashtra, India
Tel No: +91 22 4182 1600
Email: cs@ugrocapital.com
Website: www.ugrocapital.com

For details of change in Registered Office, refer to "History and Certain Corporate Matters" on page 87 of this Prospectus.

**Registrar of Companies**

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

**Registration Details**

| | |
|---|---|
| Company Registration Number with RoC | 070739 |
| Corporate Identity Number | L67120MH1993PLC070739 |
| NBFC Registration Certificate Number under Section 45 IA of the RBI Act | A-13.00325 |
| Legal Entity Identifier No (LEI) | 3358007O1S315QAAY388 |
| PAN | AAACC2069E |
| GST | 27AAACC2069E1ZZ |

**Chief Financial Officer and Company Secretary**

**Chief Financial Officer**
**Mr. Amit Gupta**
Equinox Business Park,
Tower 3, 4th Floor, LBS Road,
Kurla (W), Mumbai - 400 070
Maharashtra, India
Tel No: +91 22 4182 1600
Email: amit.gupta@ugrocapital.com

**Company Secretary and Compliance Officer**
**Ms. Namrata Sajnani**
Equinox Business Park,
Tower 3, 4th Floor, LBS Road,
Kurla (W), Mumbai - 400 070
Maharashtra, India
Tel No: +91 22 4182 1600
Email: cs@ugrocapital.com

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

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCBs applied for, Options of NCBs applied for, amount paid on application, Depository Participant name and client identification number and the collection centre of the Lead Broker where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism.

Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the Lead Broker and the relevant Designated Branch of the SCSB concerned in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, Option applied for, number of NCBs applied for, amount blocked on Application.

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

All grievances arising out of Applications for the NCBs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

**Lead Managers to the Issue**

**Sundae Capital Advisors Private Limited**
SEBI Registration No.: INM000012494
CIN: U65990DL2016PTC305412
Level 11, Platina, Plot No. C - 59
'G' Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Maharashtra, India
Ph.: +91 22 6884 1336
E-mail id: ugroncd.2022@sundaecapital.com
Investor grievance E-mail id: grievance.mb@sundeacapital.com
Website: www.sundaecapital.com
Contact Person: Ashi Sood / Ridima Gulati
Compliance Officer: Nitin Somani

**Tipsons Consultancy Services Private Limited**
SEBI Registration No.: INM000011849
CIN: U74140GJ2010PTC062799
401, Sheraton House, Opp. Ketav Petrol Pump
Polytechnic Road, Ambawadi, Ahmedabad - 380 015, Gujarat, India
Ph.: +91 79 6682 8047/6682 8120
E-mail Id: neha.jain@tipsons.com
Investor grievance e-mail Id: igr@tipsons.com
Website: www.tipsons.com
Contact person: Neha Jain / Sandeep Bhansali
Compliance Officer: Neha Jain

**Lead Broker**

**Tipsons Stock Brokers Private Limited**
SEBI Registration No.: INZ000217531
CIN: U65910GJ1995PTC028486
Sheraton House, 5th floor, Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi, Ahmedabad - 380 015, Gujarat, India
Ph.: +91 79 6682 8019/6682 8047
Email: ugro.ipo@tipsons.com
Investor grievance e-mail Id: compliance@tipsons.com
Contact Person: Krunal Soni/ Yagnesh Upadhyay
Website: www.tipsons.com

**Debenture Trustee**

**IDBI Trusteeship Services Limited**
SEBI registration number: IND000000460
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Telephone: +91 22 4080 7000
**Email Id**: itsl@idbitrustee.com/ nikhil@idbitrustee.com/ gaurav.jeswani@idbitrustee.com
**Investor grievance e-mail Id**: itsl@idbitrustee.com / / response@idbitrustee.com / nikhil@idbitrustee.com / gaurav.jeswani@idbitrustee.com
Contact person: Mr. Nikhil Lohana / Mr. Gaurav Jeswani
Website: www.idbitrustee.com

The Debenture Trustee has by its letter dated August 10, 2022 has consented to act as a Debenture Trustee in relation to the Issue under Regulation 8 of the SEBI NCS Regulations. See Annexure IV for the consent letter of the Debenture Trustee.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see "Issue Procedure" on page 189 of this Prospectus.

**Legal Advisor to the Issue**

**SNG and Partners**
One Bazar Lane, Near Bengali Market
New Delhi - 110 001, India
Telephone number: +91 11 4358 2000
Fax number: +91 11 4358 2033
Email: soumyajit_mitra@sngpartners.in
Website: https://www.sngpartners.in
Contact Person: Soumyajit Mitra

**Credit Rating Agency**

**CRISIL Ratings Limited**
SEBI Registration No.: IN/CRA/001/1999
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai 400 076
Tel No: +91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisil.com/ratings
Contact Person: Krishnan Sitaraman

**Acuité Ratings & Research Limited**
SEBI Registration No: IN/CRA/006/2011
708, Lodha Supremus, Lodha iThink Techno Campus
Kanjurmarg (East), Mumbai - 400 042
Tel No: +91 22 4929 4000
Email: chitra.mohan@acuite.in
Website: www.acuite.in
Contact Person: Chitra Mohan

**Credit Rating and Rationale**

The NCDs proposed to be issued under the Issue have been rated "ACUITE A+ (read as ACUITE A plus) (Outlook: Stable)" for an amount of ₹ 20,000 lakhs by Acuite Ratings and Research Limited vide their rating letter dated May 19, 2022, revalidated as on July 11, 2022 and July 22, 2022 and press release for rating rationale May 19, 2022 and "CRISIL A- (read as CRISIL A minus) (Outlook: Stable)" for an amount of ₹ 25,000 lakhs by CRISIL Ratings Limited vide their rating letter dated May 26, 2022 (valid for 180 days) and press release for rating rationale dated May 26, 2022. The rating letter dated May 19, 2022 issued by ACUITE is valid till 180 days from the date of issuance and the rating letter dated May 26, 2022 issued by CRISIL is valid till 180 days from the date of issuance. The ratings given by the Credit Rating Agencies are valid as on the date of this Prospectus and shall remain valid until the ratings are revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures II and Annexures III* of this Prospectus for the rating letter, rating rationale and press release of the above ratings on page 255 and 303, respectively.

**Disclaimer clause of CRISIL**

CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. Edelweiss Broking Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings' rating criteria are available without charge to the public on the website, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800- 267-1301.

**Disclaimer Clause of Acuité Ratings & Research Limited**

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité 's rating scale and its definitions.

**Registrar to the Issue**

**Link Intime India Private Limited**
SEBI Registration No: INR000004058
C-101, 247 Park, First Floor
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083, Maharashtra, India
Tel No: +91 22 4918 6200
Fax No: +91 22 4918 6060
Email: ugrocapital.ncd3@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan

Link Intime India Private Limited has by its letter dated August 04, 2022 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers etc.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

All grievances arising out of Applications for the NCDs made through the online Stock Exchange mechanisms or through Trading Members may be addressed directly to the respective Stock Exchanges.

**Statutory Auditors**
**M/s M S K A & Associates**
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar
Goregaon (East), Mumbai - 400 063
Maharashtra, India
Tel No: +91 22 6831 1600
Email: swapnilkale@mska.in
Firm Registration No: 105047W

**Banker to the Issue**

**Public Issue Account, Refund Bank and Sponsor Bank**



**Axis Bank Limited**
SEBI Registration No: INB100000017
Fortune 2000, Ground Floor
Bandra Kurla Complex, Bandra East
Mumbai - 400 051
Tel No: +91 75 0609 6975
Fax No +91 75 0609 6975
Email: bkc.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Suneeta N Shetty

**Underwriting**
The Issue is not underwritten

**Arrangers to the Issue**
There are no arrangers to the Issue

**Guarantor to the Issue**
There are no guarantors to the Issue

**Recovery Expense Fund**
Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed for taking appropriate legal action to enforce the security.

**Designated Intermediaries**

**Self-Certified Syndicate Banks**
The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**
In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above-mentioned web-link.

**SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications**
In accordance with SEBI Operational Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at ww.sebi.gov.in, and updated from time to time.

**Broker Centres / Designated CDP Locations / Designated CRTA Locations**
In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL /11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the

Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

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

**Impersonation**
As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*
*a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
*b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
*c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

**Minimum Subscription**
In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

**Utilisation of Issue proceeds**
For details on utilisation of Issue proceeds, please see "Objects of the Issue" on page 47 of this Prospectus.

**Issue Schedule**

| **Issue Programme** | |
|---|---|
| Issue Opens on | Monday, September 05, 2022 |
| Issue Closes on | Thursday, September 22, 2022 |
| Pay in Date | Application Date. The entire Application Amount is payable on Application |
| Deemed date of allotment | The date on which the Board or the Investment and Borrowing Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Investment and Borrowing Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for the Issue under the Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment. |

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Investment and Borrowing Committee. In the event of an early closure or*

*extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details refer to "Issue procedure" on page 189 of this Prospectus.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Broker or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Lead Broker or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date For further details please refer to "Issue Procedure" on page 189 of this Prospectus.

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

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

**Inter-se Allocation of Responsibilities among the Lead Managers:**
The following table sets forth the inter-se allocation of responsibilities and coordination for various activities among the Lead Managers:

| Sr. No. | Activities | Responsibility | Co-ordinator |
|---|---|---|---|
| 1. | Due diligence of Company's operations/ management/ business plans/ legal etc.<br>• Drafting and designing of the offering document.<br>• (The Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Prospectus, Prospectus (together "Offer Documents")<br>• Coordination with the Stock Exchanges for in-principle approval | Sundae and Tipsons | Sundae |
| 2. | Structuring of various issuance options with relative components and formalities etc. | Sundae and Tipsons | Tipsons |
| 3. | Co-ordination with auditors for auditor deliverables and coordination with lawyers for legal opinion | Sundae and Tipsons | Sundae |

| Sr. No. | Activities | Responsibility | Co-ordinator |
|---|---|---|---|
| 4. | Appointment of other intermediaries viz., Registrar, Debenture Trustee, Lead Broker/Syndicate Members, printer, advertising agency and Public Issue Bank cum Refund Bank. | Sundae and Tipsons | Sundae |
| 5. | • Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents.<br>• Drafting and approval of statutory advertisement | Sundae and Tipsons | Sundae |
| 6. | Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc. | Sundae and Tipsons | Sundae |
| 7. | Preparation of road show presentation, FAQs. | Sundae and Tipsons | Tipsons |
| 8. | Marketing strategy which will cover, inter alia:<br>• Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc.<br>• Finalise collection centres<br>• Coordinate with Registrar for collection of Application Forms by ASBA banks;<br>• Finalisation of list and allocation of institutional investors for one on one meetings | Sundae and Tipsons | Tipsons |
| 9. | Domestic institutions/banks/mutual funds marketing strategy:<br>Finalize the list and division of investors for one on one meetings, institutional allocation | Sundae and Tipsons | Tipsons |
| 10. | Non-institutional marketing strategy which will cover, inter alia:<br>• Finalize media, marketing and public relation strategy and publicity budget<br>• Finalize centers for holding conferences for brokers, etc. | Sundae and Tipsons | Tipsons |
| 11. | Coordination with the Stock Exchanges for use of the bidding software | Sundae and Tipsons | Sundae |
| 12. | Coordination for security creation by way of execution of Debenture Trust Deed | Sundae and Tipsons | Sundae, Tipsons |
| 13. | Post-issue activities including –<br>• Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and<br>• Allotment resolution | Sundae and Tipsons | Sundae |
| 14. | • Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.;<br>• Coordination for generation of ISINs;<br>• Corporate action for dematerialized credit /delivery of securities;<br>• Coordinating approval for listing and trading of securities; and<br>• Redressal of investor grievances in relation to post issue activities. | Sundae and Tipsons | Sundae |

## CAPITAL STRUCTURE

**a. Our share capital as on the last quarter end, that is June 30, 2022:**

| Share Capital | Amount (in ₹) |
|---|---|
| **Authorised Share Capital** | |
| 8,15,00,000 Equity Shares of face value of ₹ 10 each | 81,50,00,000 |
| 2,05,00,000 Preference Shares of face value of ₹ 10 each | 20,50,00,000 |
| **Total** | **1,02,00,00,000** |
| **Issued Share Capital, Subscribed and Paid-up Capital** | |
| 7,05,59,319 Equity Shares of face value of ₹ 10 each | 70,55,93,190 |
| **Total** | **70,55,93,190** |
| **Share Premium** | **7,77,23,90,624** |

*The Issue will not result in any change in the paid-up share capital of our Company due to issue and allotment of the NCD.*

b. There has been no change in the authorised share capital of our Company for the last three years preceding the date of this Prospectus.

c. Equity Share capital history of our Company for the last three years preceding the date of this Prospectus as on June 30, 2022

| Date of Allotment | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Consideration (Cash, Other than cash, etc) (₹) | Nature of Allotment | Cumulative | | | Remark |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No. of Equity Shares | Equity Share Capital (₹) | Securities Premium * (₹) | |
| **Opening Balance as on June 30, 2019** | | | | | | 2,33,31,482 | 23,33,14,820 | 2,03,94,64,850 | - |
| 30/07/2019 | 1,35,65,891 | 10 | 129 | NA | Allotment pursuant to Scheme of Arrangement as approved by NCLT, Mumbai Bench | 3,68,97,373 | 36,89,73,730 | 3,65,38,05,879 | Note 1 |
| 18/09/2019 | 1,00,00,000 | 10 | 129 | NA | Conversion of CCD | 4,68,97,373 | 46,89,73,730 | 4,84,20,55,879 | Note 2 |
| 18/09/2019 | 1,00,00,000 | 10 | 129 | NA | Conversion of CCPS | 5,68,97,373 | 56,89,73,730 | 6,03,20,55,879 | Note 3 |
| 19/12/2019 | 38,37,210 | 10 | 129 | NA | Conversion of CCD | 6,07,34,583 | 60,73,45,830 | 6,48,86,83,869 | Note 4 |
| 19/12/2019 | 38,37,210 | 10 | 129 | NA | Conversion of CCPS | 6,45,71,793 | 64,57,17,930 | 6,94,53,11,859 | Note 5 |
| 20/12/2019 | 59,56,757 | 10 | 148 | NA | Conversion of warrants | 7,05,28,550 | 70,52,85,500 | 7,76,73,44,826 | Note 6 |
| 06/01/2022 | 30,769 | 10 | 130 | Cash | ESOP Allotment | 7,05,59,319 | 70,55,93,190 | 7,77,23,90,624 | - |
| **Closing Balance as on June 30, 2022** | | | | | | 7,05,59,319 | 70,55,93,190 | 7,77,23,90,624 | |

* Securities Premium for CCPS, CCD and Warrants are being shown in the column against the date of conversion of the respective CCPS, CCD and Warrants. Further, the expenses for raising of capital has been written off against securities premium account during the above referred period.

Notes:

1. Allotment of 1,35,65,891 equity shares to DBZ (Cyprus) Limited pursuant to the Scheme of Arrangement between U GRO Capital Limited and Asia Pragati Capfin Private Limited.
2. Allotment of 1,00,00,000 equity shares to Clearsky Investment Holdings Pte. Ltd. upon conversion of CCD. Further, an amount of ₹ 17.50 lakhs, towards capital issue expenses, has been written off against securities premium account on August 31, 2019.
3. Allotment of 1,00,00,000 equity shares to NewQuest Asia Investments III Limited upon conversion of CCPS.
4. Allotment of 38,37,210 equity shares to Clearsky Investment Holdings Pte. Ltd. upon conversion of CCD.
5. Allotment of 38,37,210 equity shares to NewQuest Asia Investments III Limited upon conversion of CCPS.
6. Allotment of 59,56,757 equity shares to Samena Fidem Holdings upon exercise of warrants.
7. Allotment of 30,769 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

d. Preference Share capital history of our Company for the last three years preceding the date of this Prospectus as on June 30, 2022

| Date of Allotment | No. of Preference Shares | Face Value (₹) | Issue Price (₹) | Consideration (Cash, Other than cash, etc) | Nature of Allotment | Cumulative | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No. of Preference Shares | Preference Share Capital *(in ₹)* | Securities Premium * | |
| **Opening Balance as on June 30, 2019** | | | | | | 1,38,37,210 | 13,83,72,100 | - | - |
| 18/09/2019 | (1,00,00,000) | 10 | | *NA* | Conversion into Equity Shares | 38,37,210 | 3,83,72,100 | - | - |
| 19/12/2019 | (38,37,210) | 10 | | *NA* | Conversion into Equity Shares | NIL | NIL | - | - |
| ***Closing Balance as on June 30, 2022*** | | | | | | NIL | NIL | | |

* For details on securities premium, refer to table (c) above

e. Compulsorily Convertible Debentures history of our Company for the last three years preceding the date of Prospectus as on June 30, 2022

| Date of Allotment | No. of Debentures | Face Value (₹) | Issue Price (₹) | Consideration (Cash, Other than cash, etc) | Nature of Allotment | Cumulative | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No. of Debentures | Debentures *(in ₹)* | Securities Premium * | |
| **Opening Balance as on June 30, 2019** | | | | | | 1,38,37,210 | 13,83,72,100 | - | - |
| 18/09/2019 | (1,00,00,000) | 10 | | *NA* | Conversion into Equity Shares | 38,37,210 | 3,83,72,100 | - | - |
| 19/12/2019 | (38,37,210) | 10 | | *NA* | Conversion into Equity Shares | NIL | NIL | - | - |
| ***Closing Balance as on June 30, 2022*** | | | | | | NIL | NIL | | |

* For details on securities premium, refer to table (c) above

f. Details of any acquisition or amalgamation in the last one year
Our Company has not made any acquisition or undertaken any amalgamation in the last one year.

g. Details of any reorganization / reconstruction in the last one year
Our Company has not made any reorganization / reconstruction in the last one year.

h. Details of the shareholding of the Company as on June 30, 2022, as per the format specified under the listing regulations:

Table I: Summary statement holding of specified securities

| Cate-gory | Category of shareholders | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | (as a % of (A+B+C) | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 1 | 20,27,709 | 0 | 0 | 20,27,709 | 2.88 | 20,27,709 | 0 | 20,27,709 | 2.88 | 0 | 2.88 | 0 | 0 | 0 | 0 | 20,27,709 |
| (B) | Public | 10,539 | 6,85,31,610 | 0 | 0 | 6,85,31,610 | 97.12 | 6,85,31,610 | 0 | 6,85,31,610 | 97.12 | 0 | 97.12 | 0 | 0 | 0 | 0 | 6,84,80,590 |
| (C) | Non promoter non public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | | | | | |
| | **Total** | **10,540** | **7,05,59,319** | **0** | **0** | **7,05,59,319** | **100** | **7,05,28,550** | **0** | **7,05,28,550** | **100** | **0** | **100** | **0** | **0** | **0** | **0** | 7,05,08,299 |

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

| Cat e-gory | Category of share-holders * | No. of share - holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) | No. of voting rights held in each class of securities | | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged or otherwise encumbered | | No. of Equity Shares held in dematerial-ised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | (as a % of (A+B+C) | No. of voting rights | | | Total as % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| A(1) | **Indian** | | | | | | | | | | | | | | | | | |
| (a) | **Individuals** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | **Hindu Undivided Family** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | **Central Government / State Government(s)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | **Financial Institutions / Banks** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | **Any other** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Poshika Advisory Services LLP | 1 | 20,27,709 | 0 | 0 | 0 | 2.88 | 20,27,709 | 0 | 20,27,709 | 2.88 | 0 | 2.88 | 0 | 0 | 0 | 0 | 20,27,709 |
| | Shachindra Nath (“PAC”) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Sub-total A(1)** | **1** | **20,27,709** | **0** | **0** | **0** | **2.88** | **20,27,709** | **0** | **20,27,709** | **2.88** | **0** | **2.88** | **0** | **0** | **0** | **0** | **20,27,709** |
| | | | | | | | | | | | | | | | | | | |
| A(2) | **Foreign** | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | **Any others** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | | | | | |
| | **Sub-total A(2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)** | **1** | **20,27,709** | **0** | **0** | **0** | **2.88** | **20,27,709** | **0** | **20,27,709** | **2.88** | **0** | **2.88** | **0** | **0** | **0** | **0** | **20,27,709** |

Table III: Statement showing shareholding pattern of public shareholder

| Cate-gory | Category of share-holders * | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) | No. of voting rights held in each class of securities | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | No. of shares pledged or otherwise encumbered | No. of Equity Shares held in dematerial-ised form | Cate-gory | Category of share-holders * | No. of share-holders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | (as a % of (A+B+C) | No. of voting rights | | Total as % of (A+B+C) | | Total as % of total voting rights | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | | As a % of total shares held (b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class X | Class Y | Total | | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (I) | (II) | (III) | (IV) | (V) |
| 1 | Institutions | | | | | | | | | | | | | | | | | | |
| (a) | Foreign Portfolio Investor | 22 | 54,77,708 | 0 | 0 | 54,77,730 | 7.76 | 54,77,708 | 0 | 54,77,708 | 7.76 | 0 | 7.76 | 0 | 0 | 0 | 0 | 0 | 54,77,708 |
| | Samena Special Situations Mauritius | 1 | 33,21,500 | 0 | 0 | 33,21,501 | 4.71 | 33,21,500 | 0 | 33,21,500 | 4.71 | 0 | 4.71 | 0 | 0 | 0 | 0 | 0 | 33,21,500 |
| | Nexpact Limited | 1 | 8,78,592 | | | 8,78,593 | 1.25 | 8,78,592 | | 8,78,592 | 1.25 | | 1.25 | 0 | 0 | 0 | 0 | 0 | 8,78,592 |
| (b) | Insurance Companies | 1 | 14,28,600 | 0 | 0 | 14,28,601 | 2.02 | 14,28,600 | 0 | 14,28,600 | 2.02 | 0 | 2.02 | 0 | 0 | 0 | 0 | 0 | 14,28,600 |
| | PNB Metlife India Insurance Company Limited | 1 | 14,28,600 | 0 | 0 | 14,28,601 | 2.02 | 14,28,600 | 0 | 14,28,600 | 2.02 | 0 | 2.02 | 0 | 0 | 0 | 0 | 0 | 14,28,600 |
| | **Sub Total (B)(1)** | **23** | **69,06,308** | **0** | **0** | **69,06,331** | **9.79** | **69,06,308** | **0** | **69,06,308** | **9.79** | **0** | **9.79** | **0** | **0** | **0** | **0** | **0** | **69,06,308** |
| 2 | Central Government / State Government (s)/ President of India | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Sub Total (B)(2)** | **0** | **0** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0** | **0.00** | **0** | **0** | **0** | **0** | **0** | **0** |
| 3 | Non Institutions | | | | | 0 | 0.00 | 0 | | 0 | 0.00 | | 0.00 | | | | | | |
| (a) | Individual shareholders holding nominal share capital upto ₹ 2.00 lakh | 9,804 | 43,40,115 | 0 | 0 | 43,49,919 | 6.16 | 43,40,115 | 0 | 43,40,115 | 6.15 | 0 | 6.16 | 0 | 0 | 0 | 0 | 0 | 42,89,895 |
| | Individual shareholders holding nominal share capital in excess of ₹ 2.00 lakh | 67 | 54,85,150 | 0 | 0 | 54,85,217 | 7.77 | 54,85,150 | 0 | 54,85,150 | 7.77 | 0 | 7.77 | 0 | 0 | 0 | 0 | 0 | 54,85,150 |
| | NBFCs registered with RBI | 1 | 1,25,000 | | | 1,25,001 | 0.18 | 1,25,000 | | 1,25,000 | 0.18 | 0 | 0.18 | 0 | 0 | 0 | 0 | 0 | 1,25,000 |
| (b) | **Any other** | **644** | **5,16,75,037** | **0** | **0** | **5,16,75,681** | **73.24** | **5,16,75,037** | **0** | **5,16,75,037** | **73.24** | **0** | **73.24** | **0** | **0** | **0** | **0** | **0** | **5,16,74,237** |
| | Trusts | 2 | 800 | | | 802 | 0.00 | 800 | 0 | 800 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 800 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | HUF | 185 | 5,37,760 | 0 | 0 | 5,37,945 | 0.76 | 5,37,760 | 0 | 5,37,760 | 0.76 | 0 | 0.76 | 0 | 0 | 0 | 0 | 5,37,760 |
| | Overseas Corporate Bodies | 5 | 42881310 | 0 | 0 | 4,28,81,315 | 60.77 | 4,28,81,310 | 0 | 4,28,81,310 | 60.77 | 0 | 60.77 | 0 | 0 | 0 | 0 | 4,28,81,310 |
| | Clearsky Investment Holdings Pte Limited | 1 | 15116279 | 0 | 0 | 1,51,16,280 | 21.42 | 1,51,16,279 | 0 | 1,51,16,279 | 21.42 | 0 | 21.42 | 0 | 0 | 0 | 0 | 15116279 |
| | Newquest Asia Investments III Limited | 1 | 15116279 | 0 | 0 | 1,51,16,280 | 21.42 | 1,51,16,279 | 0 | 1,51,16,279 | 21.42 | 0 | 21.42 | 0 | 0 | 0 | 0 | 15116279 |
| | DBZ (Cyprus) Limited | 1 | 6507687 | 0 | 0 | 65,07,688 | 9.22 | 65,07,687 | 0 | 65,07,687 | 9.22 | 0 | 9.22 | 0 | 0 | 0 | 0 | 65,07,687 |
| | Samena Fidem Holdings | 1 | 5956757 | 0 | 0 | 59,56,758 | 8.44 | 59,56,757 | 0 | 59,56,757 | 8.44 | 0 | 8.44 | 0 | 0 | 0 | 0 | 5956757 |
| | Non resident Indians | 320 | 1358759 | 0 | 0 | 13,59,079 | 1.93 | 13,58,759 | 0 | 13,58,759 | 1.93 | 0 | 1.93 | 0 | 0 | 0 | 0 | 59,56,757 |
| | LLP | 12 | 591437 | 0 | 0 | 5,91,449 | 0.84 | 5,91,437 | 0 | 5,91,437 | 0.84 | 0 | 0.84 | 0 | 0 | 0 | 0 | 5,91,437 |
| | Clearing Members | 16 | 107570 | 0 | 0 | 1,07,586 | 0.15 | 1,07,570 | 0 | 1,07,570 | 0.15 | 0 | 0.15 | 0 | 0 | 0 | 0 | 1,07,570 |
| | Bodies Corporate | 104 | 6197401 | 0 | 0 | 61,97,505 | 8.78 | 61,97,401 | 0 | 61,97,401 | 8.78 | 0 | 8.78 | 0 | 0 | 0 | 0 | 61,96,601 |
| | Purshottam Investofin Ltd | 1 | 1333749 | 0 | 0 | 13,33,750 | 1.89 | 13,33,749 | 0 | 13,33,749 | 1.89 | 0 | 1.89 | 0 | 0 | 0 | 0 | 13,33,749 |
| | Chhattisgarh Investments Limited | 1 | 1245351 | 0 | 0 | 12,45,352 | 1.76 | 12,45,351 | 0 | 12,45,351 | 1.76 | 0 | 1.76 | 0 | 0 | 0 | 0 | 12,45,351 |
| | Sub Total (B)(3) | 10,516 | 6,16,25,302 | 0 | 0 | 6,16,35,818 | 87.35 | 6,16,25,302 | 0 | 6,16,25,302 | 87.34 | 0 | 87.35 | 0 | 0 | 0 | 0 | 6,15,74,282 |
| | **Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)** | **10,539** | **6,85,31,610** | **0** | **0** | **6,85,31,610** | **97.14** | **6,85,31,610** | **0** | **6,85,31,610** | **97.13** | **0** | **97.14** | **0** | **0** | **0** | **0** | **6,84,80,590** |

i. List of top 10 holders of equity shares of the Company as on June 30, 2022:

| Sr. No. | Name of Shareholders | No. of Equity Shares held | No. of Equity Shares held in demat form | Holding percentage |
|---|---|---|---|---|
| 1 | Clearsky Investment Holdings Pte Limited | 1,51,16,279 | 1,51,16,279 | 21.42 |
| 2 | Newquest Asia Investments Iii Limited | 1,51,16,279 | 1,51,16,279 | 21.42 |
| 3 | DBZ (Cyprus) Limited | 65,07,687 | 65,07,687 | 9.22 |
| 4 | Samena Fidem Holdings | 59,56,757 | 59,56,757 | 8.44 |
| 5 | Samena Special Situations Mauritius | 33,21,500 | 33,21,500 | 4.71 |
| 6 | Poshika Advisory Services LLP | 20,27,709 | 20,27,709 | 2.87 |
| 7 | PNB Metlife India Insurance Company Limited | 14,28,600 | 14,28,600 | 2.02 |
| 8 | Purshottam Investofin Ltd | 13,33,749 | 13,33,749 | 1.89 |
| 9 | Chhattisgarh Investments Limited | 12,45,351 | 12,45,351 | 1.77 |
| 10 | Nexpact Limited | 8,78,592 | 8,78,592 | 1.25 |

j. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.

k. There has been no change in the Promoter holding of our Company during the last financial year beyond 26% (as prescribed by RBI).

l. The Company has one stock option scheme ‘CSL Employee Stock Option Scheme 2017’. The said scheme was approved by board of directors on December 31, 2017 and by the shareholders through postal ballot on May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballot on May 5, 2022 (Results of which declared on May 6, 2022). The number of options outstanding under ‘CSL Employee Stock Option Scheme 2017’ as on June 30, 2022 is 26,01,738.

Further, Board of Directors in their meeting held on July 22, 2022, approved a new scheme "Ugro Capital Employee Stock Option Scheme - 2022" subject to approval of shareholders and the said new scheme is proposed to be implemented through secondary market acquisition. The number of equity shares reserved under the proposed new scheme is 35,27,966.

m. Our Company does not have any outstanding warrants as on date of this Prospectus.

n. Our Promoter and Promoter Group or Directors of our Company has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.

**o. Statement of capitalization (Debt / Equity Ratio) of our Company, on standalone basis, as on March 31, 2022:**

| **Particulars** | **INR in Lakh** |
|---|---|
| **Debt – Equity Ratio** | |
| Debt securities | 70,377 |
| Borrowings (other than debt securities) | 1,09,807 |
| **Total Debt** | **1,80,184** |
| Equity share capital | 7,056 |
| Other equity | 89,600 |
| **Total Equity** | **96,656** |
| **Ratio** | **1.86** |

## OBJECTS OF THE ISSUE

**Issue Proceeds**

Our Company has filed this Prospectus for public issue of rated, secured, senior, listed, transferable, redeemable, non-convertible debentures of face value of ₹ 1,000 ("NCDs") for an amount of ₹ 5,000 lakhs with an option to retain over-subscription upto ₹ 5,000 lakhs.

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively referred to herein as the "**Objects**"):

1. For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company; and
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of the Issue are set forth in the following table:

| Sr. No. | Description | Estimated Amount (₹ in lakhs) |
|---|---|---|
| 1. | Gross Proceeds of the Overall Issue Size | 10,000.00 |
| 2. | Issue Related Expenses * | 331.36 |
| 3. | Net Proceeds (i.e. Gross Proceeds *less* Issue related expenses) | 9,668.64 |

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

Requirement of funds and Utilisation of Net Proceeds The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

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

** Our Company shall not utilise the proceeds of this Issue towards payment of prepayment penalty, if any.*
*** The Net Proceeds will be first utilised towards the Objects mentioned above. The balance is proposed to be utilised for general corporate purposes, subject to such utilisation not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

No part of the proceeds shall be utilised directly/ indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.

**Issue Related Expenses**

The expenses of this Issue include, among others, fees for the Lead Managers and selling commission to the Lead Managers/Lead Broker, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs' commission / fees, listing fees, commission and fees payable to the intermediaries as provided for in the SEBI Operational Circular, and any other expense directly related to Issue.

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

| Particulars | Amount (₹ in lakhs) | As percentage of Issue proceeds (in %) | As percentage of total expenses of the Issue (in %) |
|---|---|---|---|
| Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees | 23.75 | 7.17% | 0.24% |
| Lead Managers Fee, Legal Counsel Fee, Selling and Brokerage Commission, SCSB Processing Fee | 171.00 | 51.61% | 1.71% |
| Advertising and Marketing, Printing and Stationery Costs | 89.40 | 26.98% | 0.89% |
| Other Miscellaneous Expenses | 47.21 | 14.25% | 0.47% |
| **Grand Total** | **331.36** | **100.00%** | **3.31%** |

*Assuming the Issue is fully subscribed.
# Being NBFC, our Company is eligible to avail only 50% of the GST credit on the expenses incurred towards the Issue. The remaining 50% GST credit (non-eligible credit) is considered as other expenses towards the Issue.

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

**Purpose for which there is a Requirement of Funds**
As stated in "Issue Proceeds" above.

**Funding plan**
NA

**Summary of the project appraisal report**
NA

**Schedule of implementation of the project**
NA

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

**Monitoring of Utilisation of Funds**
There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board and Audit Committee shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2021-2022, our Company will disclose in our financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

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

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

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

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

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

Our Company confirms that it will not use the proceeds, or any part of the proceeds, of the Issue, (a) for the purchase of any business, (b) the acquisition of any immovable property, including indirect acquisition for which advances have been paid to even third parties or (c) directly or indirectly and in any manner resulting in the acquisition by the Company of securities of any other body corporate.

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

**Variation in terms of contract or objects**

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

**Utilisation of Issue Proceeds**

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all monies utilised shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
4. Details of all unutilised monies out of issue of NCDs, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our Balance Sheet till the time any part of the proceeds of the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;
5. The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia, by way of a lease, of any immovable property;
6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Prospectus in "Issue Structure" on page 156.
7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
8. If Allotment is not made, application monies will be refunded / unblocked in the ASBA Accounts within 6 Working days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

**Benefit or Interest accruing to Promoters or Directors out of the objects of the Issue**

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

## STATEMENT OF TAX BENEFITS

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

To,
**The Board of Directors, Ugro Capital Limited**
Equinox Business Park, Tower 3, 4th Floor,
LBS Road, Kurla (West) Mumbai - 400 070.

Dear Sir(s),

**Sub: Statement of Possible Tax Benefits available to Debenture Holders in connection with the Proposed Public Issue by Ugro Capital Limited (Formerly known as Chokhani Securities Limited) (the 'Company') of Secured Redeemable Non-Convertible Debentures ('NCDs' or 'Debentures') of face value of Rs. 1000 each**

We hereby confirm that the enclosed statement in **Annexure** states the possible tax benefits available to the Debenture holders of the Company under the Income-tax Act, 1961 (the Act) as amended by the Finance Act, 2022 i.e. relevant to the Assessment Year 2023-24 presently in force in India.

Several of these benefits are dependent on the Company or its debenture holders fulfilling the stipulated conditions prescribed under relevant provisions of the Act and the eligibility thereon. Hence, the ability of the Company or its Debenture holders to derive the tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company or its Debenture holders may or may not choose to fulfill.

The benefits stated in the enclosed statement are neither exhaustive nor conclusive and the preparation of the said statement and the content therein is the responsibility of the Company's Management. The statement is designed to provide general information to the debenture holders and must not be substituted for professional tax advice.

Our views are based on existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective shall have an effect on the views expressed herein. We do not assume any obligation to update this statement on any events subsequent to its issue, which may have an effect on the discussions herein.

In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the debenture holders to invest money based on this statement.

We do not express any opinion or provide assurance as to whether:

1. The Company or its debenture holders will continue obtain these benefits in future;
2. The conditions prescribed for availing these benefits have been/would be met with;
3. The Revenue authorities/Courts will concur with the views expressed herein

The contents of the statement are based on information, explanation and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

This report has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

**For Shubham Kaushik & Co.**
**Chartered Accountants**
ICAI Firm Registration No. 151830W

CA Shubham Kaushik
Membership No. 181849
UDIN: 22181849ANQMGD5741
Mumbai
31st July, 2022

**Annexure**

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

The Annexure is based on the provisions of the Income-tax Act, 1961 (IT Act), as on date.

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriatecounsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

***Taxability under the IT Act***

**1. Taxability under various heads of Income**

The returns received by the investors from NCD in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and Gains from Business;
- Income from Capital Gains; and
- Income from Other Sources.

The returns from the investment in the form of interest would generally be subject to tax under the head "Income From Other Sources". Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head "Profits and gains from business".

The gains from the sale of the instrument or security may be characterised either as "Profits and gains from business" or as "Capital Gains". This is discussed in the following paragraph.

- **"Profit and Gains from Business" versus "Capital Gains"**

Gains from the transfer of securities/instruments of the investee companies may be characterised as "Capital Gains" or as "Profits and Gains from Business" in the hands of an investor, depending upon whether the investments in the NCD is held as an 'investments' or as 'stock in trade'. This can vary based on the facts of each investor's case (taking into accountfactors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether there exists an intention to earn a profit from sale or to earn interest, etc.)

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

**2. Taxation of Interest, Profits from Business and Capital Gains**

Income by way of interest received on debentures, bonds, and other debt instruments held as an investment will be charged to tax as under the head "Income from Other Sources" at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures, bonds or other debt instruments held as stock-in-trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as "business income" (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterised as "capital gains" (treatment separately discussed below).

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of "Profits and gains from business".

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (that is, net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

The "Profits and Gains from Business" so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

*Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, thedeductions available therefrom and the tax to be paid thereon.*

- **Taxation of Profits and gains from business**

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded tobe in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered tobe in the nature of "Profits and gains from business".

- **Taxation of Capital Gains**

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of "capital gains".

As per section 2(14) of the IT Act, the term 'capital asset' had been defined to, *inter alia*, mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

- **Period of holding – long-term & short-term capital assets**

Taxability of investments primarily depends on Nature of Capital Asset and Period of Holding.

A security (other than a unit) listed on a recognised stock exchange in India or zero-coupon bond (as defined) held for a period of more than 12 months is considered long-term capital asset.

In case of share of an unlisted company and immoveable property, it will be considered as a long-term capital asset whereit is held for a period of more than 24 months.

Any assets (other than as described above), are considered long-term capital assets where they are held for a period ofmore than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, will be treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains. The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

- **Computation of capital gains**

Capital gains are computed after reducing from the consideration received from the transfer of the capital

asset, the costof acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

- **Nature of transactions and resultant capital gain treatment**

The capital gains tax treatment of transactions is given in Note 4.
The following transactions would attract the "regular" capital gains tax provisions:

- ✓ Transactions of sale of debentures, bonds, listed or otherwise; and
- ✓ Transactions in structured debentures.

- **Set off of capital losses**

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be setoff against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can be set offagainst both, short-term and long-term capital gains of the same year.

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years immediately succeeding the assessment year for which the first loss was computed, provided the Return of Income (ROI) is filed within the original due date. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

- **Taxability of non-resident investors under the tax treaty**

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement ("DTAA" or "tax treaty") (which is in force) income-tax is payable at the rates provided in theIT Act, as discussed below, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non- resident investor, subject to conditions prescribed

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining of a Tax Residency Certificate (''TRC'') from the home country tax authority.

Section 90(5) of the IT Act provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 ("Rules") has been issued prescribing the format of information to be provided under section 90(5) of the IT Act, i.e. in Form No 10F. Where the required information is not explicitly mentioned in the TRC, the assessee shall be required tofurnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

- **General Anti Avoidance Rules ("GAAR")**

The General Anti Avoidance Rule (''GAAR'') was introduced in the IT Act by the Finance Act, 2012. The Finance Act,2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

- **Widening of taxability of Capital Gains**

In the context of taxation of capital gains, the definitions of "capital asset" and "transfer" are widened with retro-effect from 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets situated in India.

- **Withholding provisions**

The withholding provisions provided under the Act are machinery provisions meant for tentative deduction of income- tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below.

| Sr. No. | Scenarios | Provisions |
|---|---|---|
| 1 | Withholding tax rate on interest on NCD issued to Indian residents | ➢ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent.<br><br>➢ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if:<br><br>• the amount of interest paid to such person in a financial year does notexceed INR 5,000; and<br>• such interest is paid by an account payee cheque<br>➢ **Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder.** |
| 2 | Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FPI) | ➢ Tax deduction on interest from NCD issued to FPIs should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any.<br><br>➢ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess. |
| 3 | Withholding tax rate on interest on NCD issued to non-residents other than FPIs | ➢ Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.<br><br>➢ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable. |
| 4 | Withholding tax rate on purchase of 'goods' | ➢ As per section 194Q of the IT Act, inserted by FB, 2021, w.e.f. July 01, 2021, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.<br><br>➢ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceedsINR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.<br><br>➢ TDS shall not be applicable where;<br><br>• Tax is deductible under any of the provisions of the IT Act; or |

| | | |
|---|---|---|
| | | • Tax is collectible under the provisions of section 206C of the IT Act otherthan a transaction to which section 206C(1H) of the IT Act applies<br><br>➢ Given that the term 'goods' has not been defined under the proposed section 194Q of the Act and there exists lack of clarity on whether the term 'goods' would include 'securities', it is advisable that the investors obtain specific advice from their tax advisors regarding the same.<br><br>➢ The CBDT vide its circular no. 13 of 2021 dated 30th June, 2021 has provided guidelines under section 194Q of the Act for removal of difficulties. It provides clarity on several aspects, including the following:<br><br>• Provisions of section 194Q shall not be applicable in relation to transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation including recognized stock exchanges or recognized clearing corporations located in International Financial Services Centre<br><br>• Despite the said section coming into effect from July 01, 2021, the threshold limit of INR 50 Lakhs shall be computed from April 01, 2021 and any payment made/amount credited to the seller prior to June 30, 2021 the TDS section shall apply.<br><br>• However, if neither payment of sum/credit of amount has taken place before July 01, 2021, the said section shall not apply.<br><br>• Further, provisions of this section shall apply to a non-resident buyer whose purchase of goods from resident seller is effectively connected with permanent establishment of such non-resident. |

**Notes:**

**Note 1: Tax rates**

- **Resident Individuals and Hindu Undivided Families**

The individuals and HUFs are taxed in respect of their total income at the following rates:

| **Slab** | **Tax rate *** |
|---|---|
| Total income up to Rs 250,000# | Nil |
| More than Rs 250,000# but up to Rs 500,000@ | 5 per cent of excess over Rs 250,000 |
| More than Rs 500,000 but up to Rs 1,000,000 | 20 per cent of excess over Rs 500,000 + Rs 12,500$ |
| Exceeding Rs 1,000,000 | 30 per cent of excess over Rs 1,000,000 + Rs 112,500$ |

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less."
* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plussurcharge, if applicable).

# for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to

be read asRs 300,000 and for resident senior citizens of eighty years of age and above ("super senior citizen) Rs 250,000' has to beread as Rs 500,000.
[$]Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to beread as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read asNil and Rs 112,500 has to be read as Rs 100,000.

Alternatively, where an individual or a HUF exercises the option to be assessed to tax under the provisions of section 115BAC of the IT Act, the following shall be the rate of tax applicable:

| **Slab** | **Tax rate *** |
|---|---|
| Total income up to Rs 250,000 | Nil |
| More than Rs 250,000 but up to Rs 500,000@ | 5 per cent of excess over Rs 250,000 |
| More than Rs 500,000 but up to Rs 750,000 | 10 per cent of excess over Rs 500,000 + Rs 12,500 |
| More than Rs 750,000 but up to Rs 1,000,000 | 15 per cent of excess over Rs 750,000 + Rs 37,500 |
| More than Rs 1,000,000 but up to Rs 1,250,000 | 20 per cent of excess over Rs 1,000,000 + Rs 75,000 |
| More than Rs 1,250,000 but up to Rs 1,500,000 | 25 per cent of excess over Rs 1,250,000 + Rs 1,25,000 |
| More than Rs 1,500,000 | 30 per cent of excess over Rs 1,500,000 + Rs 1,87,500 |

*@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less."*

* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

- **Partnership Firms & LLP's**

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

- 
- **Domestic Companies**

| **Type of Domestic company** | **Base normal tax rate on income (other than income chargeable at special rates)** |
|---|---|
| Domestic companies having turnover or gross receiptsof less than Rs 400 Cr in FY 2019-20 | 25 percent |
| Domestic manufacturing company set-up and registeredon or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA) | 25 percent |

| **Type of Domestic company** | **Base normal tax rate on income (other than income chargeable at special rates)** |
|---|---|
| Any domestic company (even if an existing company orengaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA) | 22 percent |
| Domestic manufacturing company set-up and registeredon or after 1 October 2019 and commences manufacturing upto 31 March 2023, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB) | 15 percent |
| Domestic companies not falling under any of the above category | 30 percent |

**Note 2: Surcharge (as applicable to the tax charged on income)**

- **Non-corporate assessees other than firms and co-operative societies (other than FPIs)**

| Particulars | Rate of Surcharge |
|---|---|
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) does not exceed Rs 50 lacs | Nil |
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 50lacs but does not exceed Rs 1 crore | 10 per cent on total tax |
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 1crore but does not exceed Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the Act) does not exceed Rs2 crore but total income (including dividend income and income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 2crore but does not exceed Rs 5 crore | - 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act<br>- 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act |
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 5crore | - 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act<br>- 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act |

**FPIs (Non – corporate)**

| Particulars | Rate of Surcharge |
|---|---|
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs | Nil |
| Where total income (including dividend income or income of the naturereferred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs butdoes not exceed Rs 1 crore | 10 per cent on total tax |
| Where total income (including dividend income or income of the naturereferred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore butdoes not exceed Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 crore buttotal income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore | 15 per cent on total tax |

| | |
|---|---|
| Where total income (excluding dividend income or income of the naturereferred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore butdoes not exceed Rs 5 crore | - 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act<br>- 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act |
| Where total income (excluding dividend income or income of the naturereferred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 crore | - 37 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act<br>- 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act |

- **For assessees other than those covered above**

| **Particulars** | **Rate of surcharge applicable** |
|---|---|
| Non-corporate taxpayers being firms and co-operative societies | Nil where taxable income does not exceed Rs 1 crore |
| | 12 per cent where income exceeds Rs 1 crore |
| Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act) | Nil where taxable income does not exceed Rs 1 crore |
| | 7 per cent where taxable income does not exceed Rs 1crore but does not exceed Rs 10 crore |
| | 12 per cent where taxable income exceeds Rs 10 crore |
| Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act | 10 per cent (irrespective of taxable income) |
| Foreign Companies (including corporate FPIs) | Nil where taxable income does not exceed is equal toor less than Rs 1 crore |
| | 2 per cent where taxable income exceeds Rs 1 crorebut does not exceed Rs 10 crore |
| | 5 per cent where taxable income exceeds Rs 10 crore |

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

- **Note 3: Taxability of interest income**

*For all Residents (including Indian Corporates)*

In case of residents, where interest income is taxable as 'income from other sources' or 'income from business orprofession' should be chargeable to tax as per the rates given in Note 1 and Note 2 above.

*For Non-residents (other than FPI entities)*

In case of non-residents, under the IT Act, the interest income should be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).

However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India.

*For FPI entities*

The interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

However, the above is subject to any relief available under DTAA and any CTA entered into by the Government of India.

- **Note 4: Regular capital gains tax rates**

**1. Tax on Long-term Gains**

*1.1 For all Residents (including Indian Corporates)*

Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will bechargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively – Refer Note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and healthand education cess– Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds (as defined).

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains on listed bonds arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

*1.2 For Resident Individuals and HUFs only*

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess – Refer Note 2).

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and healthand education cess – Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds as defined.

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

*1.3 For Non-Resident Individuals*

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in caseof listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess – Refer Note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess – Refer Note 2) without indexation.

The above-mentioned rates would be subject to applicable treaty relief.

*1.4 For FPI entities*

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent(plus applicable surcharge and cess).

The above-mentioned rates would be subject to applicable treaty relief.

**2. Tax on Short-term Capital Gains**

Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 and Note2 above).

In case of FPI, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxableat the rate of 30 per cent (plus applicable surcharge and health and education cess – Refer Note 2).

- **Note 5: Relevant definitions under the IT Act**

*"Securities"* shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation) Act, 1956, which, *inter alia*, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of anyincorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

For the purpose of section 112 of the IT Act:

- "*Listed securities*" means the securities which are listed on any recognised stock exchange in India.
- *"Unlisted securities"* means securities other than listed securities.

- **Note 6: Amendments in the withholding tax provisions**

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

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or anyhigher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of intereston long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of theother country or specified territory if the law of that country or specified territory provides for issuance of suchcertificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Governmentof that country or the specified territory of which he claims to be a resident.
- The FB, 2021 has inserted a section 206AB for punitive withholding tax rate for non-filers of return of income.
- As per section 206AB of the IT Act, with effect from 1 July 2021, paymentsmade to specified persons will be subject to TDS at rate which is higher of the following:
  - twice the rate specified in the relevant provision of the Act; or
  - twice the rate or rates in force; or
  - the rate of 5%

- In cases, where both section 206AA and section 206AB are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.
- For the purpose of this section, specified person means any person-
  - Who has not filed an income-tax return for two preceding AYs relevant to the previous years immediately priorto the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired;
  - The aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years
  - Other than a non-resident who does not have a permanent establishment in India.

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any otherlaw.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment year 2023-24 pursuant to the Financial year 2022-23.
- This statement is intended only to provide general information to the investors and is neither designed nor intendedto be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor isadvised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## INDUSTRY OVERVIEW

*The information presented in this Chapter has been obtained from publicly available information from various sources including stock exchanges, industry websites, from publications and government and company estimates. The data may have been re-classified by us for the purpose of presentation.*

*The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, there is no assurance that the basis of the data included in the said report or the findings thereof are completely accurate or reliable. Industry and government publications are also prepared based on information as on specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

*Further the industry Chapter may be updated from time to time subject to availability of updated data from websites, reports and other documents referenced in this chapter.*

### GLOBAL ECONOMY

The escalation of geopolitical tensions into war from late February 2022 has delivered a brutal blow to the world economy, battered as it has been through 2021 by multiple waves of the pandemic, supply chain and logistics disruptions, elevated inflation and bouts of financial market turbulence, triggered by diverging paths of monetary policy normalisation. The global macroeconomic outlook is overcast with the economic costs of the war and sanctions.

Over the first half of 2021, an uneven and divergent global recovery began to take shape with the ebbing of the "Delta" variant-driven infections and the gathering pace and scale of vaccination. In its April 2021 World Economic Outlook (WEO), the IMF estimated world GDP to grow by 6.0 per cent in 2021 and world trade by 8.4 per cent. Emerging market and developing economies (EMDEs) were seen as lagging in view of limited space for maintaining policy stimulus and uneven access to vaccines

In the second half of 2021, the global recovery became hostage to the "Omicron" variant. This wave turned out to be short-lived and global trade recovered amidst supply and logistics bottlenecks to grow by 10.1 per cent over the year as a whole. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in 2021 from 4.2 per cent a year ago. The IMF's April 2022 WEO has placed global GDP growth for the year at 6.1 per cent, a shade higher than its projection made a year ago. This experience reflects the innate resilience that has built up in the global economy as it contended with the pandemic, the shortages, and supply chain disruptions that unravelled in its wake.

After a sharp setback due to the virulent Delta variant of the coronavirus in the early part of 2021, the global recovery had regained some traction even as paths of growth were widely differentiated across jurisdictions by the size and durability of monetary and fiscal stimuli, and access to vaccines. Global growth lost pace in the second half of the year, beset by the highly transmissible but milder variant of COVID-19 – Omicron. Despite these waves superimposed on global supply chain and logistics disruptions, global trade recovered in the second half of the year and grew by 10.1 per cent in 2021. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in 2021 from 4.2 per cent in 2020.

*(Source: Reserve Bank of India Annual Report 2020-21 - https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0RBIAR2021226AD1119FF6674A13865C988DF70B4E1A.PDF)*

### OVERVIEW OF THE INDIAN ECONOMY

In 2021-22, India renewed its tryst with the recovery that had commenced in the second half of 2020-21 with the abatement of the first wave. The second wave took a grievous toll, however, pushing the nation into arguably the worst health crisis the country had ever faced. Supported by continuing fiscal measures and congenial financial conditions engendered by monetary, regulatory and liquidity initiatives undertaken by the Reserve Bank,

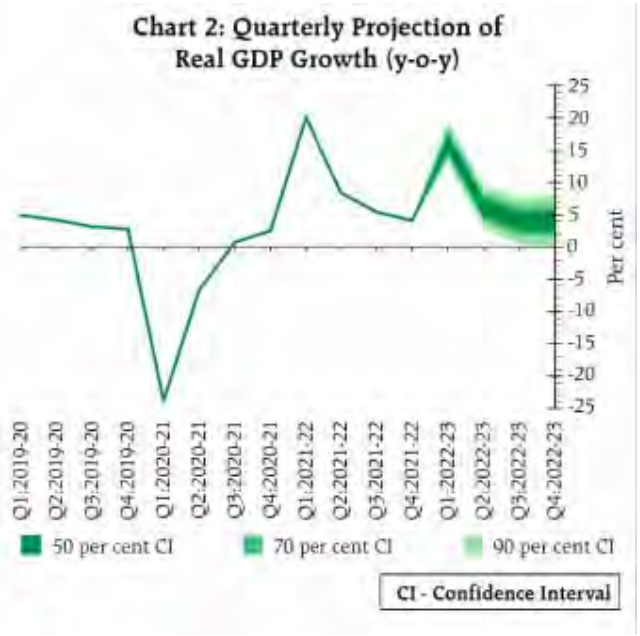
including some unconventional ones, the real GDP bounced back in Q2:2021-22 and grew at 1.3 per cent over Q2:2019-20. The recovery was further entrenched in Q3:2021-22 with GDP exceeding the corresponding pre-pandemic quarter by 6.2 per cent. In Q4, however, the third wave of the pandemic driven by the Omicron variant and more recently, geopolitical conflict has caused a loss of pace in the recovery and darkened the outlook.

Unlike in the first wave, the economic impact of the second wave of the pandemic was contained due to the localised nature of lockdowns and better adaptability to pandemic protocols. Growth impulses, rejuvenated by the receding of the second wave from June 2021, were fortified by the pace and scale of inoculation.

Turning to financial conditions, money markets were flush with abundant liquidity, with short-term interest rates aligned to the floor of the Reserve Bank's liquidity adjustment facility (LAF), although they did firm up in the second half of the year as a result of rebalancing of liquidity towards auctions and away from the fixed rate reverse repo, a cessation of large liquidity injections through secondary market asset purchases and the lapsing of some extraordinary measures on due dates. In the debt markets, yields hardened in the second half of the year and spreads widened as market sentiment turned bearish on large issuances by governments (centre and states) and the recurring incidence of global spillovers as monetary policy stances diverged across the world.

The Omicron-led third wave hit India at the end of December 2021. It, however, turned out to be short-lived. The spike in infections with high transmissibility was followed by a steep fall - daily infections peaked on January 20, 2022 with 3.47 lakh new cases and total 20.1 lakh active cases but began to subside thereafter. The mortality rate remained much below that of the second wave. High frequency indicators of economic activity suggest that the impact of third wave on the economy will likely be muted in comparison with the first two waves.

*(Source: Reserve Bank of India Annual Report 2020-21 - https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0RBIAR2021226AD1119FF6674A13865C988DF70B4E1A.PDF)*




According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real gross domestic product (GDP) growth in 2021-22 was 8.7 per cent. This works out to 1.5 per cent above the pre-pandemic level (2019-20). In Q4:2021-22, real GDP growth decelerated to 4.1 per cent from 5.4 per cent in Q3, dragged down mainly by weakness in private consumption on the back of the Omicron wave. The recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal south-west monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive services is likely to bolster urban consumption, going forward. Investment activity is expected to be supported by improving capacity utilisation, the government's capex push, and strengthening bank credit. Growth of merchandise and services exports is set to sustain the recent buoyancy. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Taking all these factors into consideration, the real GDP growth projection for 2022-23 is retained at 7.2 per cent, with Q1 at 16.2 per cent; Q2 at 6.2 per cent; Q3 at 4.1 per cent; and Q4 at 4.0 per cent, with risks broadly balanced.
*(Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53904)*

**INDIA'S FINANCIAL SERVICES SECTOR**

Wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was

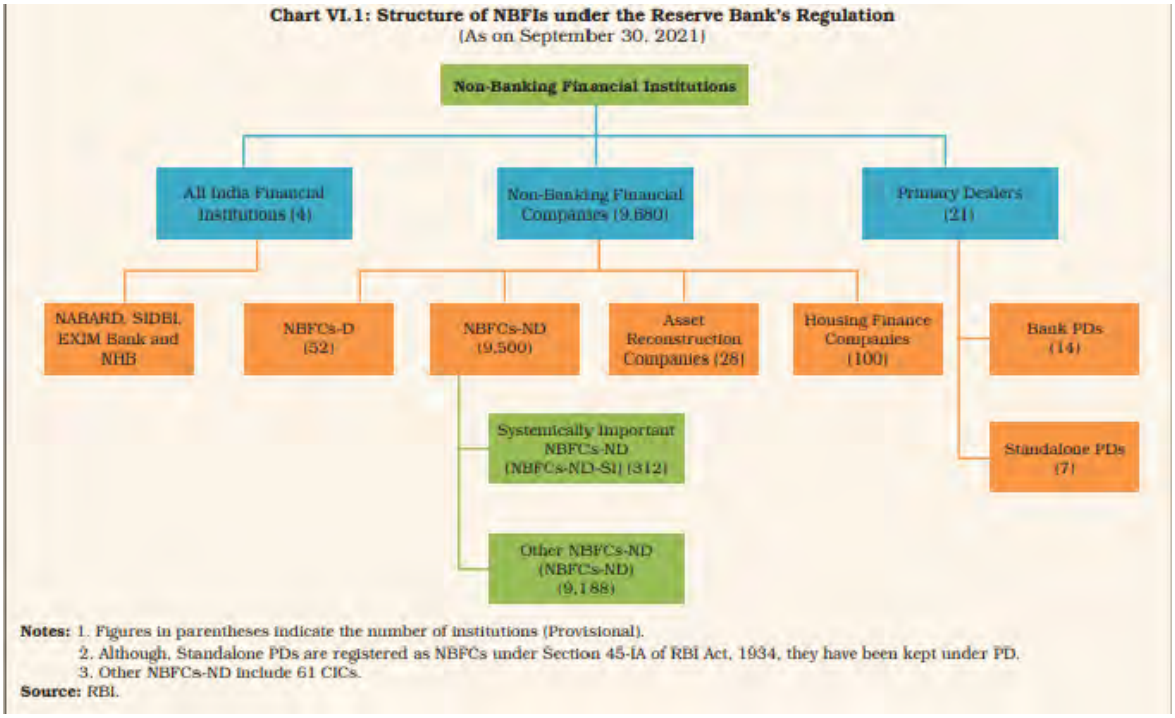
reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies.

Non-banking financial sector grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency.

Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.
*(Source:https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14945, https://www.rbi.org.in/SCRIPTs/PublicationReportDetails.aspx?UrlPage=ReportonCurrencyandFinance&ID=502, https://ficci.in/spdocument/23386/EY-FICCI-NBFC-oct.pdf)*

**Overview of the Non-Banking Financial Institutions**




Non-Banking Lenders have witnessed exponential growth in the last decade driven largely by regulatory reforms and their ability to cater to unbanked areas through innovative products and service delivery mechanisms. This was further supported by their effective collection platforms. Today, non-bank lenders constitute about 25% (over

INR 35.9 lakh crore as on Sept-2019) of the systemic credit outstanding and have financed over 10 crore customers drawing strength from their extensive footprint largely in rural and semi-urban areas (70% of total branches).

Non-bank lenders form an integral part of the Indian financial ecosystem. They provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that Banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms.

Furthermore, non-bank lenders collaborate with banks through various modes like securitization, on-lending, and business correspondents to complement credit dissemination by underwriting small ticket loans to the agriculture sector and MSMEs. Over the years, non-bank lenders have also acquired a skill-based arbitrage over banks due to continuous innovation in their business model and processes that rely on surrogate non-financial information, use of third-party sales channels and collection processes.

Non-bank lenders have gained market share from banks in key segments such as retail consumer loans, lending to micro small enterprises, vehicle loans and housing loans. They have been able to capture share by catering to underserved and unbanked customer segments.

However, over the past two years, the non-banking finance sector came under stress due to multiple adverse events which impacted growth and profitability. COVID-19 has further amplified the stress in the system. Loan volumes for most of the non-bank lenders have come down considerably, particularly for lenders who are directly competing with banks and have limited pricing power.

Non-bank lenders continue to perform better than banks in terms of balance sheet growth and overall profitability. On relative terms, non-bank lenders can garner higher yields on their underlying assets than banks given their higher exposure to informal segments. Further, despite higher cost of funds, their net interest margins are higher translating into better risk-adjusted return (even after they operate at lower leverage vis-a-vis banks).

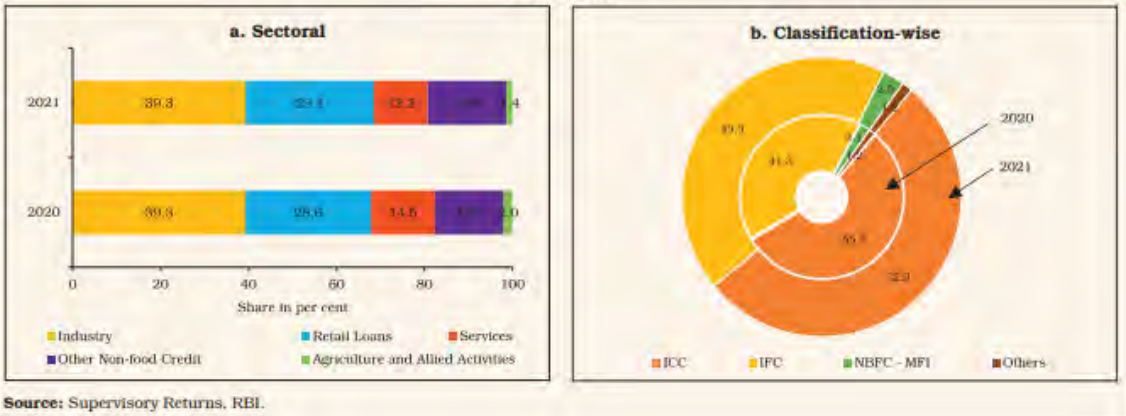
Non-bank lenders play an important role in the economy by financing micro and small-scale industries (informal sector) and provide employment and entrepreneurial opportunities at a ground level. Banks prefer lending to entities with stronger balance sheets or to lower risk segments such as the salaried class of people. Non-bank lenders support financially weaker sections of society by channelizing financial resources to capital formation. A large share of their assets (45%) is deployed into retail, MSME and vehicle finance segments.

**Lending by NBFC-ND-SI**

Amongst NBFCs-ND-SI, ICCs, IFCs and NBFCs-MFI together accounted for 98.1 per cent of the total asset size of the sub-sector in March 2021. All categories of NBFCs-ND-SI exhibited balance sheet growth in 2020-21, except for NBFCs-Factor. With the harmonisation of major NBFC categories, NBFCs-D now comprise only ICCs.

**Chart V1.6: Distribution of NBFC Credit**

(End-March)




**Source:** Supervisory Returns, RBI.

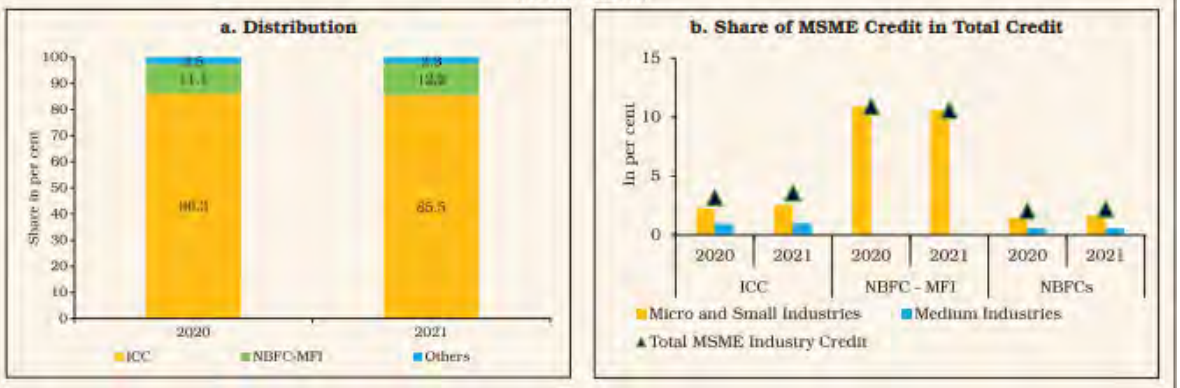
Industry remained the largest recipient of credit extended by the NBFC sector, followed by retail loans and services. In 2020-21, the share of the retail loan portfolio of the sector continued to rise with a concomitant fall in the share of services sector. ICCs and IFCs together comprise 96.2 per cent credit extended by NBFCs as of end-March 2021. The fall in the share of ICCs was primarily due to the strong growth of other two categories viz., IFCs and NBFCs-MFI (Chart VI.6 a & b).

The MSME sector was among the most pandemic afflicted sectors. Accordingly, the Reserve Bank and the Union Government introduced several measures to revive activity in the sector: a) special refinance facilities for AIFIs, which included Rs.15,000 crore to SIDBI for on-lending/refinancing to the MSME sector; b) Emergency Credit Line Guarantee Scheme (ECLGS) which provided Rs. 3 lakh crore of unsecured loans to MSMEs and business; c) extension of the scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade; d) permitting bank lending to NBFCs (other than MFIs) for on-lending to agriculture, MSMEs and housing to be classified as priority sector lending (PSL); e) introduction of on-tap Targeted Long-Term Repo Operations (TLTRO) in October 2020 for reviving specific sectors, including MSMEs.

NBFCs' credit to MSMEs grew at 17.8 per cent during 2020-21. ICCs, together with NBFCs MFI, are the main purveyors of MSME credit (Chart VI.9.a). Eleven per cent of the NBFCs MFI' loan book comprises micro and small loans (Chart VI.9.b).

In view of the significance of the sector for income and employment generation, many regulatory policies to support the sector have been extended. The scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade was extended in May 2021 and the exposure threshold was increased to Rs. 50 crore in June, 2021

**Chart VI.9: MSME Credit by NBFCs**
(At end-March)




**Note:** MSME lending to industrial sector only.
**Source:** Supervisory Returns, RBI.

**Impact of Covid-19 on Non-Banking Financial Sector**

COVID-19 pandemic led to a slowdown in the economic activity across the globe. To curb the increasing infection, several countries-imposed lockdowns to a varying degree. Due to these lockdowns and the subsequent restriction in mobility, business across the world got impacted. One of the worst hit sectors the NBFC lending business.

According to the World Bank, the Global economy is estimated to have contracted by 3.5% in 2020. Advanced economies such as the US, Japan and European regions are estimated to have contracted by 3.5%, 4.7% and 6.6% respectively during the period. Compared to the advanced economies, the emerging market and developing economies (EMDEs) showcased better resistance and were expected to have contracted by 1.7% during 2020.

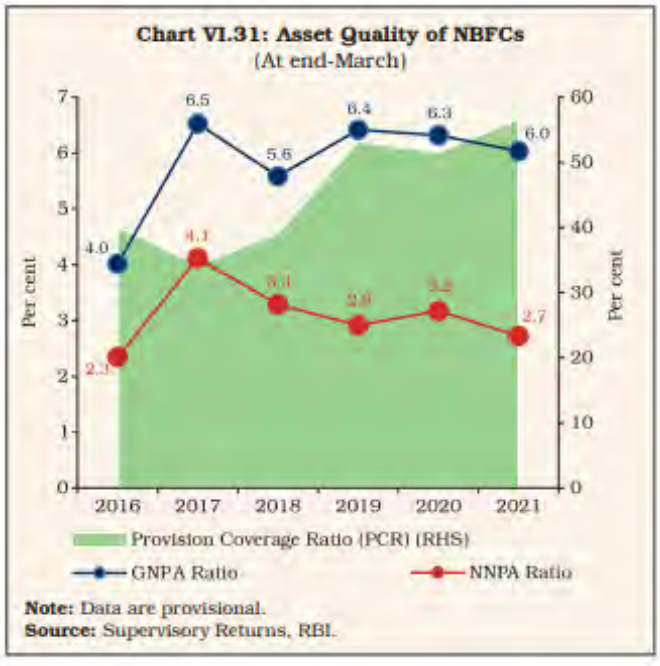
Due to interconnected nature of the economy and the cascading impact of reduced mobility, all the allied sectors of the economy got impacted. The fall in consumption pushed several businesses into distress leading to loss in productivity and jobs. Governments and Central Bank across the world came to the rescue with several measures, targeted at reviving the falling consumption.

The ongoing COVID-19 pandemic has deeply impacted the NBFC sector. In Q1:2020- 21, they faced severe disruptions during and in the wake of the nation-wide lockdown, leading to a standstill of economic activity and

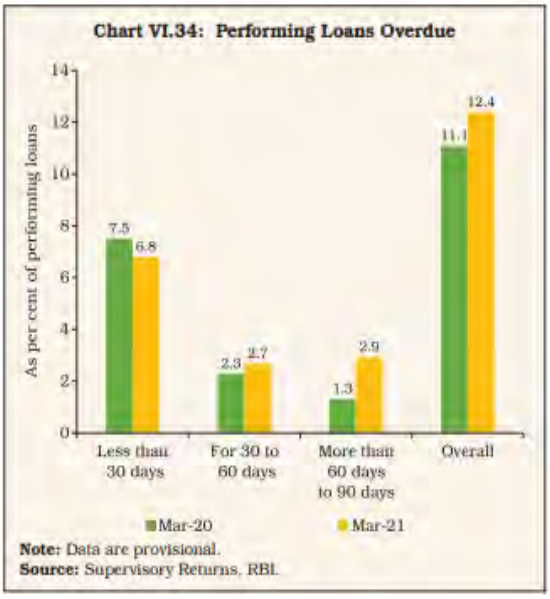
a contraction of Gross Domestic Product (GDP) by 24.4 per cent. As the impact on the real sector spilled over to financial markets, NBFCs witnessed a sharp drop in collections and disbursements and a substantial increase in the cost of their borrowings even as access to market funding became restricted. The provision of moratorium also had an impact on their cash inflows, resulting in reduction in collections. Timely measures on monetary, fiscal, and regulatory fronts by the Reserve Bank and the government aided their revival, eased financial conditions and bolstered market sentiments. From Q2:2020-21 onwards, the situation improved, aided by policy support. Many NBFCs also recalibrated their business strategies, leveraging on digital technology with a strong emphasis on data analytics. The NBFC sector faced headwinds again when the second wave hit the country by March 2021. With the passing of the second wave, the outlook is brightening again; however, downside risks remain significant. Eruptions of new waves and variants of the virus necessitated restrictions and lockdowns. The dynamic and evolving nature of the pandemic with its resurgence (third wave) at the mid of the financial year 2021- 2022 once again created uncertainty, including economic impact. Hopefully, the outreach of vaccination drives across the country, additional efforts to set up medical infrastructure and obtain required medical supplies, in addition to continued adherence to COVID-19 specific protocols will help in overcoming this testing situation.

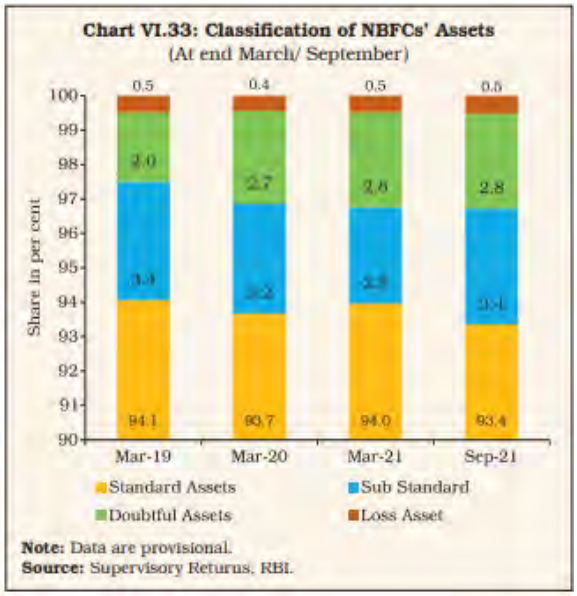
The Reserve Bank of India announced relief measures for MSMEs amongst other including the restructuring guidelines to retain loans from banks and NBFCs' to such qualifying MSMEs classified as standard within the regulatory framework. RBI also declared Resolution Framework for COVID-19-related stress through which a window to enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated.

NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society.

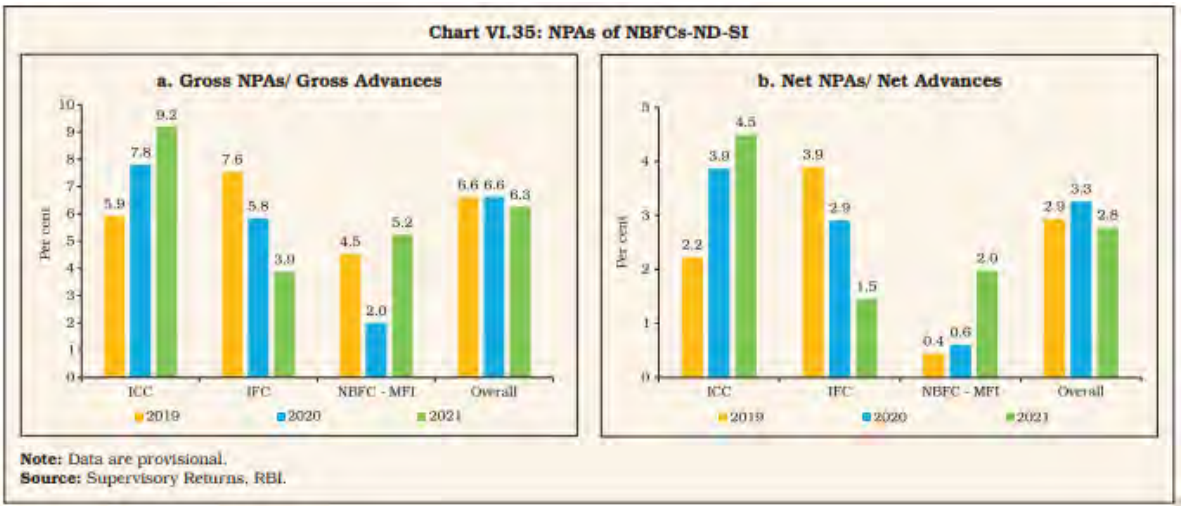



In 2020-21, NBFCs registered an improvement in asset quality as the asset classification standstill in view of the pandemic was in force. Resolution of a few accounts in the infrastructure space during the year also helped. Both GNPA and NNPA ratios declined post March 2020. The higher provision coverage ratio (PCR) during the period is reflective of adequate buffers to deal with likely headwinds (Chart VI.31). In 2021-22 (up to September), asset quality of the sector deteriorated to some extent. GNPA ratio increased from 6.0 per cent to 6.8 per cent and NNPA ratio increased from 2.7 per cent to 3.0 per cent.NNPA ratio increased from 2.7 per cent to 3.0 per cent.



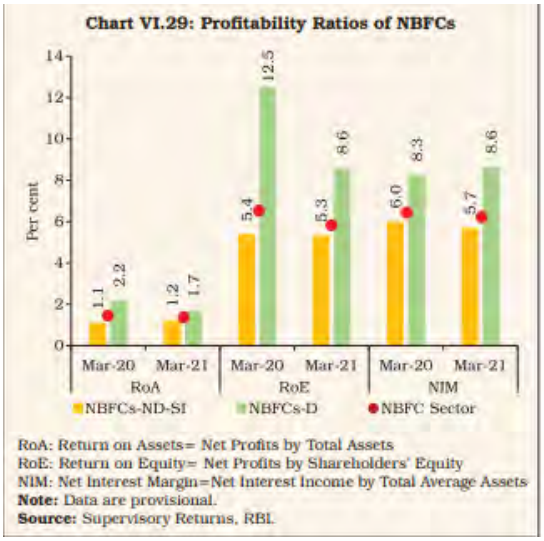



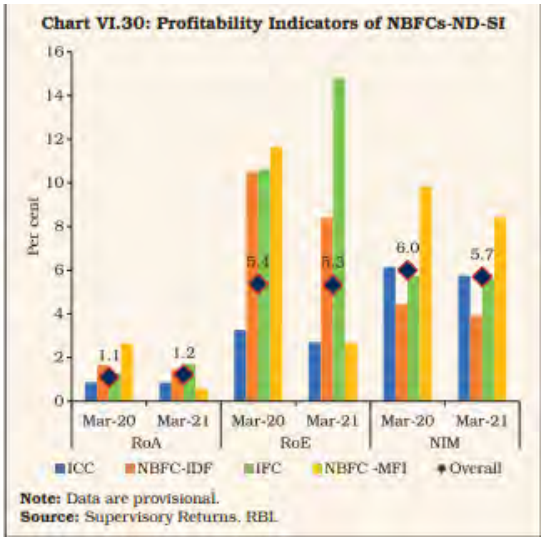

Based on the duration for which an asset remains non-performing, NPAs can be categorised into sub-standard, doubtful and loss assets. In 2020-21, a part of the sub-standard assets of a large NBFC returned to being standard, which led to a marginal improvement in asset quality (Chart VI.33). Among performing loans of NBFCs, 87.6 per cent of loans were standard and rest were overdue but not NPAs in March 2021. Loans overdue in the first bucket viz., less than 30 days were the largest, but the position improved in 2021.




**Profitability of NBFCs-ND-SI**

The profitability of NBFCs-ND-SI gauged in terms of RoA marginally increased in 2020-21 due to an improvement in the RoA of IFCs. The overall RoE of NBFCs-ND-SI declined. NIM was lower for all entities, mirroring subdued credit off-take (Chart VI.30).




**Support to Micro, Small and Medium Enterprises (MSMEs) by NBFCs**

The MSME sector forms the backbone of the Indian Economy. It is a critical for the economic and social development of the country as it not only fosters entrepreneurship but also generates mass employment. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly to the inclusive industrial development of the country.

India has 6.3 crore MSMEs operating in the country which contribute to 28.9% of the GDP while employing 11 crore people. With over 3 crore MSMEs (51% of total MSMEs) based in the rural areas, they form an important part of the rural ecosystem.

Of the overall MSME market of $560 Bn, only $232 Bn is currently under the ambit of formal lending sector. Remaining $230 Bn is yet to be covered under the fold of formal lending. This points towards a wide opportunity that is waiting to tapped. FinTechs which can leverage the power of alternative data sources to underwrite these customers will be able to break-open this evolving space.

The growth of non-bank lenders in financing the MSME sector can be attributed to the following factors:

a) **Efficiency in underwriting:** Between 2016 and 2018, all lenders effectively reduced the processing time for MSME loans. Accordingly, non-bank lenders have the lowest Turn Around Time (TAT) in the industry for processing MSME loans.

b) **Differentiated approach to MSME financing:** MSME creditworthiness assessment, more specifically for small and micro segments which have a higher proportion of customers with limited income proofs, requires a strong understanding of the sector and micro-market. Non-bank lenders underwrite based on the cashflows as opposed to a balance sheet-based approach. This approach requires significant investment in effective assessment, monitoring and collections. Consequently, the cost of servicing the segment is relatively higher. Hence, non-bank lenders with their strong network and underwriting capabilities are better placed to continue servicing this sector.

**Alternative financing - a boon to emerging market like India**

Alternative financing in India though it is yet to establish its roots in India; it is certain to give positive push to growth of the MSMEs. The key hurdle i.e. inaccessible timely credit at competitive cost which has been a major challenge faced by MSMEs over the past several years, the alternative platforms aim to provide simplified and customized access to finance along with more active participation and guidance in the overall growth and operations of the enterprises. Besides, in the era of rapidly changing technology, it is also essential for enterprises to overcome the risk of becoming technologically obsolete. Hence, alternative sources are expected to be the key drivers, providing convenient and cost effective funding during the crucial stages of growth of the small and medium enterprises, thereby aiding sustainable growth. These alternative solutions are known to be popular among advanced countries suggesting that these alternatives are more likely to thrive if implemented in India as they help in bringing the borrowers and investors closer. However, these innovative methods would prove to be fruitful if established with strong legal framework involving greater transparency which would not only encourage borrowers but also build greater confidence among investors.

There have been several technology innovations that are changing the landscape of MSME lending. Some of these recent innovations include:

1. India Stack: India Stack refers to a set of open APIs that allows governments, businesses, start-ups, and developers to utilize digital infrastructure. It was launched in 2009 with the creation of UIDAI and represented the first major disruption in India's FinTech space. It offers open APIs as public infrastructure such as UPI, BharatPay, BBPS, Aadhar, AEPS, eKYC, eSign, Digi Locker, FASTag, and the GSTN platform. India Stack APIs allow governments, businesses, startups, and developers to utilize digital infrastructure to facilitate presence-less, paperless, and cashless service delivery.
2. Open Credit Enablement Network (OCEN): OCEN, launched as part of India Stack in July 2020, aims to change the way credit is distributed to the end-user by introducing new touchpoints for the distribution of financial services. It empowers digital platforms to play crucial roles in the lending value chain. It is a complete reimagination of the credit ecosystem in India. The launch of the Open Credit Enablement Network, or OCEN, was the definitive step for India to move towards democratization of credit and financial inclusion. OCEN as a credit rail will have a common language and connecting lenders and marketplaces allowing them to create innovative credit products and services on top of it. It is a strictly defined spec of APIs that acts as a standardizing middle layer between lenders and digital platforms
3. Account Aggregator Framework (AA Framework): Similar to Aadhaar or UPI, the take-off for AA is expected to be moderate and growth likely to accelerate with increase in use-cases. Strong growth will enlist new players with innovative use cases, thus creating a network effect. Customer service levels across lending, wealth management etc. are expected to meaningfully improve and good credit behaviour can be rewarded with a personalized product proposition.

These innovations along with other developments in the pipeline is expected to give necessary fillip not only to the lending fraternity but also the future of MSME Financing.

**Role of Fin-tech and NBFCs to meet Financial Demands**

Fin-tech lenders use digital technology to make lending faster, easier and less costly. Specializing in MSME finance, such companies work is all about granting a loan against financial statements, bank account transaction history or e-commerce transaction behaviour all of which can be digitally uploaded by the applicant borrower, within a matter of days and at an interest rate that is much lesser than the banks. The creditworthiness of the borrower is assessed using big data along with psychometric tests and social media behaviour. The trading position of the business is also taken into account. Propelled by technological developments, an alternative source of loans for small business has emerged in the form of new FinTech financial technology lending.

Digital lending services build a bridge between lenders and borrowers. There is a difference in the time taken to process the application, the underwriting process, the actual disbursal of the amount and the period for which the MSME loan is granted. While adequate care is taken in evaluating the eligibility of a business for the grant, a FinTech company also ensures that there are no superfluous delays.

**It helps the MSMEs on the following accounts:**

- **Unconventional approaches**: Instead of scanning through numerous irrelevant documents and looking at documents that are known to be under-reported, online lenders make use of credit scorecards as well as several hundreds of variables and raw data points. Some also conduct psychometric analysis of candidates and include industry proxies, financial behaviour, and non-traditional metrics for overall assessment. This lays the foundation for them to provide collateral-free loans to MSMEs even with easily provided documentation something not widely visible within the formal banking institutions.
- **Technological advantage**: Digital lending platforms make use of cutting edge algorithms in their loan assessment process. Banking on AI and Big Data, to analyse the applicant, the business, and the market that it caters to in order to ensure continuous improvement of credit models. Some of the platforms have combined strong underwriting experience with technology to create truly powerful solutions. In fact Online lending marketplaces are even power some of the traditional Financial Institutions (FIs) platforms now through PaaS Platform-as-a-Service solutions to enable them to do faster and more accurate credit assessment.
- **Minimal human intervention for quick assessment**: Such platforms rely on entirely digital processes with minimal or no human intervention in the overall decision making. This eliminates the scope of human errors and makes assessments thoroughly reliable and unbiased. While, it greatly improves the velocity of credit processes it also makes credit underwriting much more scalable. Owing to their innovation-driven approach, the turnaround time for credit risk assessment has been brought down to a few minutes against days and weeks as is the norm in traditional FIs.

- **Easy application process**: The use of bots and specifically designed algorithms enable digital lending platforms to scrape all the relevant information from public and private sources. This facilitates minimum paperwork during application and obviates the need for the applicant to fill exhaustive forms.
- **Loan disbursement**: Digital lending companies have improved the user experience by leveraging technology to tone down the paper work and processing time. Just like retail shopping and online travel bookings, the capital market for MSMEs also needed to evolve and move online. The loan disbursement process takes only about - days which proves to be pivotal for cash-strapped MSMEs. 35% of the MSMEs receive payments months or later after delivering products or providing services making quick access to working capital essential for smooth functioning and gradual scaling up of MSMEs.

Digital lending is helping a new class of business borrowers who have not been able to obtain funding from traditional sources. With an automated underwriting process and risk management, it has a lower operational cost and smoother loan processing. A major of Fin-Tech -based lending is the assessment of clients credit worthiness. Unlike banks that use only income statements and formal credit history, a Fin-Tech company gathers substantial data through social media and big data. Whats more, with a strong use of technology in lending, the focus on safety is also uncompromising. There are adequate measures to keep the customer details encrypted and secure. Moreover, they also facilitate tailored finance products keeping in mind the varying needs of different industry segments.

Most of digital lending platform are focusing on providing unsecured loans to MSMEs which has been the need of the hour as many SMEs with high potential suffer from capital starvation and are unable to take out loans from traditional FIs due to the focus on secured loans. Its an unsecured loan disruption that digital lenders are bringing in powered with technology to risk assess the borrowers in a much better manner and lend against the business performance and track record rather than value of a collateral. As a larger segment of the population comes under the digital aegis, the future prospects of the MSME segment driven by swift and efficient financial assistance enabled by the digital lending ecosystem will only herald positive tidings for the long-term growth of the Indian economy.

As a conclusion it can be safely said that the emergence of the Fintech NBFC for MSME finance is a global phenomenon that is transforming the entire lending model and in turn the business sector in totality. An idea can change the world, and as fast the idea can be converted into reality, more profitable and effective it will be. Gone are the days of the waiting in line for form fill-ups and waiting months to get a loan to have your business see the light of the day. With players in the market, monetary support for your innovative business idea is just a click away.
*(Source: https://ficci.in/spdocument/23035/Key-to-SME-Growth.pdf)*

**FinTech Regulations**
In a recent discussion on Responsible Digital Innovation, RBI hinted towards the upcoming FinTech regulations while discussing about responsible digital innovation.

- RBI believes that the regulation has to be based on the entity type rather than the earlier followed approach of activity-based regulation. Systemic risks, operational risks and risks affecting competition are of prime importance when dealing with large financial market infrastructure entities or bigtech. Countries need to overcome the legislative and regulatory deficits in dealing with concerns surrounding privacy, safety and monetisation of data. Regulations pertaining to data issues needs to adapt to a world where boundaries between financial and non-financial firms is getting increasingly blurred or geographical boundaries are no longer a constraint.
- Given the fast evolving landscape of financial value chain and the blurring lines between financial and non-financial firms, the regulators might need to dampen the pace of innovation to ensure better customer protection.

Given the rapid pace of growth and dominating size of entities, risks such as concentration and competition starts to emerge. As the bigtech gets bigger and consummates the entire market, regulators need to ensure that the possibilities for smaller players to enter the space is kept in mind while also ensuring that the incentives to innovators are not stifled.

## OUR BUSINESS

Our Company is a non-deposit taking systemically important NBFC registered with the RBI and the equity shares of our Company are listed on NSE and BSE, it was originally incorporated on February 10, 1993 under the provisions of the Companies Act, 1956 by the name 'Chokhani Securities Private Limited' and was granted a certificate of incorporation bearing registration number 070739. A fresh certificate of incorporation dated July 26, 1994 was issued by Registrar of Companies at Mumbai, consequent upon conversion of our Company from private limited to public limited. The name of our Company was further changed to U GRO Capital Limited and a fresh certificate of incorporation dated September 26, 2018 was issued by Registrar of Companies at Mumbai. On December 31, 2017, Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Mr. Anand Ramakant Chokhani, Ms. Neelam R Chokhani, Ramakant R Chokhani HUF and Mr. Ramakant R Chokhani) in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. Post change in management and control of our Company, we shifted our focus to lending business

UGRO's mission is "To Solve the Unsolved" - India's $ 600+ Bn SME credit availability problem. We lend exclusively to MSMEs and caters to all the borrowing needs through our diverse range of product offerings like Secured LAP, Affordable LAP, Micro Enterprises Loans, Machinery Loans, Unsecured Business Loans and Supply Chain Financing. We lend to customers right from the prime segment (<10% interest rates) to the micro enterprises (20-25% interest rates). Additionally, we undertake co-lending with FinTech and smaller NBFC Partners to expand our reach and lend to the micro enterprises through the length and breadth of India. While we have maintained a keen focus on the initial prime / near-prime target segment, we have also worked towards addressing a broader demographic as per our efforts to solve India's MSME credit gap.

**UGRO Capital Found Philosophy (DataTech Approach)**

U GRO capital was incorporated on the belief that MSME credit gap in India could be solved by use of Data and Technology. Back in 2018 the management was of the opinion that MSME lending market would gravitate towards being an on-tap consumer lending market and this would be heavily facilitated by the rapid scale of digitalization prevalent in the Indian Economy. The management envisioned that the digital wave would democratize data through India stack including OCEN and Account Aggregation Network which would support new age underwriting business models for MSME lending and in turn reduce customer TAT.

With the above backdrop U GRO's endeavour was to leverage the shift towards digital ecosystem to make MSME lending more efficient and to design an underwriting framework by complementing the existing lending infrastructure which is (A) Scalable and is (B) Templated. This problem statement internally was coined as "To solve the Unsolved" and translated in our Mission Statement

**Use of Data Analytics**

The major challenge to build such an underwriting framework was the heterogeneous nature of MSME sector where two entities showcased disjoint trends with respect to their cash flows and repayment behaviour pattern and thus data analytics became of prime importance for UGRO.

The key to developing such an underwriting framework was in depth understanding of MSME's business models and thus U GRO decided to adopt a sectoral approach for the same. It shortlisted 8 sectors after careful filtration of 180+ sectors in an 18-month process involving extensive study of macro and microeconomic parameters carried out alongside market experts like CRISIL. Our eight shortlisted sectors include Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment and Components, Auto Components and Light Engineering. The company further narrowed down on selected sub-sectors based on contribution to overall sector credit demand and risk profiling.

For very small businesses we released that their behaviour was influenced by cash flow availability rather than broad sector trends and thus Micro Enterprises was adopted as the 9th sector. These 9 sectors together constituted50+% of SME credit demand and thus was a sizeable opportunity to operate within MSME lending.

With our sectoral approach back by our Data analytics prowess, we could measure homogeneity of cash flows among various chosen subsector and could also observed that the same translated into homogeneity of repayment

behavior. This eventually became the denominator on which our statistical models are built and they have demonstrated far superior results as compared to the traditional touch and feel models

The strength of our data analytics enabled us to incorporate complex codes around financial statements in our statistical models using large data sets from different sources like Banking statements, Bureau data and GST data.

UGRO imbibed data backed approach not only in its underwriting but across all facets of our business. Major business decisions today are based on data analytics. For instance, in order to select locations for opening micro enterprise branches we carried out state wise, pin code wise analysis on the size of business and portfolio performance and picked the top results of our analysis.

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

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




**Use of Technology**

In today's time we witness digital transformation aided by India stack which in its complete form would enable new age lenders to underwrite cash flows of MSMEs at the point of origination thereby facilitating dissemination of credit at reduced cost and superior credit assessment of customers.

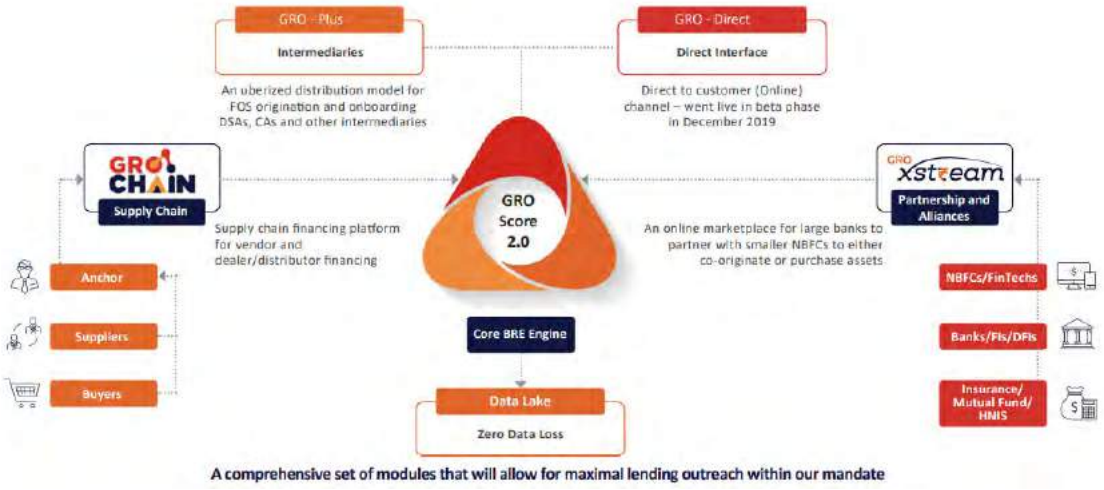
U GRO has recognized the importance of this digital transformation and has been at the forefront of its adoption, It is one of the first implementors of OCEN in India, and have designed & implemented Government e-Marketplace - Sahay (GeM Sahay enables MSME funding of purchase orders procured through the marketplace).

Technology underpins every aspect of our lending process and spans across all stages of the customer journey including origination, distribution, credit, analytics, operations and collections. We have (A) 25+ API integrations (B) State-of-the-art bank, bureau and GST statement analyzers (C) Automated policy approvals (D) Machine learning OCR technology to deliver 60 min in principal approval to the customer (E) In house BRE Rule Engine (F) Customized Sourcing Modules and (G) Data Lake for 360-degree customer view.

Execution of our data prowess is made possible through our very elegant system architecture, at the core of it is our Business Rule Engine (BRE) catering to end target segment. Our BRE is product agnostic and distribution channel agnostic, it is purely based on behavior of end customer. All customer data is stored in our data lake which can be used for any kind of machine learning model.

We have developed proprietary technology platform for each distribution channel which are customized to support various business needs.

- 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) and allows intermediary to use our application directly for onboarding, servicing and training.
- 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 Direct: Platform built to allow non-intermediated loan applications from eligible SMEs. We soon plan to launch our GRO X app which would allow SMEs to directly apply for loans through their mobile phones
- GRO Xstream : Currently being used as a sourcing module for Partnership and Alliances channel however the same will eventually evolve into a marketplace powered by our BRE connecting Asset originators on one hand with liability partners on the other. It currently allows seamless API integrations with the systems of each of the partners & hence allowing the Company to achieve record TATs. It is designed to facilitate a wide range of transaction types between onboarded partners including co-lending, onward lending, direct assignments, portfolio buyout and securitization.




**Our Differentiated Underwriting Approach**

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

During FY20-21 GRO Score was upgraded to version 2.0 by adding banking data to the scoring model, GRO

Score 2.0 is an output combining two different models i.e. the Banking based model with a bureau-based model. It allows for the stratification of the prospective customer pool into ten bands by probability of default while incorporating the effects of geography, sector and customer size. All of the statistical scorecards have demonstrated the ability to remove 80% of 'bads;' simply from the removal of the bottom two deciles of prospective customers.

The average default rate across our chosen sectors is approximately 0.85%; eliminating the bottom 20% using our statistical scorecards reduced this to a mere 0.3%. The scorecards were developed through the Big Data analysis of more than 8 million small business borrower profiles and are re-calibrated at designated intervals to maintain their accuracy. It takes into consideration 25,000+ parameters from banking and bureau records to categorize a particular customer across 5 bands of "A" to "E" with "A" being the least risky and "E" being the riskiest.

The results of our Scoring model have tested positively for both sets of customers i.e. the ones to whom we have lent money and ones to whom we have not. It has also withstood two waves of Covid thereby establishing its robustness.

GRO Score reduces dependency on any specific bureau data and provides 10-20% higher approval rates for similar or lesser risk cases. Being an AI / ML based model, as the pool of loans grow and the Company gathers more data about customers it will be able to seamlessly integrate the same into its systems to improve credit decisioning.

UGRO is one of the few NBFCs to migrate to the data tripod underwriting methodology by using Banking, Bureau and GST data. Next step would be to add GST data to GRO score through an API integration as it is currently used as an additional input to our GRO Score for underwriting a customer. Today when a customer approaches UGRO, all they ask is his GST number, GST statement, and his bank statement along with the KYC documents and post that the system takes over and extracts various kinds of parameters for example the borrowing mix, the frequency and magnitude of defaults, history of high-cost debt, obligation as a percentage of turnover, etc. which have all been customized to our kind of target segment and this has been back tested and is administered in real time.

U GRO Capital's underwriting is highly specialized while maintaining standardization of the credit process across their branches. All processes in the underwriting process until in-principle decisioning are fully automated. In addition to the scorecards and the policy statements, the underwriting process also follows the traditional 'touch and feel' based checking processes including legal verification, fraud control unit (FCU) check, field investigation and valuation. This is done by a combination of internal teams and outsourced agencies to ensure the sanctity of the loan portfolio is maintained.

**Our Business Model**

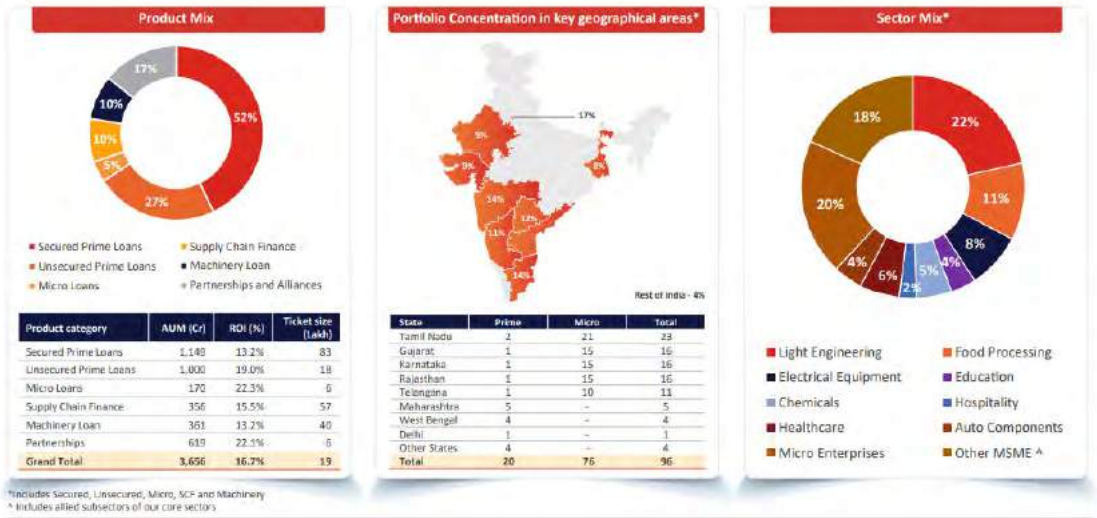





Our Company was formed to address each credit need of every MSME and thus it operates across 4 broad distribution channels

1) Branch Led: Industry leading turnaround times, including 60 minutes for in-principle approval,mean that SMEs get much faster access to credit – a great boon in turbulent times. Network of 96 branches as on June 30, 2022 comprising of 20 Prime and 76 Micro Branches. Sourcing of Prime Business is done through intermediaries whereas sourcing for Micro branches is carried out through feet on street model. Through these branches U GRO caters to the entire spectrum of MSME borrowers.
2) Eco-system Channel: Ecosystem channel leverages our industry-specific 'Anchor' partnerships, each of which adds a pool of potential lenders. This is further subdivided into Supply Chain Finance & Machinery Finance. Supply Chain Financing - Working Capital Financing for Anchors and its ecosystem and Non-anchors through Sales & Purchase Invoice Discounting and Machinery Finance where we offer secured Loans to machine buyers with a charge on machines
   Partnership & Alliances Channel: Partnered with 32 FinTechs / Smaller NBFCs under a co-lending model wherein the loan is originated by Partner NBFC & we take a part of the loan exposure on our books.
3) Direct Digital Channel: Our proprietary Digital Lending Platform, The digital platform will apply the full suite of U GRO's technological innovations in order to provide widespread credit access for Indian SMEs – maximizing our impact on financial inclusion. We are in process of launching GRO X application which will provide us with the ability to offer credit on Tap.

Our portfolio was well diversified across geography and sectors with no exposure to no single sector exceeding 22% and no single geography exceeding 17%




| Product category | AUM (Cr) | ROI (%) | Ticket size (Lakh) |
|---|---|---|---|
| Secured Prime Loans | 1,148 | 13.2% | 83 |
| Unsecured Prime Loans | 1,000 | 19.0% | 18 |
| Micro Loans | 170 | 22.3% | 6 |
| Supply Chain Finance | 356 | 15.5% | 57 |
| Machinery Loan | 361 | 13.2% | 40 |
| Partnerships | 619 | 22.1% | 6 |
| Grand Total | 3,656 | 16.7% | 19 |

*Includes Secured, Unsecured, Micro, SCF and Machinery
^ Includes allied subsectors of our core sectors

| State | Prime | Micro | Total |
|---|---|---|---|
| Tamil Nadu | 2 | 21 | 23 |
| Gujarat | 1 | 15 | 16 |
| Karnataka | 1 | 15 | 16 |
| Rajasthan | 1 | 15 | 16 |
| Telangana | 1 | 10 | 11 |
| Maharashtra | 5 | - | 5 |
| West Bengal | 4 | - | 4 |
| Delhi | 1 | - | 1 |
| Other States | 4 | - | 4 |
| Total | 20 | 76 | 96 |

As on June 30, 2022, we were operating from 20 prime branches and 76 micro branches with a total loan portfolio of ₹ 3,656 crore and catering to 25,000+ customers. Of the said loan portfolio, approx. 74% is in form of secured/ quasi-secured lending.

Our loan book has grown from ₹ 1,316.88 as at March 31, 2021 to 2,969 crore as at March 31, 2022. Across our offered products, our average ticket size stood at ₹ 18.10 Lakhs and our average lending rate stood at 16.4% which is broken down as follows for each business segments:

| Channel | Product | Portfolio (₹ in crore) | Average Ticket Size (₹ in lakhs) | Average yield (%age) |
|---|---|---|---|---|
| Branch Led | Prime - Secured Loan | 1,149.40 | 113.44 | 13.19 |
| | Prime - Unsecured Loan | 999.70 | 18.40 | 19.00 |
| | Micro - Secured Loan | 143.50 | 7.30 | 21.70 |
| | Micro - Unsecured Loan | 26.40 | 3.00 | 25.30 |
| Eco System | Supply Chain Financing | 356.20 | 57.10 | 15.50 |
| | Machinery Loans | 361.30 | 39.80 | 13.20 |
| Partnership and Alliances | Co-lending, Onward lending, Direct Assignment | 619.20 | 6.40 | 22.10 |
| **Total (rounded off)** | | **3,655.70** | **19.00** | **16.90%** |

Further, as on June 30, 2022 our AUM is ₹ 3,655.70 crore.

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

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

Our total borrowings as at March 31, 2022 and March 31, 2021 amounted to ₹ 1,801.84 crore and ₹ 765.69 crore, respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings ("**PSUs**"), private banks, mutual funds and others.

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

(₹ in crore)

| Particulars | For Three Months Period Ended June 30, 2022 | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| Total Income | 123.80 | 313.42 | 153.34 |
| Total Expenditure | 113.42 | 293.24 | 141.21 |
| Profit after tax | 7.34 | 14.55 | 28.73 |
| Net worth | 974.92 | 966.56 | 952.44 |
| Debt to Equity ratio | 2.26 | 1.86 | 0.82 |
| CRAR (%) | 27.93 | 34.37 | 65.55 |
| Return on Net worth (%) | 3.02* | 1.51 | 3.02 |

*Annualised

**Our Impact**

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

MSMEs operate in sectors that create impact in large sections of the population especially the weaker sections and the sectors which are employment intensive. MSMEs are the engines of growth towards a sustainable society and thus it is of prime importance to bridge the USD 300 Bn of credit gap. Catering to MSME aid directly to address multiple SDGs stated by the United Nations (No Poverty, Gender Equality, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Reduce Inequalities).




In addition, U GRO's sector focused approach makes it possible to put in place an appropriate monitoring framework for end use of funds and enables us to track and quantify various parameters of social impact. We are focused on lending to high impact sectors namely Healthcare, Education, Food Processing, Electrical Equipment & Components, Light Engineering, Hospitality, Chemicals, Auto Components and Micro Enterprises. This sectoral approach of lending directly aligns with multiple SDGs.




**Our Strengths**

**Differentiated Credit Approach**
UGRO adopted a sectoral lending approach to identify homogeneity among the heterogeneous MSME segment. It juxtaposed Cash flow-based banking analysis and repayment behavior of MSMEs to the sector in which they operate to develop their proprietary AI / ML based scoring Model GRO Score. GRO score is built on the tripod of data i.e., Banking, Bureau and GST to analyze 20,000+ data points and deliver < 60 mins credit decisioning

**Formidable Distribution Strength with ability to cater to every credit need of edvery MSME**
UGRO was formed with the intent to cater to all credit needs of every MSME. It offers multiple products namely Secured LAP, Affordable LAP, Micro Enterprises Loans, Machinery Loans, Unsecured Business Loans and Supply Chain Financing to address various credit needs of MSMEs. It operates through four broad distribution channels to service entire MSME segment right from Prime customers (10% - 12% ROI segment) to Micro customers (25+% ROI Segment). Its distribution channels are (A) Branch Led Channel – 20 Prime branches servicing MSMEs through intermediary channel and 76 Micro branches servicing micro customers through feet on street model (B) Ecosystem Channel – 49 Anchors along with their dealer / distributor network for supply chain financing and 29 OEMs along with their dealer network for Machinery Loans (C) Partnerships and Alliances Channel – 32 Fintech partners (D) Direct Distribution Channel (To be launched Soon) – GRO X application for direct sourcing of business

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

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

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

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

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

**Strong Corporate Governance Standards**
Creating an institution that is built to last requires strong corporate governance standards. Keeping that in mind, U GRO was founded with the philosophy of being institution owned, board controlled and management run. U GRO Capital's Board is majorly independent. The Governance standards are further strengthened by strong policies and processes enshrined in the Articles of Association. U GRO Capital has also opted to be a listed entity from day one, which demands a higher degree of regulatory oversight and transparency. One of the few companies to Suo moto separated the functions of Chairman and Managing Director and appointing Non-Executive Chairman in line with the same.

**Experienced Leadership Team**
Our Company has hired industry leaders that have a proven track record of delivering results & the possess the right acumen necessary in the build out phase of any organization. Setting the right team in place has helped the company tide through the crisis effectively. Business operations are independently managed by the CXO team which makes UGRO truly a professionally driven organization

**Large Institutional Capital**
One of the key ideas while setting up U GRO was that the company should be institutionally owned and professionally governed. Our Company specifically decided to raise a huge institutional equity capital right from the start. With this thought process, U GRO Capital closed one of the largest fund-raises for a start-up in India, raising around ₹ 920 Crores from a diverse group of investors as it embarked on the stated mission of U Gro. Raising this capital helped our Company to have adequate capital based to grow in the first few years. Having a large institutional capital is also perceived positively by lenders & company has been able to solidify its position in terms of the liability book.

As on June 30, 2022, 69.00% of the paid up share capital of our Company is held by institutions / private equity funds like ADV Partners, New Quest, Samena Capital, PAG, PNB Metlife, Chhattisgarh Investments.

**Reach across a varied MSME base and customer sourcing models**
Our lending business is sourced digitally as well as through partners, direct selling agents and sales team. We also conduct site verification visits and interviews with the applicant. We have centralized credit hubs, where our underwriting processes are carried out by our credit team. We have also entered into arrangements with certain verification agencies supervised by our internal management to conduct site visits to verify identity and other information of applicants in certain cases. On the sanction of a loan amount, repayment terms are set out up on completion of all documentation requirements by the applicant. With our presence across 96 locations, we have established a diverse customer base, situated across India.

**Our Growth Strategies**

**Lending as a Service**
UGRO is pioneering Lending as a Service (LaaS) business model in India by successfully harnessing and operationalizing Co-lending Partnerships with multiples Banks and NBFCs. Currently the Company has

operationalized 10+ Co-lending partnerships across large Public Sector Banks and NBFCs, as a result of the same it has built LaaS AUM of INR 780+ Cr as on Jun'22 and the proportion of its LaaS AUM in total AUM has increased from 16% as on Mar'22 to 21% as on Jun'22. Going forward the Company will further expand its Co-lending Model to grow its overall AUM profitably

**Operationalizing GRO Xstream Platform to transition the business to LaaS Model**
GRO Xstream platform to ultimately connect providers of capital with originators of loans and facilitate multiple liability partnerships in the form of Co-lending, Co-origination, Direct Assignment and others. GRO Xstream would be powered by GRO Score and would support Multi Rule Engine basis requirements of various lenders




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

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

**Diversify our loan book mix and product suite with an exclusive focus on MSME funding**
We continue to diversify our loan book by increasing the share of MSME loans with a balance amongst the 9 niche sectors identified by us. We believe there is a significant untapped potential in the MSME industry, offering long-term growth opportunities. We believe that due to the impact of COVID-19, the competitive intensity in the MSME financing space is likely to decline with reducing competition from smaller players in the industry. We target to serve consumers and small businesses which we believe are systematically underserved and require

differentiated products. We are also looking to build strategic partnerships with other digital lending platforms / large players for our MSME business.

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

**Leverage on technology and digital platforms to improve customer reach and operating efficiency**
We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

**Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs**
Our source of funding as on June 30, 2022 is as under:

| Source of funds | | Amount (₹ in crore) |
|---|---|---|
| Loan from Banks / Financial Institutions | : | **1,348.20** |
| Bank Overdraft | : | 79.88 |
| Non Convertible Debentures | : | 593.38 |
| Commercial Papers | : | 186.12 |
| Sub-total | : | **2,207.58** |
| | : | |
| Net worth | : | 974.92 |
| Debt Equity Ratio | : | 2.26 |

Our Company has a very low debt equity ratio, which gives us a huge opportunity to expand capital base through leveraging also and also to expand the loan portfolio.

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

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

**BUSINESS DESCRIPTION**
We offer the following tech enabled flexi loan products and solutions to SMEs:
- Secured Prime Loans
- Unsecured Prime Loans
- Micro Loans
- Machinery Loans
- Supply Chain Finance
- Partnerships and Alliances

The following table sets forth the mix of loan disbursed / loan portfolio in the financial year ended March 31, 2022, 2021 and 2020:

(₹ in crore)

| Products | Loan portfolio, as on March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Secured Business Loans | 1,106.60 | 527.50 | 317.10 |
| Unsecured Business Loans | 787.50 | 337.00 | 180.50 |
| Machinery Loans | 198.40 | 61.10 | 1.40 |
| Supply Chain Finance | 287.40 | 210.50 | 186.90 |
| Rental Discounting | 54.10 | 10.40 | - |

| Products | Loan portfolio, as on March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Business Credit Cards | - | - | - |
| Onward Lending | 5.70 | 29.40 | 67.60 |
| Direct Assignment/ PTC | 33.20 | 26.20 | 55.80 |
| Portfolio Acquisition | 11.50 | 25.90 | 46.50 |
| Co-lending | 477.37 | 89.10 | 5.10 |

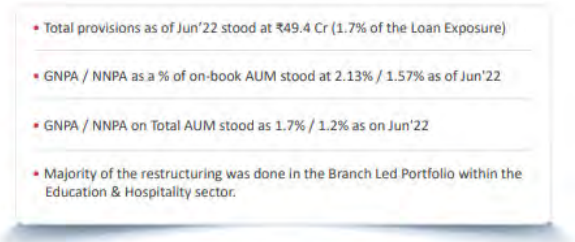
U GRO's Distribution Channels are Built with the End Goal of integrating technology with traditional & new ways of doing business to achieve financial Inclusion. Our distribution channel comprises of the following:

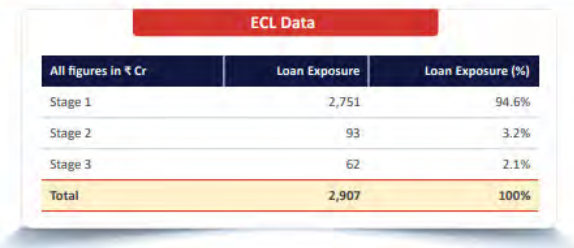
- **Branch-Led Channel**

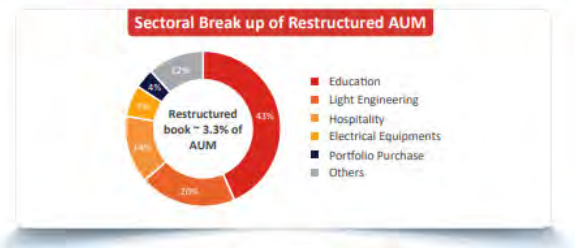
**Restructuring and Portfolio Quality Book**
Currently our restructured book stands ~ INR 120.5 Crs (~ 3.3% of Jun'22 AUM)

| Channel | Sector | Restructured | % of Total Restructured | % of AUM restructured |
|---|---|---|---|---|
| Branch-Led | Auto Components | 0.6 | 0.5% | 1.3% |
| | Chemicals | 2.1 | 1.7% | 1.1% |
| | Education | 52.3 | 43.4% | 40.5% |
| | Electrical Equipment | 4.6 | 3.8% | 3.1% |
| | Food Processing | 5.4 | 4.5% | 1.6% |
| | Healthcare | 2.6 | 2.1% | 1.3% |
| | Hospitality | 17.0 | 14.1% | 20.6% |
| | Light Engineering | 22.4 | 18.5% | 4.6% |
| | Other MSME | 0.0 | 0.0% | 0.0% |
| Eco-system Channel | SCF - Electrical Equipment | 3.3 | 2.7% | 2.3% |
| | Machinery - Light Engineering | 1.8 | 1.5% | 0.6% |
| | Machinery - Healthcare | 1.0 | 0.8% | 7.5% |
| Partnership & Alliances | Onward Lending | 5.0 | 4.1% | 93.3% |
| | DA/PA/Partnership | 2.4 | 2.0% | 0.4% |
| **Total** | | **120.5** | **100.0%** | **3.3%** |



**Risk and Credit Underwriting**

Our Company has adopted robust and comprehensive risk management capabilities boosted by sectoral expertise, prowess on data analytics and superior technology infrastructure and powers our journey of accelerated growth with best-in-class governance and asset quality. Will the growing needs of the business, 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 a cashflow-based underwriting using the tripod of credit bureau, banking and GST information. During the year, the company has implemented its proprietary scoring model – the Gro Score 2.0 which produces a borrower level rating based on credit bureau and bank statement information. The company has also implemented a predictive modelling driven Early Warning Signals framework to generate trigger alerts for portfolio stage collections activity.

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

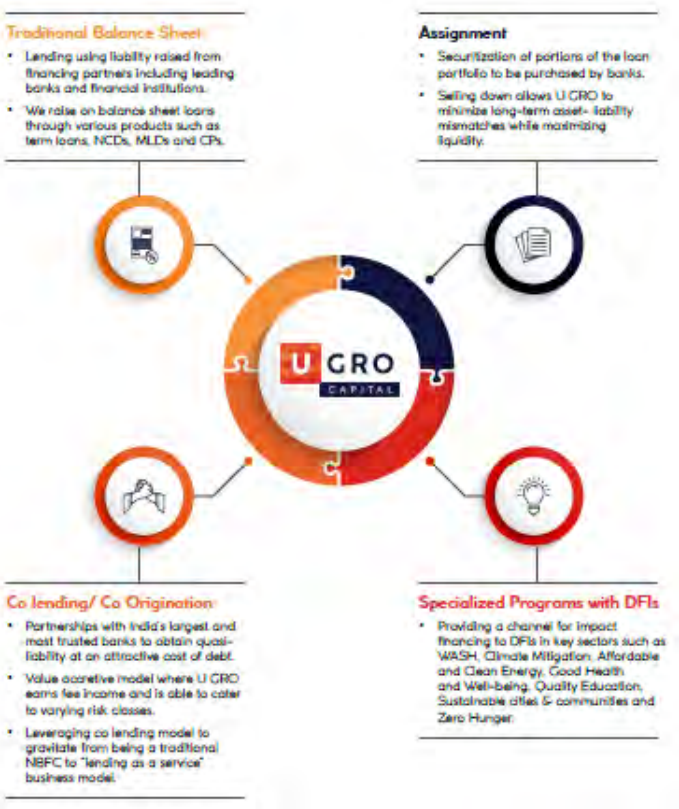
- Credit risk – risk of borrower or counterparty failing to meet its obligations in accordance with agreed terms leading to higher credit cost and provisions across multiple stress scenarios
- Market risk – supervision of the risk of financial loss resulting from movements in market prices
- Operational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

**Liability Strategy**

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

As on June, 2022we increased our lender base to 63. This is also a testimony to the fact that the larger lending eco-system recognises U GRO's ability to churn out a higher quality portfolio. We are in active discussion with several Development Finance Institutions for raising long term capital.

Going forward we want to eventually bring down our cost of capital and further diversify our source of funds. We want to tap in funds from the Development Finance Institutions for raising long term capital. We have a very strong processes and policies to manage our ALM to enable us to better manage our assets and liability.




**Corporate Social Responsibility (CSR)**
Our CSR theme is "SIGHT". "SIGHT" stands for School Education, Industry Ready Education Program, Gender Equality and Women Empowerment, Healthcare, Team SOS.

To execute these CSR activities, we collaborate with 'SMILE FOUNDATION'. Smile Foundation is an Indian, development organisation directly benefitting over 400,000 children and families through more than 200 welfare projects in Education, Health, Livelihood and Woman empowerment spread across remote villages and slums in 25 states in India. During the year ended March 31, 2021 Company has spent ₹ 19.05 lakhs whereas required sum to be spent was ₹ 18.57 lakhs. The amount is spent towards Skill Training in Healthcare for Under-privileged youth through NGO.

**Employees**
We place emphasis and focus on recruitment and retention of our employees as personnel is the most valuable asset for a service industry such as ours. As of June 30, 2022 we employed 1,277 employees. We have also implemented an employees stock option plan, in addition to the normal rewards and recognition programmes, and learning and development programmes for our employees.

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

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

**Intellectual Property**

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

We have applied for our current logo "", under Class 35 and 36 under the Trade Marks Act, 1999, however we are yet to receive a registration certificate for the same.

**Properties**

Our registered office is located at 4th Floor, Tower 3, Equinox Business Park, Off BKC, LBS Road, Kurla (West), Mumbai - 400 070, Maharashtra, India. In addition to the same, as of June 30, 2022 our network comprises of 20 Prime Branches and 76 Micro Branches. Our registered office and branches are located at premises leased or licensed to us.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated on February 10, 1993 under the provisions of the Companies Act, 1956 by the name 'Chokhani Securities Private Limited' and was granted a certificate of incorporation bearing registration number 070739. A fresh certificate of incorporation dated July 26, 1994 was issued by Registrar of Companies at Mumbai, consequent upon conversion of our Company from private limited to public limited. The name of our Company was further changed to U GRO Capital Limited and a fresh certificate of incorporation dated September 26, 2018 was issued by Registrar of Companies at Mumbai. Our Company came out with its first public issue of equity shares in 1995. At present, the Equity Shares of our Company are listed at BSE and NSE. The Corporate Identification Number of our Company is L67120MH1993PLC070739.

Our Company is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 and registered with effect from March 11, 1998 having Registration No. 13.00325. Our Company is currently engaged in the business of lending and primarily deals in financing SME and MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments and Micro Enterprises segments.

**Change in Management and Control of our Company**

On December 31, 2017, Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") has made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Ms. Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. Consequently, Mr. Ramakant R Chokhani, Mr. Anand R Chokhani, Ms. Neelam R Chokhani and Ramakant R Chokhani HUF, the erstwhile Promoters of our Company, were re-classified from the Promoter category to Public category during the FY 2018-19 and Poshika Advisory Services LLP was classified as Promoter of our Company.

**Registered Office and change in Registered Office of our Company**

At present our Registered Office is situated at Equinox Business Park, Tower 3, 4th Floor, Off BKC, LBS Road, Kurla West, Mumbai - 400 070.

The details of change in the registered office are as under:

| Date of Change | Address Changed | |
|---|---|---|
| | From | To |
| 12/06/2007* | 9-16-D Fort Mansion British Hotel Lane Off B S MG Fort, Mumbai - 400 023 | 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020 |
| 13/08/2018 | 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020 | Equinox Business Park, Tower 3, 4th Floor, Off BKC, LBS Road, Kurla West, Mumbai - 400 070 |

* Records w.r.t. information related to change in registered office prior to this date is not available.

**Key events, milestones and achievements**

| FY | Particulars |
|---|---|
| 1992 - 93 | Incorporation of our Company |
| 1994 - 95 | Our Company made an initial public issue of Equity Shares |
| 2017 - 18 | • Change in Management Control of our Company was announced<br>• Demerger of the Lending Business of Asia Pragati Capfin Private Limited into our Company, w.e.f. the Appointed Date being April 01, 2018 |
| 2018 - 19 | Raised capital from Institutional / PE Investors and HNI |
| 2021-22 | Raised Rs. 5,000 lakhs through Public Issue of Non-Convertible Debentures |
| 2022-23 | Raised Rs. 7,221.55 lakhs through Public Issue of Non-Convertible Debentures |

**Main Objects of our Company**

Following are the main objects of our Company, as provided in our Memorandum of Association:

1. To invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debenture, debenture stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and other securities, commissioners, Trust, Municipal or local Authority and to carry on the business of underwriters film financing, hire purchase financing, and to carry on business of financing industrial enterprises, trade and business financing.

2. To carry on the business of providing Fund/Non-fund based activities, Venture Capital, Stock Broking, Factoring, Arbitrage, Badla Finance, Portfolio Management services, Mutual Fund, Debt Market Operations, Forex Management services, Merchant Banking Activities, Insurance, Reinsurance, Future and Options, Derivatives, Depository Participants, etc.

3. To manufacture, assemble, purchase, sell, export, import, alter, repair, transfer, lease, hire, licence, use, dispose of, operate, fabricate, construct, distribute, design, charter, acquire, market, recondition, work upon or advice otherwise deal in, whether as manufacturers, dealers, developers, distributors, agents of other manufacturers or otherwise all kinds of products and services pertaining to computer software and hardware industry, software, system development, application software for microprocessor based information system, web portals, web enabling, web super markets, kiosks for "e" commerce, web migration, web based training / education, Learning systems, Knowledge management, retail broking, e-tail broking, Internet broking, net dynamics, client server development, platform development, Information Technology, Software development, e-commerce conversion of data, internet, web site, e-commerce, e-business, e-tailing, e-trade, advertisements, sponsorships, gamesites, application system, computer peripherals and accessories, information technology, Mapping, Educational publications, computer aided design / computer aided manufacturing, workstations, scanners, scanner plotters, servers, digitzers, software procedures, and undertake turnkey projects, for developing computer software or hardware system, telephony, migration and reengineering, data warehousing, enterprise resource planning, product, development, and management and to provide all other allied services in India and abroad.

4. To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company)

**Holding Company**
As on the date of this Prospectus, our Company does not have any holding company.

**Subsidiary Company**
As on the date of this Prospectus, our Company does not have any subsidiary company.

**Key terms of our material agreements**
Other than the agreements in relation to this Issue, our Company has not entered into material agreements, more than two years before the date of this Prospectus, which are not in the ordinary course of business.

**Related Party Transactions based on Reformatted Financial Information**

(Rs. in lakhs)

| Nature of transactions | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Particulars** | | | |
| **Transaction during the year** | | | |
| **Expenses** | | | |
| **Livfin India Private Limited** | | | |
| Arranger Fees Paid | 20.57 | - | - |
| Arranger Fees Received | 33.81 | - | - |
| | | | |
| **Reimbursement of expenses** | | | |
| Aniket Karandikar[#] | 0.17 | | |

| Nature of transactions | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Amit Gupta | 0.99 | | |
| Shachindra Nath | 9.43 | | |
| | | | |
| **Remuneration Paid *** | | | |
| Shachindra Nath | 295.60 | 269.35 | 319.45 |
| Abhijit Ghosh | 11.38 | 136.52 | 302.26 |
| Kalpeshkumar Ojha | - | 65.04 | 117.69 |
| Sandeepkumar Zanwar** | 44.48 | 23.87 | - |
| Amit Gupta | 53.68 | - | - |
| Aniket Karandikar[#] | 30.49 | 23.83 | 32.11 |

*The above figures do not include provision towards gratuity.

** Sandeepkumar Zanwar, former Chief Finnacial Officer, resigned w.e.f. November 02, 2022.

[#]Aniket Karandikar, former Company Secretary and Compliance Officer, resigned w.e.f. June 13, 2022.

## KEY REGULATIONS AND POLICIES

*The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961 and applicable local Goods and Services Tax laws, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations such as the Trade Marks Act 1999 and applicable shops and establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.*

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### (I) Laws in relation to Non-Banking Financial Companies

#### *(A) The Reserve Bank of India Act, 1934 (the "RBI Act")*

The RBI is entrusted with the responsibility of regulating and supervising the activities of NBFCs under the RBI Act. The RBI Act defines an NBFC as:

i. a financial institution which is a company;
ii. a non-banking institution which is a company and which has as its principal business of receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
iii. such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the official gazette, specify.

As per the RBI Act, a financial institution is a non-banking institution, carrying on as whole or part of its business, inter alia, the financing of activities other than its own, by making loans, advances or otherwise; the acquisition of shares, stock, bonds, debentures, securities issued by the Government or other local authorities or other marketable securities of like nature; or letting or delivering goods to a hirer under a hire-purchase agreement.

The RBI has, through a press release dated April 8, 1999, clarified that in order to identify a particular company as an NBFC, it shall consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. A company shall be treated as an NBFC, if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets is more than 50% of its gross income. Both these tests are required to be satisfied as the determinant factors for principal business of a company.

NBFCs are not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**") from the RBI. Further, every NBFC is required to submit to the RBI a certificate from its statutory auditor within one month from the date of finalization of its balance sheet and in any case not later than December 31st of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a **CoR**. The RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to commence any of its activities.

An NBFC may be registered as a deposit-accepting NBFC ("**NBFC-D**") or as a non-deposit accepting NBFC ("**NBFC-ND**"). Our Company has been classified as a systemically important NBFC-ND SI.

RBI has, by its Circular No. DNBR(PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, harmonized different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs, namely Asset Finance Companies, Loan Companies and Investment Companies into a new category called NBFC-Investment and Credit Company. ("NBFC-ICC"). Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC for an amount not

exceeding 20% of its owned funds. Prior to this reclassification, our Company was classified as an Asset Finance Company.

***(B) Regulatory Requirements of an NBFC under the RBI Act***

(I) **Net Owned Fund**

The RBI Act, read with an RBI notification dated April 20, 1999, provides that to carry on the business of an NBFC, an entity would have to be registered as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakh. For this purpose, the RBI Act has defined 'net owned fund' to mean:

i. the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting:
   a. accumulated balance of losses;
   b. deferred revenue expenditure;
   c. deferred tax asset (net) and
   d. other intangible assets

ii. further reduced by the amounts representing: a. investment by such companies in shares of:
   (a) its subsidiaries
   (b) companies in the same group and
   (c) other NBFCs; and b. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (a) subsidiaries of such company; and (b) companies in the same group, to the extent such amount exceeds 10% of (i) above.

(II) **Reserve Fund**

In addition to the above, the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually, as disclosed in the statement of profit and loss, before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

(III) **Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit-taking Company (Reserve Bank) Directions, 2016 vide DNBR.PD.008/03.10.119/2016-17 September 01, 2016 (updated as on February 17, 2020) ("NBFC- SI Directions")**

a) **Capital Adequacy:** Every Systemically Important NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II Capital which shall not be less than 15% of its aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items and the Tier I Capital in respect of applicable NBFCs (other than NBFC-MFI and IDF-NBFC), at any point of time, shall not be less than 10%. For the above, 'Tier I Capital' means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of aggregate of Tier I Capital of such company as on March 31 of the previous accounting year. Further "Tier II Capital" means (a) preference shares not compulsorily convertible into equity; (b) revaluation reserves at a discounted rate of 55%; (c) general provisions and loss reserves, to the extent these are not attributable to an actual diminution in value or identifiable potential loss in any specific asset, and are available to meet unexpected losses, to the extent of 1.25% of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital. At any given time, "Tier II Capital" shall not exceed the total "Tier I Capital" of an NBFC.

b) **Prudential Requirements:** The NBFC-SI Directions place several requirements that an NBFC must adhere to, inter alia, regarding income recognition, income from investments, the need to follow relevant accounting standards, the framing and implementation of an investment policy amongst others.

   i. Further RBI has issued certain clarifications on the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances vide its circular ref: RBI/2021-2022/125

DOR.STR.REC.68/21.04.048/2021 22 dated November 12, 2021 in furtherance to the Master circular ref: RBI/20212022/104 DOR.No.STR.REC.55/21.04.048/202122 issued by the Reserve Bank of India dated October 01, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In order to avoid ambiguity with respect to upgradation of NPAs as Standard assets, RBI vide the above circular clarified that loan accounts classified as NPAs may be upgraded as 'Standard' asset only if entire arrears of interest and principal are paid by the borrower.

ii. The classification of Special Mention Account and NPA shall be done as the part of the day end process end of the day process for the relevant date and the SMA or NPA classification shall be the calendar date for which the day end process is run.

"Further RBI has issued certain clarifications on the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances vide its circular ref: RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021 22 dated November 12, 2021 in furtherance to the Master circular ref: RBI/20212022/104 DOR.No.STR.REC.55/21.04.048/202122 issued by the Reserve Bank of India dated October 01, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In order to avoid ambiguity with respect to upgradation of NPAs as Standard assets, RBI vide the above circular clarified that loan accounts classified as NPAs may be upgraded as 'Standard' asset only if entire arrears of interest and principal are paid by the borrower.

The classification of Special Mention Account and NPA shall be done as the part of the day end process end of the day process for the relevant date and the SMA or NPA classification shall be the calendar date for which the day end process is run."

**c) Loan Policy**: As per the NBFC-SI Directions, the Board of Directors granting / intending to grant demand / call loans shall frame a policy for the NBFC which includes, inter alia, a cut-off date within which the repayment of demand or call loan shall be demanded or called up and the rate of interest which shall be payable on such loans.

**d) Non-Performing Assets ("NPAs")**

Under the NBFC-SI Directions, the following shall be considered as 'non-performing assets' ("NPAs"), if the accompanying conditions remain in existence for a period of three months or more for Fiscal 2020:

i) Assets, in respect of which interest has remained overdue;
ii) Term loans, inclusive of unpaid interest, when the instalment is overdue, or on which interest amounts remain overdue;-
iii) Demand or call loans, which has remained overdue, or on which interest amount remained overdue;
iv) Bills, which have remained overdue;
v) Interest in respect of a debt or income on receivables under the head 'other current assets,' being in the nature of short term loans / advances, which have remained overdue; or
vi) any dues on account of the sale of assets or services rendered, or reimbursement of expenses incurred, which have remained overdue.

Lease rental and hire purchase instalments shall be considered as NPAs if they remain overdue for three months or more in Fiscal 2020. In addition, where any of the above are classified as NPAs in relation to a borrower, the balance amount outstanding under other all credit facilities extended to them are also classified as NPAs. In terms of the NBFC-SI Directions, any income, including interest, discount, hire charges, lease rentals or other charges on an NPA shall be recognised as 'income' only when it is actually realised.

**e) Exposure Norms**

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15 per cent of the owned funds of the systemically important NBFC-ND/D, while the credit exposure to a single group of borrowers shall not exceed 25 per cent of the owned funds of the systemically important NBFC-ND/D. Further, the systemically important NBFC-ND/D may not invest in the shares of another company exceeding 15 per cent of its owned funds, and in the shares of a single group of companies exceeding 25 per cent of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND/D-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND/D-SI not accessing public funds, either directly or indirectly, may make an application to the RBI for

modifications in the prescribed ceilings. Any systemically important NBFC-ND/D classified as NBFC ICC by RBI may, in exceptional circumstances, exceed the above ceilings by 5 per cent of its owned fund with the approval of its Board of Directors.

The loans and investments of the systemically important NBFC-ND taken together may not exceed 25 per cent of its owned funds to or in single party and 40 per cent of its owned funds to or in single group of parties. A systemically important NBFC-ND may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC-ND-SI may exceed the concentration of credit/investment norms, by 5 per cent for any single party and by 10 per cent for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment. All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance. The prudential norms also specifically prohibit NBFCs from lending against its own shares.

**Net Owned Fund**: Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakh.

f) **Asset Classification**

The NBFC-SI Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:.

i. Standard assets, i.e. assets, in respect of which, no default in repayment of principal or interest is perceived, which do not disclose any problems and do not carry more than a normal risk attached to business;
ii. Sub-standard assets, i.e. assets which have been classified as NPAs for a period not exceeding 12 months, or where the terms regarding repayment of the payment or interest have been renegotiated, rescheduled or restructured, until satisfactory performance of the revised terms for a year;
iii. Doubtful assets, i.e. term loans, lease assets, hire-purchase assets or any other asset that has remained substandard for a period exceeding 12 months; and
iv. Loss assets, i.e. assets that have been identified as such by the NBFC, its internal or external auditors, or the RBI during its inspection of the NBFC, to the extent that it has not been written off by the NBFC, or assets adversely affected by the threat of non-recoverability due to the erosion in the value of the security, non-availability of security or a fraudulent act or omission by the borrower.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

g) **Provisioning Requirements**

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002/2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI *vide* their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 3, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II Capital which together with other general provisions / loss reserves' will be admitted as Tier II Capital only up to a maximum of 1.25% of the total risk weighted assets.

NBFCs who are required to follow IND-AS shall hold impairment allowances as required by Ind AS. In parallel NBFCs shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc.

The NBFC-SI Directions clarify that income recognition on NPAs and provisioning against NPAs are different aspects of the prudential norms specified therein. The provisioning requirements that such prudential

norms specify shall be made on total outstanding balances, without regard to the fact that income on an NPA has not been recognized.

h) **Liquidity Risk Management Framework**

All non-deposit taking NBFCs with an asset size of ₹100 crore and above, systemically important Core Investment Companies and all deposit taking NBFCs irrespective of their asset size, shall adhere to Liquidity Risk Management framework issued by RBI dated November 4, 2019. The Liquidity risk management shall rests on the functioning of Board of Directors, Risk Management Committee, Asset Liability Management ("**ALM**") organization including an Asset Liability Committee ("**ALCO**") and ALM support groups and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and reviews functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30 / 31 days' time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

**Guidelines on Maintenance of Liquidity Coverage Ratio ("LCR")**

In addition, to the above guideline, guidelines the following categories of NBFCs shall adhere to the guidelines on LCR including disclosure standards as provided in Annex III to these Directions:

All non-deposit taking NBFCs with an asset size of ₹ 10,000 crore and above, and all deposit-taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset ("HQLA") to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

| Dec 1, 2020 | Dec 1, 2021 | Dec1, 2022 | Dec 1, 2023 | Dec 1, 2024 onwards |
|---|---|---|---|---|
| 50% | 60% | 70% | 85% | 100% |

All non-deposit taking NBFCs with asset size of Rs. 5,000 crore and above but less than Rs. 10,000 crore shall also maintain the required level of LCR starting from December 1, 2020 as per the timeline mentioned below:

| Dec 1, 2020 | Dec 1, 2021 | Dec1, 2022 | Dec 1, 2023 | Dec 1, 2024 onwards |
|---|---|---|---|---|
| 30% | 50% | 60% | 85% | 100% |

i) **Disclosure Requirements**

An NBFC-SI is required to separately disclose in its balance sheet the provisions made as per NBFC-SI Directions without netting them from the income or against the value of the assets. These provisions shall be distinctly indicated under separate heads of accounts for 'provisions for bad and doubtful debts' and 'provisions for depreciation in investments', and shall not be appropriated from the general provisions and loss reserves held, if any, by it. Such provisions for each year shall be debited to the statement of profit and loss, and the excess, if any, held as general provisions and loss reserves shall be written back without making adjustment against them.

j) **Corporate governance norms**

As per the NBFC-SI Directions, all NBFCs are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and a risk management committee. The audit committee should consist of not less than three

members of its board of directors, and it must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced. Nomination Committee is required to ensure 'fit and proper' status of proposed/ existing directors and in order to manage the integrated risk, all NBFCs shall form a risk management committee, besides the asset liability management committee. In addition to this, all NBFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. All NBFCs are also required to put up to the board of directors, at regular intervals, as may be prescribed the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC, in conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings, compliance with coverage and review functions, etc. The NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. Our Company has put in place a policy on Internal Guidelines on Corporate Governance.

k) **Fair Practices Code ("FPC")**

As per the NBFC-SI Directions, NBFCs having customer interfaces should mandatorily adopt the guidelines wherein all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. NBFCs should also give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. NBFCs shall ensure that changes in interest rates and charges are affected only prospectively. The board of directors shall also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. In case of receipt of request from the borrower for transfer of borrowable account, the consent or otherwise i.e., objection of the NBFC, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law and in the matter of recovery of loans, an NBFC shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. NBFC shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

l) **Rating of Financial Product**

Pursuant to the NBFC-SI Directions, all NBFCs with an asset size of ₹ 10,000 lakh and above shall furnish information about downgrading / upgrading of the assigned rating of any financial product issued by them within 15 days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

m) **Norms for Excessive Interest Rates**

The NBFC-SI Directions directs the board of directors of NBFCs to adopt an interest rate model, taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published shall be updated whenever there is a change in the rates of interest. The rate of interest should be annualised so that a borrower is aware of the exact rates that would be charged to the account.

**(IV) Other RBI Directions**

a) ***Reserve Bank of India Know Your Customer ("KYC") Master Directions, dated February 25, 2016 ("KYC Directions")***

The Department of Banking Regulation, RBI has issued the KYC Directions dated February 25, 2016, as amended from time to time, which are applicable inter alia to all NBFCs for the formulation of a 'Know Your Customer' ("KYC") policy duly approved by the board of directors of the entity and ensure compliance with the same. The KYC policy formulated is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The regulated entities are required to ensure compliance with the KYC policy of the entity through specifying who

constitutes 'senior management' for the purpose of KYC compliance, specifying allocation of responsibility for effective implementation of policies and procedures, independent evaluation of the compliance functions of the entity's policies and procedures, including legal and regulatory requirements, implementing a concurrent / internal audit system to verify the compliance with KYC/AML policies and procedures, and the submission of quarterly audit notes and compliance to the audit committee.

b) ***Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 ("NBFC Returns Directions, 2016")***

The NBFC Returns Directions, 2016 mandate that all NBFCs shall put in place a reporting system for filing of various returns with the RBI. In addition, they also provide for the forms to be filed under various RBI Act, and the various directions thereunder. Further, they provide for details and the periodicity of form filings across various categories of NBFCs.

c) ***Enhancement of NBFCs' Capital Raising Option for Capital Adequacy Purposes October 2008 ("Enhancement of Capital Raising Option")***

The RBI has issued a notification on the "Enhancement of Capital Raising Option" whereby NBFCs-SI have been permitted to augment their capital funds by issuing perpetual debt instruments ("**PDI**") in accordance with the prescribed guidelines provided thereunder. Such PDI shall be eligible for inclusion as Tier I Capital to the extent of 15% of total Tier I Capital as on March 31 of the previous accounting year. The amount of PDI in excess of amount admissible as Tier I Capital shall qualify as Tier II Capital, within the eligible limits.

d) ***Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("Auditor Report Directions")***

In addition to the Report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of a non-banking financial company examined by him for every financial year ending on any day on or after the commencement of these Directions, for any NBFC-D, the auditor shall also make a separate report to the Board of Directors of the Company on compliances of quantum of acceptance of public deposits (compliance with Deposit Directions), minimum investment grade credit rating, determination of capital adequacy ratio, prudential norms, liquid assets requirement, submission of returns with RBI, any default in payment of the interest and/or principal amount to Depositors.

e) ***Accounting Standards and Accounting policies***

The Ministry of Corporate Affairs has amended the existing Indian Accounting Standards vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company from April 1, 2018. RBI has, vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, ,framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (**ARCs**) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

f) ***Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ("Fraud Directions, 2016")***

As per Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds to RBI and should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the Bank and reporting referred to in these directions. If NBFCs do not adhere to the applicable time-frame for reporting fraud, they shall become liable for penal action. The Fraud Directions, 2016 classify frauds into the following categories:

i. Misappropriation and criminal breach of trust;
ii. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
iii. Unauthorised credit facilities extended for reward or for illegal gratification;
iv. Negligence and cash shortages;
v. Cheating and forgery;
vi. Irregularities in foreign exchange transactions; and
vii. Any other type of fraud.

g) ***Information Technology Framework for the NBFC Sector Directions, 2017 (the "IT Framework Directions")***

The IT Framework Directions have been notified with the view of benchmarking the information technology / information security framework, business continuity planning, disaster recovery management, information technology ("IT") audit and other processes to best practices for the NBFC sector. NBFC-SIs are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions provide for the following:

i. **IT governance:** Under the IT Framework Directions, all NBFCs are required to form an IT Strategy Committee, under the chairmanship of an independent director of the NBFC-SI with the chief information officer and the chief technology officer as mandatory members. The IT strategy committee is empowered to review and amend the IT strategies of the NBFC-SI in line with its corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance and place its deliberations before the board of directors of the NBFC-SI.

ii. **IT policy:** NBFCs are required to formulate a board-approved IT policy, in line with the objectives of the organisation. Such a policy must mandatorily provide for an IT organisational structure and the appointment of a chief information officer or an in-charge of IT operations. The policy so formed must also ensure the technical competence of senior and middle level management and periodic assessment of IT training requirements.

iii. **Information and cyber security**: In addition to the IT policy, NBFCs must further formulate a board approved information security policy, which inter alia provides for the identification and classification of information assets, segregation of functions, personnel and physical security and incident management. NBFCs are additionally tasked with creating a framework for conducting periodic information security audits. Further, the NBFC must formulate a board approved cyber-security policy, which elucidates the strategy of the NBFC on countering cyber threats. Beyond these policies, the IT Framework Directions mandates several additional processes to be put in place, such as a cyber-crisis management plan, strategies for management and elimination of vulnerability and promoting cyber security awareness amongst stakeholders and the board of directors.

iv. **IT operations**: The IT Framework Directions direct companies to create a steering committee to oversee and monitor IT project, and create policies to manage transitions in their IT systems. In addition, it requires NBFCs to put in place various management information systems for various types of data.

v. **Business Continuity Planning**: NBFCs are required to identify critical business verticals, locations and shares resources, envisage the impact of unforeseen disasters on their business and are required to create recovery strategies or contingency plans in the case of the failure of the same.

vi. **IT services outsourcing**: The IT Framework Directions provide for safeguards that an NBFC must adopt in their arrangements with service providers to whom they have outsourced their IT requirements.

h) ***Reserve Bank Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 ("Outsourcing Directions")***

The Outsourcing Directions provide for regulating outsourcing activities pertaining to financial services viz. application processing (loan origination, credit card), document processing, marketing and research, supervision of loans, data processing and back office related activities, besides others. The object of the said direction is to protect the interest of the customers of NBFCs and to ensure that the NBFC concerned and the Reserve Bank of India have access to all relevant books, records and information available with service provider. The direction, inter alia, provides risk management practices for outsourced financial services, role of the board and Senior Management team, and basic framework for the outsourcing agreement, responsibilities of Service Provider for monitoring and control of outsourced activities.

i) **Reserve Bank Commercial Paper Directions, 2017 ("Commercial Paper Directions")**

The Commercial Paper Directions regulate the issue of commercial papers. Commercial papers may be issued by companies including NBFCs, provided that any fund based facility they have availed from banks or financial institutions are classified as standard assets by all banks and financial institutions at the time of their issue. The Commercial Paper Directions determine the form, mode of issuance, rating and documentation procedures for the issue of commercial papers. In terms of the Commercial Paper Directions, commercial papers are issued as promissory notes, and are to be held in dematerialised form. They are issued at a discount

to face value, in a minimum denomination of ₹5 lacs or multiples thereof. Issuers, whose total commercial paper issuance in a calendar year is ₹1,000 crore or more, must also obtain a credit rating for their commercial papers from at least two credit rating agencies, and adopt the lower of these ratings. The minimum rating for a commercial paper hall be 'A3'. The directions further provide for secondary market trading in commercial papers, buyback of commercial papers and the obligations of the issuer, the issuing and paying agent and credit rating agencies in the issue of commercial papers.

j) **Reserve Bank Ombudsman Scheme, 2018 ("Ombudsman Scheme")**
The RBI has, vide notification bearing reference Ref.CPED.PRS.No.3590/13.01.004/2017-18 dated February 23, 2018, implemented the Ombudsman Scheme inter alia for NBFC-Ds. The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by the NBFC-D to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides appointment of one or more officers not below the rank of general manager as Ombudsman for a period not exceeding 3 years at a time to carry out the functions of Ombudsman under the Scheme. The Scheme will continue to be administered from the offices of the Ombudsman in four centres viz. Chennai, Kolkata, Mumbai and New Delhi for handling complaints from the respective zones, so as to cover the entire country.

k) **Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019**
Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 sets out a framework to ensure that there is an early recognition, reporting and time bound resolution of stressed assets. The Stressed Assets Directions apply to (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit Taking Non-Banking Financial Companies (NBFC-ND-SI) and NBFC-Ds. In the event of a default, the said lenders shall recognize the stress in the loan accounts and classify these loan accounts into three categories namely: (i) SMA-0, where the principal and/or interest, whether partly or wholly is overdue between 1-30 days; (ii) SMA-1, where the principal and/or interest, whether partly or wholly is overdue between 31-60 days; and (iii) SMA-2, where the principal and/or interest whether partly or wholly is overdue between 61-90 days. The said lenders shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("**CRILC**"), on all borrowers having aggregate exposure of ₹ 500 lacs and above with them. Once a borrower is reported to be in default by any of the lenders mentioned at (a), (b) and (c) hereinabove, the lenders shall undertake a prima facie review of the borrower account within thirty days from such default ("Review Period") to inter alia decide on a resolution strategy, including nature of the Resolution Plan ("RP").

During the Review Period for the implementation of an RP, all lenders shall enter into an inter-creditor agreement, which shall among other things provide that any decision agreed by lenders representing 75 per cent by value of total outstanding credit facilities (fund based as well non-fund based) and 60 per cent of lenders by number shall be binding upon all the lenders. In particular, the RPs shall provide for payment not less than the liquidation value due to the dissenting lenders, being the estimated realisable value of the assets of the relevant borrower, if such borrower were to be liquidated as on the date of commencement of the Review Period.

l) **Reserve Bank of India Circular dated February 03, 2021 on Risk Based Internal Audit for NBFC-D**
As per circular bearing reference Ref. No. DoS. CO. PPG/ SEC.05/11.01.005/ 2020-21 dated February 03, 2021, RBI has mandated the Risk Based Internal Audit Framework ("RBIAF") for all Deposit-taking NBFCs, irrespective of the size, before March 31, 2022.

**m) Reserve Bank of India Circular RBI/2021-2022/125 titled "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" dated November 12, 2021 on classification and recognition of NPAs**
As per the circular bearing Ref. No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, RBI has issued clarification for all Non-Banking Financial Companies (including Housing Finance Companies) for mentioning specific details pertaining to repayment, classification as SMA and NPA, NPA classification in case of interest payments, Upgradation of accounts classified as NPAs, Income recognition policy for loans with moratorium on payment of interest and consumer education. The same has to be abided by the NBFC's with immediate effect unless explicitly stated.

n) **Regulatory measures on account of the COVID-19 pandemic**

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' ("the Scheme"), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

RBI vide its notifications dated April 17, 2020 bearing DOR No. BP.BC.63/21.04.048/2019-20 and notifications dated May 23, 2020 bearing DOR.No.BP.BC.71/21.04.048/2019-20 ("RBI Notification") provided certain additional regulatory measures due to the lingering impact of COVID-19 pandemic on the business and financial institutions. In this regard, the detailed instructions with regard to asset classification and provisioning which are, inter alia, as follows:

1. In terms of the RBI Notifications, the lending institutions were permitted to grant a moratorium of three months and later on extended for another three months on payment of all term loan instalments falling due between March 1, 2020 and August 31, 2020 ('Moratorium Period'). As such, in line with the clarification provided by the Basel Committee on Banking Supervision, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms;
2. Similarly in respect of working capital facilities sanctioned in the form of cash credit/overdraft (CC/OD), the Regulatory Package permitted the recovery of interest applied during the period from March 1, 2020 upto August 31, 2020 to be deferred ('deferment period'). Such deferment period, wherever granted in respect of all facilities classified as standard, including SMA, as on February 29, 2020, shall be excluded for the determination of out of order status;
3. In respect of accounts in default but standard where provisions of paragraphs (1) and (2) above are applicable, and asset classification benefit is extended, lending institutions shall make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under:
   (i) Quarter ended March 31, 2020 − not less than 5 per cent
   (ii) Quarter ending June 30, 2020 − not less than 5 per cent

4. The exclusions permitted in terms of para 1 and 2 above shall be duly reckoned by the lending institutions in their supervisory reporting as well as reporting to credit information companies (CICs)i.e., the days past due and SMA status, where applicable, as on March 1, 2020 will remain unchanged till August 31, 2020; and
5. The lending institutions shall suitably disclose the following in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2019- 20 and 2020-2021.

o) **Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)**
Reserve Bank of India has introduced a Prompt Corrective Action Framework (PCA) for NBFC. The objective of the PCA Framework is to enable Supervisory intervention at appropriate time and requires the Company to initiate and implement remedial measures in a timely manner, so as to restore its financial health. The PCA Framework is also intended to act as a tool for effective market discipline. The PCA Framework for NBFCs shall come into effect from October 1, 2022, based on the financial position of the Company on or after March 31, 2022.

p) **Appointment of Internal Ombudsman by Non-Banking Financial Companies**
The Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme) was launched on November 12, 2021, wherein the scheme integrates existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. The Scheme adopts 'One Nation One Ombudsman' approach by making the RBI Ombudsman mechanism jurisdiction neutral.

q) **Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**
The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., on the basis of regulatory structure of NBFCs. Pursuant to the said regulation NBFCs will be divided into 4 categories i.e. base layer, Middle layer, Upper layer and Top layer. These guidelines shall be effective from October 01, 2022.

r) **Report of the Working Group on Digital Lending including Lending through Online Platforms and Mobile Apps**

The RBI has constituted a Working Group (WG) on digital lending including lending through online platforms and mobile apps. The WG was set up in the backdrop of business conduct and customer protection concerns arising out of the spurt in digital lending activities. The RBI released the report of the WG on digital lending on November 18, 2021, wherein stakeholders' feedback was invited till December 31, 2021. Once the comments are examined by the RBI, recommendations shall be taken up by the respective Regulators for implementation as deemed fit.

***Laws in relation to the recovery of debts***

(a) ***Insolvency and Bankruptcy Code, 2016 (the "IB Code")***

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner for maximisation of value of assets of such persons;
ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and
iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals ("NCLT") shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal ("NCLAT").
ii. In case of individuals and partnerships, Debt Recovery Tribunal ("DRT") shall act as the adjudicating authority and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal ("DRAT").

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT.

The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

i. **Insolvency resolution:** Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits against the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.

ii. **Liquidation:** In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process ("IRP") or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India ("IBBI") which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, inter alia, in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

While the IB Code does not apply to financial service providers such as the Issuer, Section 227 of the IB Code authorises the Central Government to notify financial service providers or categories of financial service

providers for the purpose of their insolvency and liquidation proceedings being conducted under the IB Code. Pursuant to the notification no. S.O. 4139(E) dated November 18, 2019 issued by the Ministry of Corporate Affairs read with Section 227 of the IB Code and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, non-banking financial companies (including housing financial companies) with asset size of at least INR 500,00,00,000 (Indian Rupees Five Hundred Crore) have been notified for the purpose of their insolvency and liquidation proceedings being conducted under the IB Code.

(b) ***Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("Debts Recovery Act")***

The Debts Recovery Act provides for establishment of DRTs for expeditious adjudication and recovery of debts due to a bank or financial institution, or a consortium of banks or financial institutions. The Debts Recovery Act is only applicable to such debts as are for a sum that is greater than ₹ 1 million, or in the case of particular debts that the Central Government may specify, greater than ₹ 0.1 million. A DRT established under the Debts Recovery Act exercises jurisdiction over applications from banks and financial institutions for the recovery of debts due to them, and no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher Courts in India in certain circumstances. The Debts Recovery Act also provides for the establishment of DRATs, and any appeal from any order of a DRT lies with a DRAT. Further, the Debts Recovery Act provides for the procedure to be followed in proceedings before a DRT or DRAT.

(c) ***Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Securitisation Act")***

The Securitisation Act grants certain special rights to banks and financial institutions to enforce their security interests upon non-payment of a secured debt. The Securitisation Act provides that a secured creditor may, in the case of a default in payment of a debt or an instalment thereof, classify the account of the borrower as an NPA, and give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the following rights accrue to the secured creditor:

i. taking possession of the assets constituting the security for the loan, including the right to transfer the assets by way of lease, assignment or sale of the asset;
ii. taking over the management of the business of the borrower, including the right to sell or otherwise dispose of the assets, in case a significant portion of the debtor's business is held as security;
iii. appointment of a manager to manage the secured assets; and
iv. iv. requiring that any person who has acquired any of the secured assets from the borrower and from whom any money is or may become due to the debtor, to pay the secured creditor instead.

Where a secured creditor seeks to take a secured asset into its possession or sell or transfer the same under the provisions of the Securitisation Act, the secured creditor may make a written request to the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction the secured asset or relevant documents may be situated or found. Upon such request, the Chief Metropolitan Magistrate or District Magistrate may take possession of such assets and/or relevant documents and forward the same to the creditor, using or directing the use of such force as may be necessary. In addition, the secured creditor may file an application before a DRT or a competent court for recovery of balance amounts, if any, and may take any other measures for the recovery of debts.

Further, the Securitisation Act provides for the creation of a central database by the Central Government for recording rights over any property or creation, modification or satisfaction of any security interest thereon. This registry is to be integrated with registration records under various central registrations, including the Companies Act, 2013, the Registration Act, 1908 and the Motor Vehicles Act, 1988. Any registration of transactions for creation, modification or satisfaction of security interest by a creditor or filing of attachment orders shall be deemed to constitute a public notice. Where a security interest or attachment order upon property in favour of a creditor is filed for registration, the claim of such creditor has priority over any subsequent security interest, transfer or attachment order upon the property.

In addition, the Securitisation Act regulates 'asset reconstruction companies', which are companies intended to carry on the business of securitisation or asset reconstruction. An asset reconstruction company, upon being registered by the RBI, may acquire the financial assets of a bank or financial institution, whereupon it shall be deemed to become the lender in place of the bank in relation to such financial assets, and all rights of the bank or financial institution in relation to such financial assets shall vest in the asset reconstruction company. For the purposes of asset reconstruction, an asset reconstruction company may inter alia provide for the management of the business of a borrower (including a change in or takeover of its management), sale or

lease of the business of a borrower, rescheduling payment of debts, settlement of dues, enforcement or possession of security interests, or conversion of debt of a borrower into shares.

***Anti-Money Laundering laws***

i. **Prevention of Money Laundering Act, 2002 ("PMLA")**

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from or involved in, money laundering. The Government, under the PMLA, has issued the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("**PML Rules**"). The PMLA and PML Rules place various obligations upon banks, financial institutions and other intermediaries in relation to the maintenance of records of all transactions, verification of clients and identification of beneficial owners of clients.

**ii. 'Know Your Customer' ("KYC") Guidelines – Anti Money Laundering Standards ("AML") 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder' ("PMLA Master Circular")**

The RBI has issued the PMLA Master Circular dated July 1, 2015 to ensure that a proper policy framework for the implementation of the PMLA and PML Rules is put into place. Pursuant to the provisions of PMLA, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of internal reporting for: (i) all cash transactions of value of more than ₹10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹1 million.

Under the PMLA Master Circular, all NBFCs are required to introduce a system of maintaining a proper record of certain transactions, and for the proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Further, NBFCs shall exercise on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

**Laws in relation to foreign investment and external commercial borrowing**

i. **Foreign Exchange Management Act, 1999 ("FEMA")**

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("FDI") Policy and Foreign Exchange Management Act, 1999 ("FEMA"). The government bodies responsible for granting foreign investment approvals are the ministries / departments concerned of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to ministries / departments concerned. Subsequently, the Department of Industrial Policy & Promotion ("DIPP") issued the Standard Operating Procedure for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the administrative ministry/department concerned shall act as the competent authority (the "Competent Authority") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict, FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on October 15, 2020. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India (updated from time to time). Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that

cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian ("NRI") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

ii. **External Commercial borrowing ("ECB")**

External Commercial Borrowings ("ECB") are commercial loans raised by eligible resident entities from recognised non-resident entities. ECB transactions are governed by clause (d) of sub-section 3 of section 6 of FEMA, and by various regulations, notifications and RBI circulars, which have been consolidated in the RBI Master Direction on External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers, dated March 26, 2019 ("ECB Master Direction" / "New ECB framework"). Under the above Master Direction and New ECB framework, a permitted resident may borrow from a recognised non-resident entity through bank loans; floating / fixed rate notes / bonds / (other than fully and compulsorily convertible instruments; trade credit beyond 3 years; FCCBs: FCEBs and financial Lease. Further plain Vanilla Rupee Denominated Bonds (RDBs) which can be placed privately or listed on exchanges as per host country regulations (only for INR denominated ECBs).

Borrowings through ECB may be raised through one of two options:
(i) Foreign Currency denominated ECB
(ii) INR denominated ECBs

ECB may be raised by either automatic route or the approval route. Under the automatic route, ECB cases are examined by the Authorised Dealer Category-I, to whom the RBI has delegated the function of monitoring and approving ECB transactions. In borrowings through the approval route, the prospective borrowers are required to forward requests to the RBI through an authorised dealer. The ECB Master Directions prescribe individual limits of ECB that may be raised by an entity under the automatic route per Fiscal, beyond which, the ECB proposals of such entities shall come under the approval route. Accordingly, an AFC is permitted to raise up to USD 750 million or equivalent through the automatic route.

**Labour law regulations**

We are required to comply with certain labour and industrial laws, which includes Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, Equal Remuneration Act, 1976, Public Premises (Eviction of Unauthorized Occupants) Act, 1971, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, amongst others.

**Tax legislations**

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, the Interstate Goods and Services Tax Act, 2017, various state goods and services tax legislations, the Income Tax Act, the Income Tax Rules, local body taxes in respective states and various applicable GST notifications and circulars.

**Laws relating to intellectual property**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

## OUR MANAGEMENT

**Board of Directors**

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company and the SEBI Listing Regulations. The Articles of Association of our Company provide that the number of directors shall not be more than fifteen (15). At present, our Company has 11 Directors on its Board, out of which seven are Independent Directors and three are Non-Executive Directors. Mr. Satyananda Mishra is Non-Executive Chairman (Independent Director) and Mr. Shachindra Nath is Vice Chairman and Managing Director of our Company.

The following table provides information about the Directors as of the date of this Prospectus:

| Name, Designation and DIN | Age (in years) | Other Directorships |
|---|---|---|
| Mr. Satyananda Mishra<br>Non-Executive Chairman (Independent Director)<br>DIN: 01807198<br>Term: July 05, 2018 to July 04, 2023<br><br>Address: D-138, Second Floor, Defence Colony, New Delhi - 110 024 | 73 | • Invesco Trustee Private Limited<br>• Paradeep Phosphates Limited<br>• CDSL IFSC Limited |
| Mr. Shachindra Nath<br>Vice Chairman & Managing Director<br>DIN: 00510618<br>Term: June 22, 2018 to June 21, 2023<br><br>Address: GV-65, The Palm Springs, Sector - 54, Golf Course Road, Gurgaon - 122 001 | 50 | • Livfin India Private Limited<br>• Orbis Financial Corporation Limited<br>• Poshika Financial Ecosystem Private Limited<br>• Qwazent Talent Solutions Private Limited |
| Mr. Abhijit Sen<br>Independent Director<br>DIN: 00002593<br>Term: July 05, 2018 to July 04, 2023<br><br>Address: A 92, Grand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemps Corner, Mumbai - 400 036 | 71 | • Booker Satnam Wholesale Limited<br>• Netafim Agricultural Financing Agency Private Limited<br>• Booker India Limited<br>• TATA Investment Corporation Limited<br>• Cashpor Micro Credit<br>• Manappuram Finance Limited<br>• Pramerica Life Insurance Limited<br>• Asirvad Micro Finance Limited<br>• Veritas Finance Private Limited<br>• Kalyani Forge Limited |
| Mr. Karuppasamy Singam<br>Independent Director<br>DIN: 03632212<br>Term: July 05, 2018 to July 04, 2023<br><br>Address: A-1301, Monarch Ashar Residency, Thane - 400 610 | 68 | • Vivardhana Micro Finance Limited |
| Mr. Rajeev Krishnamuralilal Agarwal<br>Independent Director<br>DIN: 07984221<br>Term: July 05, 2018 to July 04, 2023<br><br>Address: 30, Punam, Hyderabad Estate, Nepeansea Road, PDP Park, Malbar Hill, Mumbai - 400 006 | 63 | • Star Health and Allied Insurance Company Limited<br>• Trust Asset Management Private Limited |

| Name, Designation and DIN | Age (in years) | Other Directorships |
|---|---|---|
| Mr. Manoj Kumar Sehrawat<br>Non-Executive Director<br>DIN: 02224299<br>Term: Appointed on July 05, 2018. Liable to retire by rotation<br><br>Address: 76 Bayshore Road, #17-17, Singapore - 469990 | 49 | • Amber Enterprises India Limited<br>• Micro Plastics Private Limited<br>• Encore Asset Reconstruction Company Private Limited |
| Mr. Amit Gupta<br>Non-Executive Director<br>DIN: 02282600<br>Term: Appointed on July 05, 2018. Liable to retire by rotation<br><br>Address: 325, River Valley Road, #01-06 Yong An Park, Singapore - 238357 | 45 | • Halonix Technologies Private Limited<br>• Brainbees Solutions Private Limited |
| Mr. Chetan Kulbhushan Gupta<br>Non-Executive Director<br>DIN: 07704601<br>Term: November 02, 2018, Liable to retire by rotation<br><br>Address: Flat - Gt.3-2404, Emirates Hill, Po Box 126229, Dubai | 42 | • Imperativ Hospitality Private Limited<br>• SC India Manager Private Limited<br>• SC Fulfil Services India Private Limited |
| Mr. Hemant Bhargava<br>Independent Director<br>DIN: 01922717<br>Term: February 08, 2022 to February 7, 2027<br><br>Address: Flat no. 3804, Tower 5, Runwal Greens, Goregaon Link Road, Mulund (West), Mumbai - 400 080 | 62 | • The Tata Power Company Limited<br>• Larsen and Toubro Limited<br>• ITC Limited |
| Mr. Karnam Sekar<br>Independent Director<br>DIN: 07400094<br>Term: February 08, 2022 to February 7, 2027<br><br>Address: House no. 72, Hi Rise KVR Paradise Bachupally Mallmpet, Medchalmalkajgiri, Telangana - 500 090 | 62 | • KKR India Financial Services Ltd<br>• National Assets Reconstruction Company Limited<br>• KKR Capital Markets India Limited |
| Ms. Smita Aggrawal<br>Independent Director<br>DIN: 01478327<br>Term: March 31, 2022 to March 30, 2027<br><br>Address: Flat No. 201, Raheja Haven, 10th Road, Juhu, JVPD Scheme, Mumbai - 400 049 | 54 | • IIFL Asset Management Limited |

**Relationship between Directors**

None of the Directors of our Company are related to each other.

**Brief profiles of our Directors**

**Mr. Satyananda Mishra,** aged 73 years, is the Non-Executive Chairman (Independent Director) of our Company. He is the former Chief Information Commissioner of India and has a diverse and exemplary career of more than 40 Years in the Indian Administrative Services. He was the Managing Director of MP Small Industries Corporation and the Development Commissioner of Small Industries in the Government of India. He held the post

of Principal Secretary of both Public Health Engineering and Public Works Department of Madhya Pradesh. His last posting in the Central Government was in the department of Personnel Training, first as Establishment Officer and Secretary to the Appointments Committee of the Cabinet (ACC) and later as the Secretary to the Government in the same department. He served as the Director of Small Industries Development Bank of India until 2018.

**Mr. Shachindra Nath**, aged 50 years, is the Vice Chairman & Managing Director of our Company. In his career spanning three decades, Mr. Nath has been instrumental in building diversified financial services including Insurance, Asset Management, Lending and Capital Market. Mr. Nath, a lawyer by education, is a university rank holder from Banaras Hindu University. He began his career as a commercial trainee and spent many years working in the carpet industry. Over the years, he travelled extensively across rural India. Thereafter, he made a transition to the financial service industry.

Mr. Nath has diversified financial service experience wherein he has been part of multiple financial services' startups and reached a leadership role. In his previous roles, he has been instrumental in setting up Insurance Companies, Global Asset Management Businesses, Capital Market and Lending Institutions.

Mr. Nath intends to build an SME lending business that focuses building a sector focus lending business combining the power of data analytics, technology, and sectoral knowledge. Currently, he is passionate about solving India's SME credit problem and he aspires to build an institution that will provide long-term value to society.

**Mr. Abhijit Sen**, aged 71 years, is the Independent Director of our Company. He has spent 18 years at Citibank, where he was previously Chief Financial Officer – Indian Subcontinent. He is currently an External Advisor for the BFSI sector at E&Y. He also serves on several Boards including India's First Life Insurance. He has a B. Tech (Hons) degree from the Indian Institute of Technology, Kharagpur and a PGDM from the Indian Institute of Management, Calcutta.

**Mr. Karuppasamy Singam,** aged 68 years, is the Independent Director of our Company. He has served as the Executive Director of Reserve Bank of India and as the RBI Nominee Director at Indian Bank. He is a graduate in Economics, a Certified Associate of Indian Institute of Bankers, with a Post Graduate Diploma in Bank Management (NIBM).

**Mr. Rajeev Krishnamuralilal Agarwal,** aged 63 years, is the Independent Director of our Company. He has nearly three decades of experience in the Indian financial services sector and has worked with some highly reputed organizations such as the Securities and Exchange Board of India, Forward Markets Commission, and Indian Revenue Service. As SEBI Board Member he has handled the policy of important departments dealing with markets in Equity, Bonds, Currency and Commodities, Mutual Funds, Foreign Investors including Pension Funds, International Affairs, Capital Raising, Surveillance & Enforcement. He has wide experience in dealing with global peer regulators and global organization like International Organization of Securities Commission, Financial Stability Board and Pacific Pension Investment Institute, San Francisco and global stock exchanges etc. He has served on the Board of Governor of National Institute of Securities market (NISM) for more than 4 years. Presently he is running an Advisory – advising Indian Corporates / FII and start ups on regulatory issues, corporate governance. He is an alumnus of The Indian Revenue Service (Batch of 1983) and the Indian Institute of Technology, Roorkee with a Bachelors in Technology.

**Mr. Manoj Kumar Sehrawat**, aged 49 years, is the Non-Executive Director of our Company. He has 25 years of experience in financial services sector across private equity investments, structured finance, distress debt acquisition & resolution, corporate and financial restructurings in India. He was Vice President with JP Morgan's Global Special Opportunities Group and had also worked at Asset Reconstruction Company (India) Limited, where he was responsible for acquisition of Non Performing Loans from Banks & Financial Institutions and evaluation & implementation of recovery strategies for Non Performing Loans acquired. He currently serves as a Partner at ADV Partners. Manoj is a Chartered Accountant from Institute of Chartered Accountants of India and has a Bachelor's Degree in Commerce from Delhi University.

**Mr. Amit Gupta,** aged 45 years, is the Non-Executive Director of our Company. He is the founding Partner of NewQuest Capital Partners and oversees the firm's India and Southeast Asia business as well as investments in the financial services and power sectors across the region. He has more than 17 years of Industry Experience. He was a Director at Bank of America Merrill Lynch's (BAML) Asia Private Equity Group where he led the India business and oversaw the investments in the energy and financial services sector across the Asia Pacific. He has

an PGDM from the Indian Institute of Management (IIM), Bengaluru, and an undergraduate degree in electrical engineering from REC Kurukshetra.

**Mr. Chetan Kulbhushan Gupta,** aged 42 years, is the Non-Executive Director of our Company. He is the Managing Director at Samena Capital Investments Limited in Dubai, focusing on investments within the Special Situations Funds. He holds a Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst and Masters in Management (Masters) from University of Mumbai.

**Mr. Hemant Bhargava**, aged 62 years, is the Independent Director of our Company. He holds a degree in Master's in Economics. Mr. Bhargava joined LIC as a direct recruit officer in 1981 and retired as its Managing Director in July, 2019. During his long tenure of 38 years, he worked across diverse set of roles both in India and abroad, building multidimensional experience in different capacities, especially in Marketing, Internal Operations and new ventures. He was first chief of LIC International Operations SBU, besides being instrumental in setting up LIC Cards Services Limited. His tenure as Managing Director (and also as Chairman incharge from January to March, 2019) was marked by his creative leadership with new idea enriched by the extensive experience gained in overseeing several functions including Marketing, Finance, Personnel, investments, Alternative Channel etc. He also served on the Board of Company from July, 2018 to August, 2021. Presently, he is on the Board of Larsen and Toubro Tata Power Company Limited and ITC Limited.

**Mr. Karnam Sekar**, aged 62 years, is the Independent Director of our Company. He is a professional banker with rich experience in all the facets of Indian Banking at a very senior level. He joined as a Probationary Officer with State Bank of India in 1983 and rose to the level of Deputy Managing Director. Selected as Managing Director of Public Sector Bank and has the rare distinction of heading two public Sector Banks during very critical juncture of their history. As the Dy MD of SBI, he contributed during the Board level deliberations of the Nation's Largest Commercial Bank for more than four years. Presently, he is on the Board of Incred Financial Services Limited and National Asset Construction Company Limited

**Ms. Smita Aggrawal**, aged 54 years, is the Independent Director of our Company. She is listed in "Top 35 Global Women in Fintech Powerlist", 'Top Women in Finance', "Top 30 Fintech Influencers" and "Women Who Venture". Ms. Aggarwal is a fintech investor and a thought leader with expertise in venture capital, financial inclusion, digital banking, micro-insurance and financial regulation. She is Global Investments Advisor for Flourish Ventures, a global fintech focussed fund, and leads investments in innovative fintech start-ups that help advance financial health and inclusion in Asia. She is on the Fintech Advisory Board of New York University and Global Fintech Fest. She is a member of the Board of Directors of IIFL Asset Management Company. She is a guest faculty for "Fintech in Emerging Markets" at the Stern School of Business, New York University.

She has three decades of experience in finance as a banker, lender, regulator and an investor that have enriched her with the domain expertise, unique perspective and empathy for fintech founders. She has held leadership positions with noteworthy names such as Omidyar Network, Fullerton India Credit, Reserve Bank of India and ICICI Bank with a successful track record of building businesses from scratch, introducing new products, and driving growth through innovation. She is a rank-holder chartered accountant and has attended executive programs at Harvard Business School and MIT Sloan School of Management.

**Confirmations**

No Director in our Company is a director, or is otherwise associated in any manner, with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI, RBI are pending against any of our Directors.

None of our Director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities in any other manner.

None of our Director is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Director is in default of payment of interest or repayment of principal amount, in respect of debt securities issued to the public, for a period of more than six months.

The permanent account number of the Directors have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus.

Except for Mr. Shachindra Nath, who is the Ultimate Beneficial Owner of our Promoter, no other Director has any interest in the promotion of our Company. For details of the Promoter of the Company, please refer to "Our Promoter" on page 115.

**Terms of appointment and remuneration of our Vice Chairman and Managing Directors**
The details of remuneration and terms of appointment of Mr. Shachindra Nath, with modified by the Company in its Annual General Meeting held on September 18, 2019, details of which are as under:

Annual compensation package / remuneration of ₹ 3,15,00,000/- (Rupees Three Crores Fifteen Lakhs only) effective from 1st April, 2019 subject to the provisions of the Act which will include basic salary, taxable and non-taxable allowances and benefits, and other payments he may be entitled to receive from the Company as per the applicable compensation structure in terms of Company's policy.

In addition to the above annual compensation package / remuneration Mr. Nath would be further be entitled to performance bonus / variable pay as per policy approved by the Board of Directors and the Nomination and Remuneration Committee of the Company annually subject to the provisions of the Act.

In the event of loss and/or inadequacy of profits in any financial year during his tenure, the remuneration, perquisites and performance bonus as stated hereinabove shall be paid as Minimum Remuneration.

**Compensation of Directors**

**Non-Executive Directors**
The Non-Executive Directors, other than Independent Directors, are not entitled to receive sitting fees.

The Independent Directors are paid remuneration in the form of sitting fees within the limits prescribed under the Act and decided by the Board of Directors.

**(₹ in Lakh)**

| Sr. No. | Name of the Independent Director | Three Months Period ended June 30, 2022 | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|---|---|
| 1. | Mr. Abhijeet Sen | 7.00 | 40.00 | 21.88 | 24.00 |
| 2. | Mr. Karuppasamy Singam | 5.00 | 21.00 | 19.25 | 23.00 |
| 3. | Mr. Satyananda Mishra | 8.00 | 25.00 | 16.63 | 20.00 |
| 4. | Mr. Rajeev Krishnamuralilal Agarwal | 4.00 | 17.00 | 21.88 | 25.00 |
| 5. | Ms. Smita Aggrawal[#] | 5.00 | N.A. | N.A. | N.A. |
| 6. | Ms. Ranjana Agarwal[*] | N.A. | N.A. | 19.25 | 23.00 |
| 7. | Mr. Navin Kumar Maini[*] | N.A. | 22.00 | 19.25 | 22.00 |
| 8. | Mr. Navin Puri* | N.A. | 24.00 | 5.25 | 04.00 |
| 9. | Mr. Karnam Sekar[#] | 4.00 | N.A. | N.A. | N.A. |
| 10. | Mr. Hemant Bhargava[#] | 2.00 | N.A. | N.A. | N.A. |

* Mr. Navin Puri, Mr. Navin Kumar Maini and Ms. Ranjana Agarwal ceased to be Director w.e.f. February 08, 2022.
[#] Mr. Karnam Sekar and Mr. Hemant Bhargava were appointed as Directors w.e.f. February 08, 2022 Ms. Smita Aggrawal was appointed as Director w.e.f March 31, 2022.

**Interest of our Directors**
All of our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board and Committees thereof. Our Executive Director may be deemed to be interested to the extent of remuneration payable to him. All of our Directors are interested to the extent of reimbursement of expenses payable to them by our Company.

None of the other Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Prospectus.

As on date of this Prospectus, none of the Directors are interested in any contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

None of the relatives of our Directors have been appointed to an office or to a place of profit in our Company.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors or their relatives have not purchased or sold any Equity Shares of our Company in the six month preceding the date of this Prospectus.

**Borrowing Powers of the Board**

Pursuant to resolution passed by the Shareholders of our Company at the AGM held on August 12, 2022 and in accordance with provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 and the provisions of the Memorandum of Association and Articles of Association of our Company, Circulars/ Notifications/Directions issued by Reserve Bank of India from time to time, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 6,00,000 lakhs.

**Holding of Debentures by the Directors of our Company**

As on the date of this Prospectus, none of the Directors hold any debentures in our Company.

**Shareholding of Directors including details of qualification shares held by Directors as on the date of the Prospectus**

As on the date of this Prospectus, none of the Directors hold any equity shares in our Company.

**Changes in the Directors of our Company during the last three years**

The changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

| Name of the Director, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of Resignation, if applicable | Remarks |
|---|---|---|---|---|
| Ms. Smita Aggrawal<br>Independent Director<br>DIN: 01478327 | 31/03/2022 | - | - | To broad base the Board |
| Mr. Hemant Bhargava<br>Independent Director<br>DIN: 01922717 | 08/02/2022 | - | - | To broad base the Board |
| Mr. Sekar Karnam<br>Independent Director<br>DIN: 07400094 | 08/02/2022 | - | - | To broad base the Board |
| Mr. Navin Kumar Maini<br>Independent Director<br>DIN: 00419921 | 05/07/2018 | 08/02/2022 | 08/02/2022 | Resigned |
| Ms. Ranjana Agarwal<br>Independent Director<br>DIN 03340032 | 05/07/2018 | 08/02/2022 | 08/02/2022 | Resigned |
| Mr. Navin Puri<br>Independent Director<br>DIN: 08493643 | 07/08/2019 | 08/02/2022 | 08/02/2022 | Resigned |

| Name of the Director, Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of Resignation, if applicable | Remarks |
|---|---|---|---|---|
| Mr. Kanak Kamal Kapur<br>Non Executive Director<br>DIN: 03299278 | 07/08/2019 | 02/11/2021 | 02/11/2021 | Resigned |
| Mr. Nisheeth Saran<br>Alternate Director to Mr. Kanak Kamal Kapur<br>DIN: 03037307 | 20/05/2020 | 02/11/2021 | 02/11/2021 | Resigned |
| Mr. Abhijit Ghosh<br>Whole Time Director & Chief Executive Officer<br>DIN: 07935397 | 05/07/2018 | 30/04/2021 | 30/04/2021 | Resigned |

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

**Key Managerial Personnel and Senior Management Team**

In addition to Mr. Shachindra Nath, Vice Chairman & Managing Director, our Company's Key Management Personnel and senior management team are as follows:

1. **Mr. Amit Mande**, is the Chief Revenue Officer of our Company. He has a varied experience of over 22 years in the financial services sector having worked with organizations like Standard Chartered Bank, ABN Amro Bank, Barclays Bank, Capital First, Rattan India Finance, Mswipe Technologies. His last assignment, prior to joining was with Ditya Finance Pvt Ltd as their CEO. Amit is an alumnus of Jamnalal Bajaj Institute of Management Studies and is also a Mechanical engineer from V.J.T.I., Mumbai.

2. **Mr. Anuj Pandey**, is the Chief Risk Officer of our Company. He leads the Risk, Product & Analytics functions at U GRO. Anuj brings 22 years of experience across firms such as Barclays Bank, ABN AMRO Bank, GSK Consumer & Religare Finvest. Anuj holds a Bachelor's degree in Engineering (Mechanical) from Thapar University & PGDM from IIM Lucknow.

3. **Mr. Amit Gupta**, is the Chief Financial Officer of our Company. He is a Finance professional and brings with him over 18 years of experience across financial services firms such as Shapoorji Pallonji Investments, Axis Bank, BNP Paribas, SCB, HSBC and JLL India. At U GRO Capital, he helps build long term partnerships with Public and Private Sector Banks for co-lending, Capital Market linked borrowings and partnerships with Development Financial Institutions. He holds a B TECH in Computer Science from HBTI, Kanpur and PGDM from IIM Lucknow.

4. **Mr. Sunil Lotke**, is the Chief Legal and Compliance Officer of our Company. He holds 18 years of experience in Legal, Compliance and Corporate Secretarial affairs with specializations in Financial Services Legislations, Capital Market transactions, Corporate Restructuring, and Securities Regulations. Prior to U GRO Capital, Sunil had held positions in InCred Financial Services Limited, IIFL Group and StarAgri Finance, among others. Sunil is a member of the Institute of Company Secretaries of India, and a law graduate from Mumbai University.

5. **Mr. J. Sathiayan**, is the Chief Business Officer of our Company. He is a finance and banking professional who brings over two decades of experience in the domains of SME and Business Finance, Retail Liabilities and Assets, Third Party Products Distribution and other financial services at Religare Finvest and ABN Amro.

6. **Ms. Pia Shome**, is the Chief People Officer of our Company. She is the primary interface between our prospective employees and UGROites. She brings in 17 years of broad exposure in Human Resources, Change Management, Organization Transformation and Culture Building. Notably, she worked as the HR Head at SMEcorner and has previously held leadership positions at IDFC First Bank, RBL, DBS Bank, Barclays and TCS eServe International. She is an HRM MBA graduate from XISS, Ranchi and is an alumnus of INSEAD, Singapore.

7. **Mr. Nirav B. Shah**, is the Chief Strategy Officer & Head of Investor Relations of our Company. He leads the Strategy and Investor Relations department of U GRO Capital. He looks after our DFI and Capital Market Coverage. He also helps us build relationships with multiple FI segments for Co-lending, FinTech and Market

Place partnerships. Nirav has 15+ years of Investment Banking experience across firms like Equirus Capital, Centrum, Karvy & HDFC Bank in the past. He is a commerce graduate, has done his Masters in Finance & CFA from ICFAI.

8. **Ms. Namrata Sajanani,** is the Company Secretary of our Company. She is a qualified Company Secretary and a merit holder in LLB. She joins us from PHL Fininvest Private Limited where she worked as the Company Secretary. Her previous stints have been with Finova Capital Private Limited and Baid Leasing and Finance Co. Limited. Ms. Sajnani, in her close to 9 years of work experience has acquired expertise in Corporate Law, Regulatory Compliance, M&A, Due Diligence, Corporate Governance and Loan documentation.

9. **Mr. Rishabh Garg**, is Chief Technology Officer at U GRO Capital, CTO, has over 20+ years of diverse experience in technology. He has management experience in senior leadership positions and as an entrepreneur. Before U GRO Capital, he was Co-Founder, CTO of a rural insurtech firm Gram Cover. He has worked with Biz2Credit, which is into SME Financing as VP Technology in the past. He was also associated with Agnity, SAP Labs & Infosys. He holds an MBA degree from IIM Lucknow and B. Tech from IIT Roorkee.

10. **Mr. Subrata Das**, is the Chief Innovation Officer at U GRO Capital, responsible for driving data-driven decision making for every facet of the business and creating innovative customer solutions through advanced data science, alternate data, and contemporary digital methods. Subrata brings 17+ years of experience in the financial services industry and has previously worked at Standard Chartered Bank, India Infoline Finance, and Fractal. During his career, he has set up and scaled analytics teams and developed solutions for a wide array of business cases covering credit scoring, risk assessment, portfolio management, collections strategy, cross-sell, retention, product profitability, pricing, campaign management – across consumer and commercial sides of retail lending. Subrata is an alumnus of the India Statistical Institute, Kolkata.

All our Key Managerial Personnel and senior management team members are permanent employees of our Company.

**Shareholding of Key Managerial Personnel**
Certain of our Key Managerial Personnel may also be regarded as interested in our Company to the extent of the Shares, Stock Options and/or Share Appreciation Rights, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of such Shares held by them.

Other than as stated below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Prospectus:

| Name | Number of shares held | Number of Stock Options |
|---|---|---|
| Mr. Amit Gupta | - | **3,00,000** |
| Ms. Namrata Sajnani | 1 | - |

**Other confirmations**
None of the Directors, Promoter or Key Managerial Personnel of our Company has any financial or other material interest in the Issue.

Our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel.

Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental or regulatory or judicial authority.

Neither our Company nor Promoter have been declared as a Wilful Defaulter in the last ten years.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

**Related Party Transaction**
For details of the related party transactions for the Financial Years ending 2022, 2021 and 2020 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies

Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "Related Party Transactions" under "Financial Information" on page 119.

**Committees of the Board**

Our Company has constituted the following committees of the Board, which have been constituted in accordance with the applicable law, including the Companies Act, 2013.

**1. Audit Committee**

The Audit Committee has been re-constituted vide resolution passed through circulation by the Board on August 04, 2022. The members of the Audit Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Abhijit Sen | Independent Director | Chairman |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Member |
| Mr. Karuppasamy Singam | Independent Director | Member |
| Mr. Amit Gupta | Non-Executive Director | Member |
| Mr. Karnam Sekar | Independent Director | Member |
| Mr. Hemant Bhargava | Independent Director | Member |
| Ms. Smita Aggrawal | Independent Director | Member |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |

**2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been re-constituted vide resolution passed through circulation by the Board on August 04, 2022. The members of the Nomination and Remuneration Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Hemant Bhargava | Independent Director | Chairman |
| Mr. Abhijit Sen | Independent Director | Member |
| Mr. Amit Gupta | Non-Executive Director | Member |
| Mr. Manoj Kumar Sehrawat | Non-Executive Director | Member |
| Mr. Karuppasamy Singam | Independent Director | Member |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Member |
| Mr. Karnam Sekar | Independent Director | Member |
| Ms. Smita Aggrawal | Independent Director | Member |

**3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was re-constituted vide a Board resolution dated June 18, 2021. The members of the Stakeholders Relationship Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Chairman |
| Mr. Karuppasamy Singam | Independent Director | Member |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |

**4. Corporate Social Responsibility Committee ("CSR Committee")**

The CSR Committee has been re-constituted vide a Board resolution dated March 31, 2022. The members of the CSR Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Chairman |
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Member |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |

**5. Risk Management Committee**

The Risk Management Committee has been re-constituted vide resolution passed through circulation by the Board on August 04, 2022. The members of the Risk Management Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Ms. Smita Aggrawal | Independent Director | Chairperson |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |
| Mr. Abhijit Sen | Independent Director | Member |
| Mr. Karuppasamy Singam | Independent Director | Member |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |
| Mr. Manoj Kumar Sehrawat | Non-Executive Director | Member |
| Mr. Amit Gupta | Non-Executive Director | Member |
| Mr. Chetan Kulbhushan Gupta | Non-Executive Director | Member |
| Mr. Hemant Bhargava | Independent Director | Member |

**6. Asset Liability Committee**

The Asset Liability Committee has been re-constituted vide resolution passed through circulation by the Board on August 04, 2022. The members of the Asset Liability Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Chairman |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |
| Mr. Abhijit Sen | Independent Director | Member |
| Mr. Manoj Kumar Sehrawat | Non-Executive Director | Member |
| Mr. Amit Gupta | Non-Executive Director | Member |
| Mr. Chetan Kulbhushan Gupta | Non-Executive Director | Member |
| Mr. Karnam Sekar | Independent Director | Member |
| Ms. Smita Aggrawal | Independent Director | Member |
| Mr. Hemant Bhargava | Independent Director | Member |

**7. Compliance Committee**

The Compliance Committee of our Company was re-constituted vide a Board resolution dated June 29, 2021. The members of the Compliance Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Karuppasamy Singam | Independent Director | Chairman |
| Mr. Satyananda Mishra | Non- Executive Chairman and Independent Director | Member |
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Member |

**8. Investment and Borrowing Committee**

The Investment and Borrowing Committee has been re-constituted vide resolution passed through circulation by the Board on August 04, 2022.The members of the Investment and Borrowing Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Abhijit Sen | Independent Director | Chairman |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |
| Mr. Karnam Sekar | Independent Director | Member |

**9. IT Strategy Committee**

The IT Strategy Committee has been re-constituted vide a Board resolution dated March 31, 2022.The members of the IT Strategy Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Ms. Smita Aggrawal | Independent Director | Chairperson |
| Mr. Abhijit Sen | Independent Director | Member |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |
| Mr. Rishabh Garg | Chief Technology Officer | Member |

**10. Securities Allotment and Transfer Committee**

The Securities Allotment and Transfer Committee was re-constituted vide a Board resolution dated August 13, 2018. The members of the Securities Allotment and Transfer Committee as on date of this Prospectus are:

| Name of the Director | Designation | Designation in Committee |
|---|---|---|
| Mr. Rajeev Krishnamuralilal Agarwal | Independent Director | Chairman |
| Mr. Shachindra Nath | Vice Chairman & Managing Director | Member |

**Employee Stock Option Schemes**

The Company has one stock option scheme ‘CSL Employee Stock Option Scheme 2017’. The said scheme was approved by board of directors on December 31, 2017 and by the shareholders May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballot on 5th May 2022 (Results of which declared on 6th May 2022). Further, Board of Directors in their meeting held on July 22, 2022, approved the new scheme in the name of "Ugro Capital Employee Stock Option Scheme – 2022" subject to approval of shareholders. The number of options outstanding as on June 30, 2022 is 26,01,738

The number of options outstanding as on June 30, 2022 is 26,01,738. The summary for the options outstanding during last three years is as under:

| Particulars | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| No of ESOP options outstanding | 29,91,097 | 32,57,033 | 38,01,528 |
| No of options vested but not exercised | 29,91,097 | 32,57,033 | 38,01,528 |

## OUR PROMOTER

**Poshika Advisory Services LLP** is the Promoter of our Company. The details of our Promoter is provided below:

**Poshika Advisory Services LLP**

Our Promoter is Poshika Advisory Services LLP. Our Promoter was incorporated on November 02, 2017 as a Limited Liability Partnership under Limited Liability Partnership Act, 2008 with Limited Liability Partnership Identification Number ("LLPIN") - AAL-0334. The Registered Office of our Promoter is situated at 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon, Haryana - 122 011. Permanent Account Number (PAN) of our Promoter is AAVFP0398R.

Our Company confirms that the Permanent Account Number and Bank Account Number of the Promoter have been submitted to the Stock Exchanges at the time of filing the Draft Prospectus.

**Objects of Poshika Advisory Services LLP**

The LLP is carrying on the business of:

(i) to act as financial management consultants, advisor, investor;
(ii) provide advice, services, consultancy in various fields;
(iii) provide general administrative services in relation to promotion, formation, management and sponsorships of various entities;
(iv) to carry on the business and activities of assistance, collection, preparation, advice and/or maintenance of records, data and other information of the various entities in India or elsewhere, and to support the business in the way deemed fit; and
(v) to buy, invest in, acquire, old, trade or dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity, either by way of by original subscription, exchange or otherwise and to subscribe for same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity of persons in India or elsewhere.

**List of Designated Partners/Partners of Poshika Advisory Services LLP:**

| Sr. No. | Name of Designated Partners/Partners | DPIN | Designation | Amount of Contribution | % of Contribution |
|---|---|---|---|---|---|
| 1 | Mr. Shachindra Nath | 00510618 | Designated Partner | 65,50,000 | 2.99% |
| 2 | Ms. Shruti Nath | 07507061 | Designated Partner | 2,25,50,000 | 10.29% |
| 3 | Poshika Financial Ecosystem Private Limited | NA | Partner | 19,00,00,000 | 86.72% |

The natural persons in control of the Company as per Clause (10)(G)(b)(ii) of Part A of Schedule VI to the SEBI ICDR Regulations is Mr. Shachindra Nath. His details are as under:



| | | |
|---|---|---|
| **Name of the Promoter / Ultimate Beneficial Owner** | **:** | Mr. Shachindra Nath, Vice Chairman and Managing Director |
| **Date of Birth** | **:** | October 13, 1971 |
| **Age** | **:** | 50 years |

| | | |
|---|---|---|
| **Personal Address** | **:** | TPV-GV-65, Villas at the Palm Springs, Sector - 54, Urban Estate, Gurgaon - 122 001 |
| **Educational Qualifications** | **:** | LLB from Banaras Hindu University (BHU) |
| **Experience and Positions /posts held in the past** | **:** | Mr. Shachindra Nath is the Vice Chairman & Managing Director of our Company. In his career spanning three decades, He has been instrumental in building diversified financial services including Insurance, Asset Management, Lending and Capital Market. Mr. Nath, a lawyer by education, is a university rank holder from Banaras Hindu University. He began his career as a commercial trainee and spent many years working in the carpet industry. Over the years, he travelled extensively across rural India. Thereafter, he made a transition to the financial service industry.<br><br>Mr. Nath has diversified financial service experience wherein he has been part of multiple financial services' startups and reached a leadership role. In his previous roles, he has been instrumental in setting up Insurance Companies, Global Asset Management Businesses, Capital Market and Lending Institutions.<br><br>Mr. Nath intends to build an SME lending business that focuses building a sector focus lending business combining the power of data analytics, technology, and sectoral knowledge. Currently, he is passionate about solving India's SME credit problem and he aspires to build an institution that will provide long-term value to society.<br><br>Earlier he was employed with Religare, an Indian financial services group. He joined Religare in the year 2000. Over a period of 16 years, he, as part of the management team, was instrumental in scaling its business across 4 verticals viz. Lending, Capital Market & Wealth Management, Asset Management and Insurance. |
| **Other Directorships held** | **:** | • LivFin India Private Limited<br>• Orbis Financial Corporation Limited<br>• Poshika Financial Ecosystem Private Limited<br>• Qwazent Talent Solutions Private Limited |
| **Special Achievements** | **:** | A University Rank holder from the Banaras Hindu University |
| **PAN** | **:** | ABOPN3798F |

**Other Confirmations**

Our Promoter has confirmed that it has not been identified as wilful defaulter by any financial institution or bank Our Promoters have not been identified as a wilful defaulter by the RBI or any other governmental authority and are not Promoters of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Further, no violation of securities laws has been committed by our Promoters in the past and no regulatory action before SEBI or RBI is currently pending against our Promoters.

Our Promoters have not been debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

**Interest of our Promoter in our Company**

Except as disclosed in "Financial Information" on page 119 of this Prospectus and other than as our shareholder, to the extent of promoter or the companies in which they are promoter holding Equity Shares and also to the extent of any dividend payable to them on the aforesaid shareholding, our Promoter does not have any other interest in

our Company's business. Our Promoter may be also deemed to be interested to the extent of the remuneration/sitting fees and reimbursement of expenses, if any, received by them in their capacity as Directors.

Our Promoter neither has any interest in any immovable property acquired in the preceding two years of filing this Prospectus with the Stock Exchanges or to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

There are no Loans due by the Promoter of our Company. However, Mr. Shachindra Nath has given personal guarantee with respect to the following loans availed by our Company:

**Term Loans (outstanding as on June 30, 2022)**

| Sr. No. | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause |
|---|---|---|---|---|---|---|---|
| 1 | Canara Bank | 15-Jul-20 | 1,000.00 | 600.00 | 15-Jun-25 | Quarterly | a. Till 12 months from Loan disbursement, 2 % of Principal O/s. |
| 2 | Indian Bank | 31-Dec-20 | 2,500.00 | 1,500.00 | 31-Dec-23 | Monthly | 2 % Pre-Paid amount |
| 3 | State Bank of India | 29th Jan 2021 & 30th March 2021 | 5,000.00 | 3,502.00 | 30-Apr-25 | Monthly | No Pre- Payment Clause condition |
| 4 | Canara Bank | 31-Aug-21 | 2,500.00 | 2,375.00 | 25-Feb-27 | Quarterly | 2% of amount prepaid |
| 5 | SIDBI | 28-Sep-21 | 9,000.00 | 1,800.00 | 10-Aug-22 | Monthly | No charges subject to 7 days notice |
| 6 | Indian Bank | 31-Dec-21 | 1,500.00 | 1,500.00 | 31-Dec-24 | Quarterly | prepayment penalty @ 2% of the drawing Limit or balance outstanding whichever is higher, to be paid except if prepayment is from internal generation |
| 7 | IDBI Bank | 31-Dec-21 | 2,500.00 | 2,500.00 | 1-Jan-26 | Monthly | 1% of amount prepaid |
| 8 | Canara Bank | 30- March-22 | 2,500.00 | 2,500.00 | 30-March-27 | Monthly | 2% of amount prepaid |
| 9 | Indian Overseas Bank | 28-Jan-22 | 5.000.00 | 5.000.00 | 30-Jul-22 | Quarterly | At discretion of bank |
| 10 | Punjab and Sind bank | 20-Jan-22 | 5,000,00 | 5,000,00 | 20-Dec-25 | Quarterly | 1% of the outstanding loan |
| 11 | State Bank of India | 25-May-22 | 10,000.00 | 3,000.00 | 25-May-25 | Quarterly | 2% of prepaid amount |
| 12 | State Bank of India | 30-Jun-22 | 4,000.00 | 4,000.00 | 30-Apr-25 | Quarterly | 2% of prepaid amount |

Post June 30, 2022, Mr. Nath has not given personal guarantee other than an Overdraft of 1,000 Lakhs from Indian Bank and for a Term Loan of INR 1,500 lakhs from Nabsamruddhi Finance Limited.

**Change in Management and Control of our Company**

On December 31, 2017, Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") has made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Ms. Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015.

No shares have been allotted to the erstwhile Promoters as well as the existing Promoter of our Company during the last three financial years.

Further Mr. Ramakant R Chokhani, Mr. Anand R Chokhani, Ms. Neelam R Chokhani and Ramakant R Chokhani HUF the erstwhile Promoters of our Company were re-classified from the Promoter category to Public category during the FY 2018-19.

Poshika Advisory Services LLP was classified as Promoter of our Company during the FY 2018-19. Further, Mr. Shachindra Nath, Vice Chairman and Managing Director, holds no shares in our Company.

**Promoter holding in the Company as on June 30, 2022:**

| Sr. No. | Name of the Shareholder | Total No. of Equity Shares held | % of shareholding to the total equity share capital | No. of Shares Pledged | % of Shares Pledged |
|---|---|---|---|---|---|
| 1. | Poshika Advisory Services LLP | 20,27,709 | 2.88 | Nil | Nil |

**All Equity Shares held by the Promoter are in dematerialised form.*
*For aggregate equity shareholding of the promoter refer to "Capital Structure" on page* 40*.*

Further, our Promoter has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.

**Payment of benefit to the Promoter in last three years**
Except as stated in this section and sections "Our Management" and "Financial Information - Related Party Transactions" on pages 104 and 119 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoters within the three Financial Years preceding the date of this Prospectus. As on the date of this Prospectus, except as may be stated in the section "Our Management" on page 104, there is no bonus or profit-sharing plan for our Promoter.

Except as mentioned under the chapter "Capital Structure" on page 40 of this Prospectus, our Promoter and Promoter Group of our Company have not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.

**FINANCIAL INFORMATION**


| | |
|---|---|
| Reformatted Financial Information of the Company for the financial years ended on March 31, 2022, 2021 and 2020 | F-1 to F-101 |
| Unaudited limited reviewed financial statement for the three months period ended June 30, 2022 | F-102 to F-108 |

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON** IND AS REFORMATTED FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED

The Board of Directors,
UGRO Capital Limited,
Equinox Business Park,
Tower 3, 4th Floor,
Off BKC, LBS Road, Kurla (West),
Mumbai – 400 070.

1. We have examined the attached IND AS Reformatted Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 of UGRO Capital Limited (the "Company" or the "Issuer") comprising the Reformatted Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Reformatted Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Statement of Cash Flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Reformatted Statement of Changes in Equity and the Statement of Significant Accounting Policies and Notes forming part thereof (the "IND AS Reformatted Financial Statements") and other financial information, annexed to this report for the purpose of inclusion in the Draft Prospectus, Prospectus and Abridged Prospectus (the "Offer Documents") as set out in paragraph 11 below, prepared by the Management of the Company in connection with its proposed public issue of secured redeemable non-convertible debentures of face value of Rs. 1000/- each (the "Offer"). The IND AS Reformatted Financial Statements and other financial information have been approved by Investment and Borrowing Committee of the Board of Directors of the Company on August 12, 2022, prepared in terms of the requirements of:

   a) the Sub section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "SEBI Regulations") in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"); and
   c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Management of the Company is responsible for the preparation of:

   a) the IND AS Reformatted Financial Statements based on Audited Financial Statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

      The Audited Financial Statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 are prepared in accordance with the Indian Accounting Standard (referred to as "IND AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on May 24, 2022, June 29, 2021 and May 20, 2020 respectively. The IND AS Reformatted Financial Statements have been prepared by the Management of the Company as described in Note 1 to the IND AS Reformatted Financial Statements.

   b) Other financial information i.e. Statement of Dividend as per IND AS enclosed as Annexure as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, approved by Investment and Borrowing Committee of the Board of Directors in their meeting dated August 12, 2022.

      The Management of the Company is also responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the IND AS Reformatted Financial Statements and other financial information. The Management of the Company are responsible for identifying and ensuring that the Company complies with the Act, the SEBI Regulations and the Guidance Note.

3. Our responsibility is to examine based on procedures performed, whether IND AS Reformatted Financial Statements and other financial information have been compiled by the Management from the Audited Financial Statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

4. We have examined the IND AS Reformatted Financial Statements and other financial information taking into consideration:

   a) The terms of reference and our engagement agreed with you vide our engagement letter dated July 28, 2022 in connection with the Offer;

   b) The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the IND AS Reformatted Financial Statement; and

   d) The requirements of the Act and the SEBI Regulations.

5. The Audited Financial Statements of the Company as at and for the year ended March 31, 2022 and March 31, 2021 were prepared in accordance with the IND AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and have been audited by M S K A and Associates ('we' or 'us' or 'M S K A or 'the Firm').

   The Audited Financial Statements as at and for the year ended March 31, 2020 have been audited by M/s Deloitte Haskins & Sells LLP, the predecessor auditor of the Company. We have relied on the Auditor's report issued by the predecessor auditor of the Company on the Financial Statements for the year ended March 31, 2020 dated May 20, 2020. We have not carried out any audit tests or review procedures, and accordingly reliance has been placed on the financial statements audited by the predecessor auditor for the said year.

6. The Audited Financial Statements as at and for the year ended March 31, 2020 reported upon by the predecessor auditor of the Company, have been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure adopted for the year ended March 31, 2022 and March 31, 2021. The figures included in the IND AS Reformatted Financial Statements, do not reflect the effects of changes in accounting policies or events that occurred subsequent to the date of the reports of the auditor referred to in Para 7 below.

7. The Auditor's Reports on the Audited Financial Statements issued by us for the years ended March 31, 2022 and March 31, 2021 dated May 24, 2022 and June 29, 2021 respectively and by M/s Deloitte Haskins & Sells LLP for the year ended March 31, 2020 dated May 20, 2020, were unmodified and included the following emphasis of matter paragraph:

   For the year ended March 31, 2021

   Emphasis of Matter

   We draw attention to Note 53 to the financial statements, which describes the extent to which the Covid-19 pandemic will continue to impact the financial statements will depend on uncertain future developments. Our opinion is not modified in respect of this matter.

For the year ended March 31, 2020

Emphasis of Matter

a) We draw attention to Note 44 to the Financial Statements, which describes the accounting for the Scheme of Arrangement on appointed date as per the approval of National Company Law Tribunal. Our opinion on the Statement is not modified in respect of this matter.

b) As more fully described in Note 55 (a) to the Financial Statements, to assess the recoverability of certain assets, the Company has considered currently available internal and external information in respect of the current and estimated future global economic indicators consequent to the global health pandemic. The actual effect of the pandemic may be different from that considered in assessing the recoverability of these assets. Our opinion on the Statement is not modified in respect of this matter.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the reports of the predecessor auditor as mentioned in Para 5 above, we report that the IND AS Reformatted Financial Statements and other financial information have been prepared by the Company on the basis described in Note 1 to the IND AS Reformatted Financial Statements taking into consideration the requirements of the Act and the SEBI Regulations.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the predecessor auditor, nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents prepared by the Company in connection with its proposed public issue of Secured Redeemable Non-Convertible Debentures (the "NCDs") to be filed with Securities and Exchange Board of India, Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Registrar of Companies, in connection with the proposed issue of NCDs. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on this report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AOWNGC8837

Mumbai
August 12, 2022

**UGRO CAPITAL LIMITED**

**CIN:L67120MH1993PLC070739**

**Reformatted Statement of Assets & Liabilities as at March 31 2022 , March 31 2021 & March 31 2020**

**(Rupees in lakh)**

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| **I. ASSETS** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 3 | 6,574.94 | 12,365.55 | 873.96 |
| Bank balances other than cash and cash equivalents above | 4 | 12,260.25 | 19,238.99 | 14,091.32 |
| Derivative financial instruments | 5 | 22.29 | - | - |
| Loans | 6 | 2,45,048.34 | 1,28,269.61 | 83,278.42 |
| Investments | 7 | 6,943.99 | 5,522.75 | 7,250.81 |
| Other financial assets | 8 | 789.62 | 680.88 | 9,061.62 |
| | | **2,71,639.43** | **1,66,077.78** | **1,14,556.13** |
| **Non-financial assets** | | | | |
| Current tax assets (net) | 9 | 164.23 | - | 143.72 |
| Deferred tax assets (net) | 10 | 4,381.63 | 4,293.55 | 2,156.31 |
| Property, plant and equipment | 11 | 430.43 | 468.60 | 586.82 |
| Right of use assets | 12 | 2,538.28 | 1,094.31 | 1,344.01 |
| Capital work in progress | 13 | 20.25 | - | - |
| Intangible assets under development | 14 | 568.54 | 388.41 | 93.96 |
| Other intangible assets | 15 | 2,602.04 | 2,062.02 | 1,839.34 |
| Other non-financial assets | 16 | 3,077.73 | 1,093.91 | 423.72 |
| | | **13,783.13** | **9,400.80** | **6,587.88** |
| **TOTAL ASSETS** | | **2,85,422.56** | **1,75,478.58** | **1,21,144.01** |
| | | | | |
| **II. LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **Financial liabilities** | | | | |
| Payables | 17 | | | |
| (A) Trade payables | | | | |
| (I) total outstanding dues of micro enterprises and small enterprises | | 0.08 | 0.01 | 10.14 |
| (II) total outstanding dues of creditors other than micro enterprises and small enterprises | | 666.93 | 218.24 | 687.19 |
| (B) Other payables | | | | |
| (I) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (II) total outstanding dues of creditors other than micro enterprises and small enterprises | | 15.04 | 107.36 | - |
| Debt securities | 18 | 70,376.77 | 31,557.55 | 9,182.37 |
| Borrowings (other than debt securities) | 19 | 1,09,807.09 | 45,011.94 | 16,129.04 |
| Other financial liabilities | 20 | 4,722.81 | 2,118.22 | 1,911.46 |
| | | **1,85,588.72** | **79,013.32** | **27,920.20** |
| **Non-financial liabilities** | | | | |
| Current tax liabilities (net) | 21 | 126.07 | 144.13 | - |
| Provisions | 22 | 2,687.22 | 939.67 | 922.52 |
| Other non-financial liabilities | 23 | 364.23 | 137.64 | 148.93 |
| | | **3,177.52** | **1,221.44** | **1,071.45** |
| **TOTAL LIABILITIES** | | **1,88,766.24** | **80,234.76** | **28,991.65** |
| **Equity** | | | | |
| Equity share capital | 24 | 7,055.94 | 7,052.86 | 7,052.86 |
| Other equity | 25 | 89,600.38 | 88,190.96 | 85,099.50 |
| **TOTAL EQUITY** | | **96,656.32** | **95,243.82** | **92,152.36** |
| **TOTAL LIABILITIES AND EQUITY** | | **2,85,422.56** | **1,75,478.58** | **1,21,144.01** |

Significant accounting policies 1

Corporate information 2

See accompanying notes forming part of the Ind AS Reformatted financial statements

The notes referred to above form an integral part of the Ind AS Reformatted financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

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

**Swapnil Kale**
Partner

Membership No : 117812
Place : Mumbai
Date : August 12, 2022

**Shachindra Nath**
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
August 12, 2022

**Amit Gupta**
Chief Financial Officer
Mumbai
August 12, 2022

**Namrata Sajnani**
Company Secretary
Mumbai
August 12, 2022

**UGRO CAPITAL LIMITED**

**CIN:L67120MH1993PLC070739**

**Reformatted Statement of Profit and Loss for the year ended March 31 2022 , March 31 2021 & March 31 2020**

**(Rupees in lakh)**

| Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| **Revenue from operations** | | | | |
| Interest income | 26 | 27,215.28 | 14,683.43 | 7,805.98 |
| Dividend income | 27 | - | - | 17.40 |
| Net gain on derecognition of financial instruments under amortised cost category | 28 | 2,852.50 | 129.42 | 69.50 |
| Net gain on fair value changes | 29 | 33.67 | 34.68 | 1,693.66 |
| Fees and commission income | 30 | 626.01 | 133.54 | 84.17 |
| **Total revenue from operations** | | **30,727.46** | **14,981.07** | **9,670.71** |
| Other Income | 31 | 614.13 | 352.77 | 845.00 |
| **Total income** | | **31,341.59** | **15,333.84** | **10,515.71** |
| | | | | |
| **Expenses** | | | | |
| Finance costs | 32 | 13,738.92 | 4,456.24 | 1,367.74 |
| Impairment on financial instruments | 33 | 2,941.54 | 1,961.71 | 1,024.76 |
| Employee benefits expenses | 34 | 7,289.06 | 4,532.67 | 4,714.80 |
| Depreciation, amortization and impairment | 35 | 1,233.26 | 1,173.91 | 739.35 |
| Other expenses | 36 | 4,121.03 | 1,996.40 | 2,337.27 |
| **Total expenses** | | **29,323.81** | **14,120.93** | **10,183.92** |
| | | | | |
| **Profit before exceptional items and tax** | | **2,017.78** | **1,212.91** | **331.79** |
| **Exceptional items** | | **-** | **-** | |
| **Profit before tax** | | **2,017.78** | **1,212.91** | **331.79** |
| **Tax Expense:** | | | | |
| (1) Current tax | | | | |
| -Tax as per minimum alternate tax | | 660.90 | 482.99 | 296.31 |
| (2) Deferred tax benefit (Net) | | (98.18) | (2,142.83) | (1,916.38) |
| **Total tax expenses** | | **562.72** | **(1,659.84)** | **(1,620.07)** |
| | | | | |
| **Profit for the year (A)** | | **1,455.06** | **2,872.75** | **1,951.86** |
| | | | | |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| -Remeasurements of the defined benefit obligations | | 25.67 | 19.19 | 0.03 |
| -Income tax relating to items that will not be reclassified to profit and loss | | (7.47) | (5.59) | (0.01) |
| **Subtotal (B)** | | **18.20** | **13.60** | **0.02** |
| | | | | |
| Items that will be reclassified to profit and loss | | | | |
| -The effective portion of Gains and Loss on hedging instrument in a cash flow hedge | | 9.00 | - | - |
| -Income tax relating to items that will be reclassified to profit and loss | | (2.62) | - | - |
| **Subtotal (C)** | | **6.38** | **-** | **-** |
| **Other comprehensive income for the year (net of tax) (D) = (B) + (C)** | | **24.58** | **13.60** | **0.02** |
| **Total comprehensive income for the year (E)= (A) + (D)** | | **1,479.64** | **2,886.35** | **1,951.88** |
| **Earnings per equity share (face value of Rs 10 each)** | 37 | | | |
| Basic (Rs) | | **2.06** | **4.07** | **2.95** |
| Diluted (Rs) | | **2.05** | **4.07** | **2.87** |

Significant accounting policies 1

Corporate information 2

See accompanying notes forming part of the Ind AS Reformatted financial statements

The notes referred to above form an integral part of the Ind AS Reformatted financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

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

**Swapnil Kale**
Partner

Membership No : 117812
Place : Mumbai
Date : August 12, 2022

**Shachindra Nath**
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
August 12, 2022

**Amit Gupta**
Chief Financial Officer

Mumbai
August 12, 2022

**Namrata Sajnani**
Company Secretary
Mumbai
August 12, 2022

**UGRO CAPITAL LIMITED**
**CIN:L67120MH1993PLC070739**

**Reformatted Statement of Cash Flow for the year ended March 31 2022, March 31 2021 & March 31 2020**

**(Rupees in lakh)**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Cash flow from operating activities :** | | | |
| | | | |
| Net profit before tax | **2,017.78** | **1,212.91** | **331.79** |
| **Adjustments for:** | | | |
| Employee stock option expense | (107.15) | 205.11 | 348.74 |
| Dividend income | **-** | **-** | (17.40) |
| Depreciation, amortisation and impairment | 1,233.26 | 1,173.91 | 739.35 |
| Impairment on financial instruments | 2,941.54 | 1,961.71 | 1,024.76 |
| Net gain on sale of financial instruments / fair valuation of financial instruments | (33.67) | (34.68) | (1,693.66) |
| Provision for gratuity | 38.20 | 37.62 | 31.27 |
| Provision for compensated absences | 116.66 | 23.84 | 99.60 |
| **Operating profit before working capital changes** | **6,206.62** | **4,580.42** | **864.45** |
| | | | |
| **Change in working capital:** | | | |
| Increase in Loans | (1,19,713.41) | (46,950.53) | (76,373.47) |
| Increase in Other Non-Financial Assets | (1,983.82) | (452.85) | (586.47) |
| (Increase)/Decrease in Other Financial Assets | (137.91) | 8,305.18 | (4,163.52) |
| Increase/(Decrease) in Trade payables | 356.44 | (495.70) | 218.16 |
| Increase/(Decrease) in other non-financial liabilities | 226.59 | (11.29) | (7.41) |
| Increase in other financial liabilities | 1,086.80 | 409.36 | 289.95 |
| Increase in provisions | 1,618.35 | 98.50 | 167.97 |
| **Cash (used in) operating activities** | **(1,12,340.34)** | **(34,516.91)** | **(79,590.34)** |
| Income taxes paid | (841.33) | (195.14) | (290.96) |
| **Net cash (used in) operating activities (A)** | **(1,13,181.67)** | **(34,712.05)** | **(79,881.30)** |
| | | | |
| **Cash flow from investing activities :** | | | |
| Purchase of property, plant and equipment | (133.85) | (34.74) | (335.18) |
| Dividend income | **-** | **-** | 17.40 |
| Proceeds from / (Investments in) bank deposits of maturity greater than 3 months | 6,978.74 | (5,147.68) | 13,728.82 |
| Sale of investments | 4,327.30 | 7,285.50 | 1,97,373.62 |
| Purchase of investments | (5,733.91) | (5,522.75) | (1,92,251.91) |
| Payments for intangible assets | (1,300.33) | (1,172.06) | (659.96) |
| **Net cash generated from / (used in) investing activities (B)** | **4,137.95** | **(4,591.73)** | **17,872.79** |
| | | | |
| **Cash flow from financing activities :** | | | |
| Proceeds from issuance of equity share capital during the year | 36.92 | - | 6,612.00 |
| Principal payment of lease liabilities | (407.17) | (320.89) | (246.98) |
| Net proceeds from borrowings through secured NCDs and Commercial paper | 38,828.21 | 27,563.88 | 5,009.41 |
| Net proceeds from borrowings from banks and financial institutions | 64,795.15 | 23,551.70 | 19,470.87 |
| Share conversion expenses | **-** | **-** | (32.31) |
| Share issue expenses | **-** | **-** | (17.50) |
| | | | |
| **Net cash generated from financing activities (C)** | **1,03,253.11** | **50,794.69** | **30,795.49** |
| **Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)** | **(5,790.61)** | **11,490.91** | **(31,213.02)** |
| **Cash and cash equivalents at the beginning of the year** | **12,365.55** | **874.64** | **32,086.98** |
| **Cash and cash equivalents at the end of the year** | **6,574.94** | **12,365.55** | **873.96** |
| **Components of cash and cash equivalents** | | | |
| Cash on hand | **-** | **-** | - |
| Balance with banks : | | | |
| in current accounts | 6,174.61 | 6,764.51 | 873.96 |
| in Fixed deposits (maturing within a period of three months) | 400.33 | 5,601.04 | - |
| **TOTAL** | **6,574.94** | **12,365.55** | **873.96** |

Significant accounting policies 1
Corporate information 2
See accompanying notes forming part of the Ind AS Reformatted financial statements
The notes referred to above form an integral part of the Ind AS Reformatted financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

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

**Swapnil Kale**
Partner

Membership No : 117812
Place : Mumbai
Date : August 12, 2022

**Shachindra Nath**
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
August 12, 2022

**Amit Gupta**
Chief Financial Officer
Mumbai
August 12, 2022

**Namrata Sajnani**
Company Secretary
Mumbai
August 12, 2022

**UGRO CAPITAL LIMITED**

**CIN:L67120MH1993PLC070739**

**Reformatted Statement of changes in equity for the year ended March 31 2022, March 31 2021 & March 31 2020**

**A. Equity Share Capital (Refer Note 24 below)**

**As at March 31, 2022** **(Rupees in lakh)**

| Balance at the beginning of the year | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the year (Converted/Issued during the year) | Balance as at the end of the year |
|---|---|---|---|---|
| 7,052.86 | - | 7,052.86 | 3.08 | 7,055.94 |

**As at March 31, 2021**

| Balance at the beginning of the year | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the year (Converted/Issued during the year) | Balance as at the end of the year |
|---|---|---|---|---|
| 7,052.86 | - | 7,052.86 | - | 7,052.86 |

**As at March 31, 2020**

| Balance at the beginning of the year | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the year (Converted/Issued during the year) | Balance as at the end of the year |
|---|---|---|---|---|
| 2,333.15 | - | 2,333.15 | 4,719.71 | 7,052.86 |

**B. Other equity (Refer Note 25 below)**

**As at March 31, 2022** **(Rupees in lakh)**

| Particulars | Compulsorily convertible preference shares | Share under issuance | Compulsorily convertible debentures | Money received against share warrants | Reserves & Surplus | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Statutory reserve u/s 45-IC | Capital Reserve | Securities Premium | Retained Earnings | Employee stock options scheme outstanding | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | |
| Balance at the beginning of the current reporting period | - | - | - | - | 2,110.47 | 1,046.00 | 77,673.45 | 6,507.18 | 853.86 | - | - | - | - | 88,190.96 |
| Converted/ Issued during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balances at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | 18.20 | - | - | - | 6.38 | - | 24.58 |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | 1,455.06 | - | - | - | - | - | 1,455.06 |
| Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | - | - | 291.01 | - | - | (291.01) | - | - | - | - | - | - |
| Utilised during the year (net of taxes)* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share based payment for the year | - | - | - | - | - | - | - | - | (107.15) | - | - | - | - | (107.15) |
| Premium on ESOP exercised during the year | - | - | - | - | - | - | 36.93 | - | - | - | - | - | - | 36.93 |
| Transfer to Retained Earnings on allotment of shares persuant to ESOP Scheme | - | - | - | - | - | - | 13.53 | - | (13.53) | - | - | - | - | - |
| Transfer to Retained Earnings on lapse of options persuant to ESOP Scheme | - | - | - | - | - | - | - | 286.32 | (286.32) | - | - | - | - | - |
| **Balance at the end of the current reporting period** | **-** | **-** | **-** | **-** | **2,401.48** | **1,046.00** | **77,723.91** | **7,975.75** | **446.86** | **-** | **-** | **6.38** | **-** | **89,600.38** |

**UGRO CAPITAL LIMITED**
**CIN:L67120MH1993PLC070739**

**Reformatted Statement of changes in equity for the year ended March 31 2022, March 31 2021 & March 31 2020**

**B. Other equity (Refer Note 25 below)**

**As at March 31, 2021** **(Rupees in lakh)**

| Particulars | Compulsorily convertible preference shares | Share under issuance | Compulsorily convertible debentures | Money received against share warrants | Reserves & Surplus | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Statutory reserve u/s 45-IC | Capital Reserve | Securities Premium | Retained Earnings | Employee stock options scheme outstanding | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | |
| Balance at the beginning of the current reporting period | - | - | - | - | 1,535.92 | 1,046.00 | 77,673.45 | 4,195.38 | 648.75 | - | - | - | - | 85,099.50 |
| Converted/ Issued during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balances at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | 13.60 | - | - | - | - | - | 13.60 |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | 2,872.75 | - | - | - | - | - | 2,872.75 |
| Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | - | - | 574.55 | - | - | (574.55) | - | - | - | - | - | - |
| Utilised during the year (net of taxes)* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share based payment for the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium on ESOP exercised during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer on allotment of shares persuant to ESOP Scheme | - | - | - | - | - | - | - | - | 205.11 | - | - | - | - | 205.11 |
| Transfer to Retained Earnings on lapse of options persuant to ESOP Scheme | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance at the end of the current reporting period** | **-** | **-** | **-** | **-** | **2,110.47** | **1,046.00** | **77,673.45** | **6,507.18** | **853.86** | **-** | **-** | **-** | **-** | **88,190.96** |

**UGRO CAPITAL LIMITED**

**CIN:L67120MH1993PLC070739**

**Reformatted Statement of changes in equity for the year ended March 31 2022, March 31 2021 & March 31 2020**

**B. Other equity (Refer Note 25 below)**

**As at March 31, 2020**

**(Rupees in lakh)**

| Particulars | Compulsorily convertible preference shares | Share under issuance | Compulsorily convertible debentures | Money received against share warrants | Reserves & Surplus | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Statutory reserve u/s 45-IC | Capital Reserve | Securities Premium | Retained Earnings | Employee stock options scheme outstanding | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | |
| Balance at the beginning of the current reporting period | 1,383.72 | 17,500.00 | 1,383.72 | 3,250.00 | 1,145.55 | - | 53,327.22 | 2,666.19 | 300.01 | - | - | - | - | 80,956.41 |
| Converted/ Issued during the year | (1,383.72) | (17,500.00) | (1,383.72) | (2,204.00) | - | - | 24,363.72 | (32.31) | - | - | - | - | - | 1,859.97 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balances at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | 0.02 | - | - | - | - | - | 0.02 |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | (1,046.00) | - | 1,046.00 | - | - | - | - | | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | 1,951.86 | - | - | - | - | - | 1,951.86 |
| Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | - | - | 390.37 | - | - | (390.37) | - | - | - | - | - | - |
| Utilised during the year (net of taxes)* | - | - | - | - | - | - | (17.50) | - | - | - | - | - | - | (17.50) |
| Share based payment for the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium on ESOP exercised during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer on allotment of shares persuant to ESOP Scheme | - | - | - | - | - | - | - | - | 348.74 | - | - | - | - | 348.74 |
| Transfer to Retained Earnings on lapse of options persuant to ESOP Scheme | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance at the end of the current reporting period** | **-** | **-** | **-** | **-** | **1,535.92** | **1,046.00** | **77,673.44** | **4,195.39** | **648.75** | **-** | **-** | **-** | **-** | **85,099.50** |

*In accordance with Section 52 of the Companies Act 2013, during the year the Company has utilized securities premium account towards expenses on issue of shares amounting to Rs 17.50 lakh.

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 reformatted statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

Significant accounting policies 1

Corporate information 2

See accompanying notes forming part of the Ind AS Reformatted financial statements

The notes referred to above form an integral part of the Ind AS Reformatted financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants

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

**Swapnil Kale**
Partner

Membership No : 117812
Place : Mumbai
Date : August 12, 2022

**Shachindra Nath**
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
August 12, 2022

**Amit Gupta**
Chief Financial Officer
Mumbai
August 12, 2022

**Namrata Sajnani**
Company Secretary
Mumbai
August 12, 2022

(Currency : ₹ in lacs)

**1. Significant Accounting Policies**

**(1) Statement of compliance**

The Ind AS Reformatted Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 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 Ind AS Reformatted Financial Statements for the year ended March 31, 2020 of the Company is the first Ind AS Reformatted Financial Statements prepared in compliance with Ind AS.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

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

**(2) Basis of preparation of Ind AS Reformatted Financial Statement**

The Reformatted Statement of Assets and Liabilities of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020 and the Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash Flows and the Reformatted Statement of Change in Equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 (together referred as " Ind AS Reformatted Financial Statement" have been extracted by the Management from the Ind AS Audited Financial Statements of the Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 ("Audited Ind AS Financial Statements").

The Ind AS Reformatted Financial Statement have been prepared by the management in connection with the proposed listing of secured redeemable non-convertible debentures of the Company with BSE Limited & NSE Limited ('the stock exchanges'), in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013;
b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "SEBI Regulations") in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Ind AS Reformatted Financial Statements of the Company has been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Ind AS Reformatted Financial Statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair value 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 Ind AS Reformatted Financial Statements is determined on this basis.

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.; and
- Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level.

**(3) Application of new and revised Ind AS**

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Ind AS Reformatted Financial Statements are authorised for issue have been considered in preparing these Ind AS Reformatted Financial Statements.

**(4) Presentation of Ind AS Reformatted Financial Statements**

The Reformatted Statement of Assets and Liabilities, the Reformatted Statement of Changes in Equity and the Reformatted Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Reformatted 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 Reformatted Statement of Assets and Liabilities and the Reformatted Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Ind AS Reformatted Financial Statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

**(5) Functional and presentation currency**

The Ind AS Reformatted Financial Statements are presented in Indian rupees (INR or Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

**(6) Use of estimates and judgements**

The preparation of Ind AS Reformatted 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 Ind AS Reformatted 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.

(Currency : ₹ in lacs)

**(7) Property, plant and equipment**

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost there of can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each Reformatted Statement of Assets and Liabilities date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

Estimated useful life of assets is as below:

| **Category of PPE** | **Estimated useful life as assessed by the Company** | **Estimated useful life under Schedule II to the Act** |
|---|---|---|
| Office Equipments | 5 years | 5 years |
| Computer | 3 years | 3 years |
| Leasehold improvements | Tenure of the lease agreements | Tenure of the lease agreements |
| Furniture fixture and fittings | 10 years | 10 years |

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the reformatted statement of profit and loss.

**(8) Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax / duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Reformatted Statement of Assets and Liabilities are disclosed as "Intangible assets under development".

(Currency : ₹ in lacs)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of Software is 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Reformatted Statement of Profit and Loss when the asset is derecognised.

**(9) Impairment of tangible and intangible assets**

The Company assesses at each Reformatted Statement of Assets and Liabilities 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 Reformatted Statement of Profit and Loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

**(10) Revenue Recognition**

Revenue (other than those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value for the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

(Currency : ₹ in lacs)

Specific policies for the Company's different sources of revenue are explained below:

(i) **Interest Income:**
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(ii) **Other Financial Charges:**
Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(iii) **Dividend Income:**
Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(iv) **Net gain or fair value change:**
Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the Reformatted Statement of Assets and Liabilities date is recognised as an unrealised gain / loss in the reformatted statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the reformatted statement of profit and loss.

(v) **Advisory Fees and Other Income:**

Advisory fees and Other Income are recognised when the company satisfies the performance obligation at fair value of the consideration received or receivable. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(vi) **Income from De-Recognition of Assets:**

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the reformatted statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

**(11) Leases**

The Company follows Ind AS 116-Leases for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the reformatted 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 reformatted statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to Retained Earning, on the date of application. Consequently, the Company recorded lease liability at present value of future lease payments discounted at the incremental borrowing rate and corresponding right of use asset at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Reformatted Statement of Assets and Liabilities immediately before the date of initial application.

**As a lessee**

**Operating Lease**

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of lease of similar assets in similar economic environment with similar end date.
2. Applied the exemption not to recognise right of use asset and lease liabilities with less than 12 months of lease term remaining on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Weighted average incremental borrowing rate is applied to lease liabilities as at April 1, 2019.

**Finance Lease**
The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

**As a lessor**

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

### (12) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### (12.1) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the reformatted statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

### (12.2) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS Reformatted Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### (12.3) Current and deferred tax for the year

Current and deferred tax are recognised in the reformatted 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.

(Currency : ₹ in lacs)

**(12.4) Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the Reformatted Statement of Assets and Liabilities when it is probable that the future economic benefit associated with it will flow to the Company.

**(13) Employee Benefits**

**(13.1) Retirement benefit costs and termination benefits**

**Defined contribution plans –**
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed provident fund scheme, employee state insurance scheme and National Pension Scheme (NPS) are defined contribution plans.

**Defined benefit plans –**
For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the Reformatted Statement of Assets and Liabilities 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 reformatted statement of profit and loss. Past service cost is recognised in the reformatted 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 reformatted statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**(13.2) Short term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period, the related service is rendered at the undiscounted amount of the benefits expected to be paid in in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

**(13.3) Compensatory Payments (Loss of Earned Bonus)**

The company amortizes the compensatory payments over the period of twelve months, since amount is recoverable if an employee leaves the organization within a year.

**(13.4) Share based payments**

The Company recognizes compensation expense relating to share-based payments in the reformatted statement of profit and loss using fair value in accordance with Ind AS 102 – Share-based payments. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding amount. During the Financial Year 2021-2022, the Company has switched from Black-Scholes Model to the Binomial Model for assessing the fair value of the options on the grant date during the year. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the reformatted 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 recognized as expense in respect of such grant is transferred to the general reserve within equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

**(14) Finance Costs**

Finance costs include interest and other ancillary borrowing costs. Ancillary costs includes issue costs such as loan processing fee, arranger fee, stamping expense and rating expense etc. The Company 9ecognizes interest expense and other ancillary cost on the borrowings as per Effective Interest Rate Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the Reformatted Statement of Profit and Loss

**(15) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the Ind AS Reformatted Financial Statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Reformatted Statement of Assets and Liabilities date and adjusted to reflect the current best estimates.

**(16) Commitments**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;
(b) uncalled liability on shares and other investments partly paid;
(c) funding related commitment to associate companies; and
(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

**(17) Foreign Currencies**

(i) The functional currency and presentation currency of the Company is Indian Rupee (INR). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Reformatted Statement of Assets and Liabilities 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 Reformatted Statement of Assets and Liabilities date at the closing spot rate are recognised in the Reformatted Statement of Profit and Loss in the period in which they arise.

**(18) Cash and cash equivalents**

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value.

**(19) Segment reporting**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

**(20) Financial Instruments**

**(20.1) Recognition of Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(Currency : ₹ in lacs)

**(20.2) Initial Measurement of Financial Instruments**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the reformatted statement of profit and loss.
A financial asset and a financial liability is offset and presented on net basis in the Reformatted Statement of Assets and Liabilities when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

**(20.3) Classification and Subsequent Measurement of Financial Instruments**

**(20.3.1) Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**(20.3.1.1) Financial Assets carried at Amortised Cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Effective Interest Rate Method**

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(20.3.1.2) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to the reformatted statement of profit and loss .

**(20.3.1.3) Financial Assets at Fair Value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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

**(20.4) Impairment of Financial Asset**

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

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

| **Category of financial instrument** | **Manner of recognition of loss allowance** |
|---|---|
| Financial assets measured at amortised cost | Recognised in reformatted statement of profit and loss with corresponding adjustment in the carrying value through a loss allowance account. |
| Debt investments measured at FVTOCI | Recognised in reformatted statement of profit and 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. |

(Currency : ₹ in lacs)

**Impairment methodology:**

**Overall Impairment Methodology**

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

**A) For Loans , Cash Credit and Term Loans Measured at Amortised Cost**

a) Definition of Default:

A default shall be considered to have occurred when any of the following criteria are met:
a) An asset is more than 90 days past due
b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

For the purpose of counting of day past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

b) Portfolio Segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product, etc.

c) Probability of Default (PD):

12-Month PD for all the sectors except Onward Lending to NBFCs:
PD is the likelihood of a borrower defaulting on its obligations within a given interval of time. PD is computed based on the default analysis conducted by external credit bureau for all the sectors (except onward lending) at individual facility level and 12 months default percentage arrived score wise and sector wise for all the sectors.

To compute a 12-month PD for each sector, Sector-wise and score-wise default rate as provided by external credit bureau which is taken as base and calibration model is used to derive the default rates score-wise on the basis of decreasing ranks of scores. The above process is followed for all the sectors to derive score-wise and sector specific default rates which will be used as 12-month PD.

12-Month PD for Onward Lending to NBFCs:
For Onward Lending, average of PD above investment grades provided by CRISIL for NBFC specific sector has been considered as PD.

Life-time PD:
Life-time PD is applied for Stage 2 accounts.

Life-time PD's are computed based on survival approach. Survival analysis is statistics for analyzing the expected duration of time until default event happens.
Life-time PD is computed = (1 – (Probability of surviving in year 1) ^ remaining tenure)

d) Loss Given Default:

Loss Given Default (LGD) represents recovery from defaulted assets. Foundational-Internal Rating Based (F-IRB) approach is used for the LGD computation.

**(20.5) Derecognition of Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company enters into transactions whereby it transfers assets recognised on its Reformatted Statement of Assets and Liabilities, 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 reformatted statement of profit and loss.

**(20.6) Financial Liabilities and Equity Instruments**

**(20.6.1) Classification as Debt or Equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(20.6.2) Equity Instruments**

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**(20.6.3) Compound Financial Instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

**(20.6.4)Financial Liabilities**

A financial liability is any liability that is:

- Contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments

(Currency : ₹ in lacs)

All Financial Liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Company has not designated any financial liabilities at FVTPL.

**(20.6.4.1) Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the reformatted statement of profit and loss.

**(20.6.5) Write-off**

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**(21) Derivative financial instruments**

During the Financial Year 2021-2022, the Company entered 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 Reformatted Statement of Assets and Liabilities date. The resulting gain/loss is recognised in the reformatted statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

**(22) Hedge accounting policy**

During Financial Year 2021-2022, the Company made use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**(23) Cash flow Hedges**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized 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 reformatted 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 recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in Finance Cost in the reformatted statement of profit and loss. When the hedged cash flow affects the reformatted 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 reformatted 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 recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the reformatted 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 reformatted statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

**(24) Key accounting judgements and key sources of estimation uncertainty**

The preparation of Ind AS Reformatted 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 Ind AS Reformatted Financial Statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**(25) Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

**(26) Cash Flow Statement**

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

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

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Reformatted Statement of Assets and Liabilities.

**(27) Asset Acquisition**

For the year ended March 31, 2020, the purchase of the net assets is accounted on the appointed date mentioned in the scheme of arrangement, wherein the purchase consideration has been allocated to the respective net assets at their respective fair values.

### (28) Standards issued but not yet effective

No new standard as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

### 2. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is registered with effect from March 11, 1998 having Registration No. 13.00325. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments.

**(Rupees in lakh)**

**3. Cash and cash equivalents**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Cash on hand | - | - | |
| Balances with banks | | | |
| - in current accounts | 6,174.61 | 6,764.51 | 873.96 |
| - in fixed deposits with banks (original maturity less than 3 months) | 400.33 | 5,601.04 | - |
| **Total** | **6,574.94** | **12,365.55** | **873.96** |

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Unclaimed dividend on equity shares | 1.43 | 1.43 | 1.43 |
| Fixed deposits with Banks and Financial Institution* | 12,261.68 | 19,237.56 | 14,089.89 |
| Less: Impairment loss allowance | 2.86** | - | - |
| **Total** | **12,260.25** | **19,238.99** | **14,091.32** |

* Earmarked balances with Banks and Financial Institution are to the tune of Rs 12,255.37 lakh for the year ended March 31 2022, Rs 871.21 lakh for the year ended March 31 2021 and Rs 987 lakh for the year ended March 31 2020.
**Impairment Loss allowance is calculated on Fixed Deposits with Banks and Financial Institution

**(Rupees in lakh)**

**5. Derivative financial instruments**

| | As at March 31, 2022 | | | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Part I** | **Notional Amounts** | **Fair value - Assets** | **Fair value - Liabilities** | **Notional Amounts** | **Fair value - Assets** | **Fair value - Liabilities** | **Notional Amounts** | **Fair value - Assets** | **Fair value - Liabilities** |
| (i)Currency derivatives: | | | | | | | | | |
| -Currency swaps* | 3,109.43 | 22.29 | - | - | - | - | - | - | - |
| (ii)Interest rate derivatives | - | - | - | - | - | - | - | - | - |
| Total Derivative Financial Instruments | **3,109.43** | **22.29** | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **Part II** | | | | | | | | | |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | | | | |
| (i)Fair value hedging: | | | | | | | | | |
| -Currency derivatives | - | - | - | - | - | - | - | - | - |
| (ii)Cash flow hedging: | | | | | | | | | |
| -Currency derivatives* | 3,109.43 | 22.29 | - | - | - | - | - | - | - |
| Total Derivative Financial Instruments | **3,109.43** | **22.29** | - | - | - | - | - | - | - |

* This refers to Cross Currency Interest rate swaps

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

**6. Loans**

**(Rupees in lakh)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Loans at amortised cost** | | | |
| **(A)** | | | |
| Supply chain receivables | 25,021.38 | 18,660.24 | 16,445.59 |
| Term loans | 2,24,090.54 | 1,12,159.42 | 67,876.40 |
| Loans to employees | 0.82 | 11.95 | 4.23 |
| **Total Gross Loans** | **2,49,112.74** | **1,30,831.61** | **84,326.22** |
| Less: Impairment loss allowance | 4,064.40 | 2,562.00 | 1,047.80 |
| **Total Net Loans** | **2,45,048.34** | **1,28,269.61** | **83,278.42** |
| | | | |
| **(B)** | | | |
| Secured by book debts | 27,925.48 | 24,983.39 | 24,855.58 |
| Secured by property | 1,04,885.65 | 56,383.46 | 33,959.68 |
| Secured by machinery | 23,066.06 | 7,089.63 | 138.30 |
| Unsecured | 93,235.55 | 42,375.13 | 25,372.66 |
| **Total Gross Loans** | **2,49,112.74** | **1,30,831.61** | **84,326.22** |
| Less: Impairment loss allowance | 4,064.40 | 2,562.00 | 1,047.80 |
| **Total Net Loans** | **2,45,048.34** | **1,28,269.61** | **83,278.42** |
| | | | |
| **(C)** | | | |
| **Loans in India** | | | |
| Public sector | - | - | - |
| Others | 2,49,112.74 | 1,30,831.61 | 84,326.22 |
| **Total Gross Loans** | **2,49,112.74** | **1,30,831.61** | **84,326.22** |
| Less: Impairment loss allowance | 4,064.40 | 2,562.00 | 1,047.80 |
| **Total - Net (a)** | **2,45,048.34** | **1,28,269.61** | **83,278.42** |
| | | | |
| **Loans outside India (b)** | **-** | **-** | **-** |
| **Total - Net (a)+(b)** | **2,45,048.34** | **1,28,269.61** | **83,278.42** |

Note :

1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.
3. Impairment loss allowance as on March 31, 2021 & March 31,2020 includes Rs 295.59 & Rs 331.00 lakh respectively on account of expected impact of COVID 19 pandemic on loan portfolio.
4. Moratorium : The board of directors of the Company in its meeting held on March 30, 2020 approved a policy to extend moratorium as per RBI Circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 the payment holiday – COVID-19 Pandemic, as per the assessment made by the management under the policy the payment holiday was extended to all the customers of the Company basis the broad based survey conducted across Company's customer base which necessitated the need of providing this relief.

**7. Investments** **(Rupees in lakh)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Investments - at FVTPL** | | | |
| Mutual funds (unquoted) | - | 4,014.54 | 7,250.81 |
| Security Receipts | 2,648.11 | - | **-** |
| **Investments - at amortised cost** | | | |
| Debt securities | 4,296.72 | 1,508.21 | **-** |
| Less: Impairment loss allowance | 0.84 | - | - |
| **Total Net Investments** | **6,943.99** | **5,522.75** | **7,250.81** |
| | | | |
| Investments in India | 6,944.83 | 5,522.75 | 7,250.81 |
| Investments outside India | - | - | - |
| **Total – Gross Investments** | **6,944.83** | **5,522.75** | **7,250.81** |
| Less: Impairment loss allowance | 0.84 | - | - |
| **Total – Net Investments** | **6,943.99** | **5,522.75** | **7,250.81** |

Note : For valuation methodology Refer Note 52

**(Rupees in lakh)**

**8. Other financial assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Security deposits | 551.15 | 323.11 | 272.58 |
| Other receivables | 241.64 | 357.77 | 8,789.04 |
| Less: Impairment loss allowance | 3.17 | - | - |
| **Total** | **789.62** | **680.88** | **9,061.62** |

**9. Current tax assets (net)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Current tax assets** | | | |
| Advance tax and tax deducted at source (Net of provision for tax Rs.926.44 lakh for FY 2021-2022, Nil for FY 2020-2021 and Rs 443.45 lakh for FY 2019-2020)) | 164.23 | - | 143.72 |
| **Total** | **164.23** | **-** | **143.72** |

**10. Deferred tax assets (net)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| **Tax effect of timing differences on account of -** | | | |
| Provision for compensated absences | 83.72 | 49.75 | 40.90 |
| Provision for gratuity | 24.36 | 20.71 | 14.66 |
| Processing fees received | 836.37 | 358.33 | 195.07 |
| Provision for impairment loss on financial instruments | 1,249.12 | 746.06 | 291.50 |
| Lease rentals expense under Ind AS 116 | 100.25 | 71.99 | 56.23 |
| Preliminary expense | 69.81 | 132.50 | 15.16 |
| Disallowance on account of Employee stock options scheme outstanding | 217.44 | 248.64 | 180.48 |
| Unutilised minimum alternate tax credit entitlement | 1,587.34 | 926.44 | 443.45 |
| Income tax losses carried forward | 2,856.51 | 2,748.92 | 1,391.00 |
| Others | 205.20 | 28.88 | 1.54 |
| **Total (A)** | **7,230.12** | **5,332.22** | **2,629.99** |
| | | | |
| **Deferred tax liabilities** | | | |
| **Tax effect of timing differences on account of -** | | | |
| Difference in written down value of property, plant and equipment and intangible assets | 218.84 | 157.79 | 23.26 |
| Adjustment on account of direct assignment transactions | 447.75 | 22.27 | - |
| Unrealised gains on investments | - | 3.91 | 36.83 |
| Prepaid fees / charges on debt securities allowed upfront in income tax | 348.20 | 113.61 | 10.70 |
| Prepaid fees / charges on borrowings allowed upfront in income tax | 624.58 | 361.12 | 127.41 |
| Deferred loan sourcing cost allowed upfront in income tax | 1,209.12 | 379.97 | 275.48 |
| **Total (B)** | **2,848.49** | **1,038.67** | **473.68** |
| **Deferred tax assets (net) (A-B)** | **4,381.63** | **4,293.55** | **2,156.31** |

**11. Property, plant and equipment** **(Rupees in lakh)**

| Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | IT and Office equipments | Leasehold improvements | Furniture and fixtures | Total | IT and Office equipments | Leasehold improvements | Furniture and fixtures | Total | IT and Office equipments | Leasehold improvements | Furniture and fixtures | Total |
| **At cost at the beginning of the year** | **381.99** | **375.75** | **14.70** | **772.44** | **347.36** | **375.64** | **14.70** | **737.70** | 97.34 | 292.25 | 12.93 | 402.52 |
| Additions during the year | 120.24 | - | 13.60 | 133.84 | 34.63 | 0.11 | - | **34.74** | 250.01 | 83.39 | 1.77 | 335.17 |
| Disposals/adjustments during the year | - | - | - | | **-** | **-** | **-** | - | - | - | - | - |
| **At cost at the end of the year** | **502.23** | **375.75** | **28.30** | **906.28** | **381.99** | **375.75** | **14.70** | **772.44** | **347.35** | **375.64** | **14.70** | **737.69** |
| | | | | | | | | | | | | |
| **Accumulated depreciation as at the beginning of the year** | **118.71** | **182.10** | **3.03** | **303.84** | **54.12** | **95.13** | **1.63** | **150.88** | 3.17 | 7.91 | 0.31 | 11.39 |
| Depreciation/amortisation for the year | 87.83 | 82.61 | 1.57 | 172.01 | 64.59 | 86.97 | 1.40 | **152.96** | 50.95 | 87.22 | 1.32 | 139.49 |
| Disposals/adjustments during the year | - | - | - | - | **-** | **-** | **-** | **-** | - | - | - | - |
| **Accumulated depreciation as at the end of the year** | **206.54** | **264.71** | **4.60** | **475.85** | **118.71** | **182.10** | **3.03** | **303.84** | **54.12** | **95.13** | **1.63** | **150.88** |
| | | | | | | | | | | | | |
| **Net carrying amounts as at the end of the year** | **295.69** | **111.04** | **23.70** | **430.43** | **263.28** | **193.65** | **11.67** | **468.60** | **293.23** | **280.51** | **13.07** | **586.82** |

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

**(Rupees in lakh)**

**12 . Right of use assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **At fair value at the beginning of the year** | **1,971.28** | **1,854.97** | 1,794.60 |
| Remeasurement of assets | 10.42 | 24.21 | - |
| Additions during the year | 1,914.56 | 92.10 | 60.37 |
| **At fair value at the end of the year** | **3,896.26** | **1,971.28** | **1,854.97** |
| | | | |
| **Accumulated depreciation as at the beginning of the year** | **876.97** | **510.96** | **166.94** |
| Depreciation for the year | 481.01 | 366.01 | 344.02 |
| **Accumulated depreciation as at the end of the year** | **1,357.98** | **876.97** | **510.96** |
| | | | |
| **Net carrying amount as at the end of the year** | **2,538.28** | **1,094.31** | **1,344.01** |

**13. Capital work in progress**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Capital work in progress | 20.25 | - | - |
| **Total** | **20.25** | - | - |

The ageing for capital work in progress as on 31 March, 2022 is as follows

| Particulars | Amount in Capital Work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 20.25 | - | - | - | **20.25** |
| Projects temporarily suspended | **-** | - | - | - | **-** |
| **Total** | **20.25** | **-** | **-** | **-** | **20.25** |

**14. Intangible assets under development**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Softwares | 568.54 | 388.41 | 93.96 |
| **Total** | **568.54** | **388.41** | **93.96** |

The ageing for Intangible assets under development as on 31 March, 2022 is as follows

| Particulars | Amount in Capital Work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 208.85 | 276.94 | 72.33 | 10.42 | 568.54 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **208.85** | **276.94** | **72.33** | **10.42** | **568.54** |

The ageing for Intangible assets under development as on 31 March, 2021 is as follows

| Particulars | Amount in Capital Work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 305.66 | 72.33 | 10.42 | - | 388.41 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **305.66** | **72.33** | **10.42** | - | **388.41** |

The ageing for Intangible assets under development as on 31 March, 2020 is as follows

| Particulars | Amount in Capital Work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | 93.96 | - | - | 93.96 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **-** | **93.96** | **-** | - | **93.96** |

**(Rupees in lakh)**

**15. Other intangible assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Software* :** | | | |
| **At cost at the beginning of the year** | **2,972.79** | **2,095.18** | **-** |
| Additions during the year | 1,136.78 | 877.61 | 2,095.18 |
| Disposal/ adjustments during the year | (16.59) | - | - |
| **At cost at the end of the year** | **4,092.98** | **2,972.79** | **2,095.18** |
| | | | |
| **Accumulated amortisation as at the beginning of the year** | **910.77** | **255.84** | **-** |
| Amortisation for the year | 588.76 | 654.93 | 255.84 |
| Disposals/ adjustments during the year | (8.59) | - | - |
| **Accumulated amortisation as at the end of the year** | **1,490.94** | **910.77** | **255.84** |
| | | | |
| **Net carrying amounts as at the end of the year** | **2,602.04** | **2,062.02** | **1,839.34** |

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

**16. Other non-financial assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Advances to vendors and employees | 1,162.05 | 410.07 | 77.02 |
| Goods and services tax input credit receivable | 693.63 | 468.40 | 291.70 |
| Prepaid expenses | 1,222.03 | 215.14 | 54.28 |
| Deferred staff loan cost | 0.02 | 0.30 | 0.72 |
| **Total** | **3,077.73** | **1,093.91** | **423.72** |

**(Rupees in lakh)**

**17. Payables**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Trade payables** | | | |
| Due to micro and small enterprises | 0.08 | 0.01 | 10.14 |
| Due to others | 666.93 | 218.24 | 687.19 |
| | | | |
| **Other payables** | | | |
| Due to micro and small enterprises | - | - | - |
| Due to others | | | |
| - Accrued employee benefits | - | 52.65 | - |
| - Payable to Customers | 15.04 | 54.71 | **-** |
| **Total** | **682.05** | **325.61** | **697.33** |

The ageing for trade payables as on 31 March, 2022 is as follows:

| Particulars | Outstanding for the following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | 0.08 | - | - | - | 0.08 |
| Others | 530.84 | 38.59 | 53.80 | 39.60 | 4.10 | 666.93 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **530.84** | **38.67** | **53.80** | **39.60** | **4.10** | **667.01** |

The ageing for trade payables as on 31 March, 2021 is as follows:

| Particulars | Outstanding for the following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 0.01 | - | - | - | - | 0.01 |
| Others | 206.67 | 8.73 | 0.62 | 2.22 | | 218.24 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **206.68** | **8.73** | **0.62** | **2.22** | **-** | **218.25** |

The ageing for trade payables as on 31 March, 2020 is as follows:

| Particulars | Outstanding for the following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 10.14 | - | - | - | - | 10.14 |
| Others | 679.96 | 7.23 | - | - | - | 687.19 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **690.10** | **7.23** | **-** | **-** | **-** | **697.33** |

**Details of dues to micro, small and medium enterprises**

The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled the required memorandum with the prescribed authorities. Out of the confirmations sent to the parties, some confirmations have been received till the date of finalisation of the Reformatted Statement of Assets and Liabilities. Based on the confirmations received, the outstanding amounts payable to vendors covered under the Micro, Small and Medium Enterprises Development Act 2006 are given below :

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 1. The principal amount remaining unpaid at the end of the accounting year. | 0.08 | 0.01 | 10.14 |
| 2. The interest amount remaining unpaid at the end of the accounting year. | - | - | - |
| 3. The amount of interest paid by the Company in terms of section 16 of The MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year. | - | - | - |
| 4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The MSMED Act, 2006. | - | - | - |
| 5. The amount of interest due and payable for the period (where the principal has been paid but interest under The MSMED Act, 2006 not paid) | - | - | - |
| 6. The amount of interest accrued and remaining unpaid at the end of accounting year | - | - | - |
| 7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of The MSMED Act, 2006. | - | - | - |
| **The balance of MSMED parties as at the end of the year** | **0.08** | **0.01** | **10.14** |

**(Rupees in lakh)**

**18. Debt securities**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | At amortised cost | Total | At amortised cost | Total | At amortised cost | Total |
| **Secured** | | | | | | |
| Redeemable non-convertible debentures | 54,621.07 | 54,621.07 | 24,670.81 | 24,670.81 | 5,002.87 | 5,002.87 |
| Liabilities arising out of securitization transactions | 3,293.38 | 3,293.38 | 1,616.85 | 1,616.85 | 4,179.50 | 4,179.50 |
| **Unsecured** | | | | | | |
| Commercial paper | 11,472.03 | 11,472.03 | 5,269.88 | 5,269.88 | - | - |
| Redeemable non-convertible debentures | 990.29 | 990.29 | - | - | - | - |
| **Total** | **70,376.77** | **70,376.77** | **31,557.55** | **31,557.55** | **9,182.37** | **9,182.37** |
| | | | | | | |
| Debt securities in India | 70,376.77 | 70,376.77 | 31,557.55 | 31,557.55 | 9,182.37 | 9,182.37 |
| Debt securities outside India | - | - | - | - | - | - |
| **Total** | **70,376.77** | **70,376.77** | **31,557.55** | **31,557.55** | **9,182.37** | **9,182.37** |

**Security and other terms of debt securities :**

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

| Rate of Interest | 0-12 months | 12-24 months | 24-36 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| 6.75 - 8.99 % | 8,000.00 | 2,000.00 | - | - | - | 10,000.00 |
| 9.00 - 10.99 % | 18,136.65 | 16,833.35 | 2,500.00 | - | - | 37,470.00 |
| 11.00 - 13.00 % | 1,166.66 | 1,166.66 | 1,166.68 | 5,000.00 | 10,700.00 | 19,200.00 |
| **Total** | **27,303.31** | **20,000.01** | **3,666.68** | **5,000.00** | **10,700.00** | **66,670.00** |

(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

| Rate of Interest | 0-12 months | 12-24 months | 24-26 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| 6.75 - 8.99 %* | 5,600.00 | - | - | - | - | 5,600.00 |
| 9.00 - 10.99 %* | 10,000.00 | 6,500.00 | 5,000.00 | - | - | 21,500.00 |
| 11.00 - 13.00 %* | - | 833.33 | 833.33 | 833.34 | - | 2,500.00 |
| **Total** | **15,600.00** | **7,333.33** | **5,833.33** | **833.34** | **-** | **29,600.00** |

(iii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2020:

| Rate of Interest | 0-12 months | 12-24 months | 24-26 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| 6.75 - 8.99 %* | - | - | - | - | - | - |
| 9.00 - 10.99 %* | - | - | - | - | - | - |
| 11.00 - 13.00 %* | 5,000.00 | - | - | - | - | 5,000.00 |
| **Total** | **5,000.00** | **-** | **-** | **-** | **-** | **5,000.00** |

The above secured debt securities are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its debt securities. Minimum security cover of 1.1 times is required to be maintained throughout of the year.

(i) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

| Rate of Interest | 0-12 months | 12-24 months | 24-26 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| Rate of Interest 9.75 % to 11.04%* | 1,036.54 | 927.10 | 924.94 | 531.03 | - | **3,419.61** |
| **Total** | **1,036.54** | **927.10** | **924.94** | **531.03** | **-** | **3,419.61** |

(ii) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

| Rate of Interest | 0-12 months | 12-24 months | 24-26 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| Rate of Interest 10.00 % to 10.48%* | 1,330.02 | 319.38 | - | - | - | **1,649.40** |
| | **1,330.02** | **319.38** | **-** | **-** | **-** | **1,649.40** |

(iii) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as on 31 March 2020:

| Rate of Interest | 0-12 months | 12-24 months | 24-26 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| Rate of Interest 10.00 % to 10.48%* | 2,334.66 | 1,618.50 | 282.01 | - | - | **4,235.17** |
| | **2,334.66** | **1,618.50** | **282.01** | **-** | **-** | **4,235.17** |

* Rate of interest on term loans considered on an annualised basis payable monthly for reporting purpose.

**Security and other terms of the loans for financial year 2021-2022 are as follows :**

(a) Out of the the above, Non-convertible debentures amounting to Rs 5,000 lakh as at March 31, 2022 are guaranteed by directors.

(b) Debt Securities were used fully for the purpose for which the same were obtained.

(c) There are no default in repayment of debt securities.

**Security and other terms of the loans for financial year 2020-2021 are as follows :**

(a) For liabilities arising out of securitization transactions, credit enhancement provided through fixed deposits and loan receivables.

**Security and other terms of the loans for financial year 2019-2020 are as follows :**

(a) For liabilities arising out of securitization transactions, credit enhancement provided through fixed deposits and loan receivables.

**(Rupees in lakh)**

**19. Borrowings (other than debt securities)**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | At amortised cost | Total | At amortised cost | Total | At amortised cost | Total |
| (a) Term loans | | | | | | |
| From banks | 67,444.47 | 67,444.47 | 18,223.33 | 18,223.33 | 2,431.73 | 2,431.73 |
| From other parties | 36,657.03 | 36,657.03 | 22,702.07 | 22,702.07 | 10,463.32 | 10,463.32 |
| External commercial borrowings | 3,137.88 | 3,137.88 | - | - | - | - |
| | | | | | | |
| (b) Loans repayable on demand | | | | | | |
| Cash credit | - | - | - | - | 993.10 | 993.10 |
| Bank overdraft | 2,567.71 | 2,567.71 | 4,086.54 | 4,086.54 | 2,240.89 | 2,240.89 |
| **Total** | **1,09,807.09** | **1,09,807.09** | **45,011.94** | **45,011.94** | **16,129.04** | **16,129.04** |
| | | | | | | |
| Borrowings in India | **1,06,669.21** | **1,06,669.21** | **45,011.94** | **45,011.94** | **16,129.04** | **16,129.04** |
| Borrowings outside India | **3,137.88** | **3,137.88** | **-** | **-** | **-** | **-** |
| **Total** | **1,09,807.09** | **1,09,807.09** | **45,011.94** | **45,011.94** | **16,129.04** | **16,129.04** |
| | | | | | | |
| Secured | 1,03,802.48 | 1,03,802.48 | 43,637.23 | 43,637.23 | 10,124.43 | 10,124.43 |
| Unsecured | 6,004.61 | 6,004.61 | 1,374.71 | 1,374.71 | 6,004.61 | 6,004.61 |
| **Total** | **1,09,807.09** | **1,09,807.09** | **45,011.94** | **45,011.94** | **16,129.04** | **16,129.04** |

**Terms of repayment of the term loans**

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

| Redeemable within (Payable in monthly instalments) | 0-12 months | 12-24 months | 24-36 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| **For Banks :** | | | | | | |
| Rate of Interest 6 % to 12.00%* | 25,303.53 | 19,848.93 | 15,402.65 | 7,695.37 | 250.00 | 68,500.48 |
| **For Other Parties :** | | | | | | |
| Rate of Interest 10.85 % to 12.75%* | 18,696.31 | 13,737.48 | 3,456.02 | 1,238.08 | - | 37,127.89 |
| **Total** | **43,999.84** | **33,586.41** | **18,858.67** | **8,933.45** | **250.00** | **1,05,628.37** |

(ii) Terms of repayment of External commercial borrowings in foreign currency as on 31 March 2022:

| Rate of Interest | 0-12 months | 12-24 months | 24-36 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| Rate of Interest 11.12%* | - | - | 3,131.29 | - | - | 3,131.29 |
| **Total** | **-** | **-** | **3,131.29** | **-** | **-** | **3,131.29** |

In financial year 2021-2022, the Company had availed total External Commercial Borrowing (ECBs) of USD 4.125 million for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time.The borrowing has a maturity of three years. In terms of the RBI guidelines, the borrowing has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps .The charges for raising of the aforesaid ECB have been amortised over the tenure of the ECB.

(iii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

| Redeemable within (Payable in monthly instalments) | 0-12 months | 12-24 months | 24-36 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| **For Banks :** | | | | | | |
| Rate of Interest 10.78 % to 12.75%* | 5,763.63 | 5,656.27 | 4,946.00 | 2,159.72 | - | 18,525.62 |
| **For Other Parties :** | | | | | | |
| Rate of Interest 11.75 % to 12.00%* | 10,078.59 | 8,961.55 | 3,965.72 | - | - | 23,005.86 |
| **Total** | **15,842.22** | **14,617.82** | **8,911.72** | **2,159.72** | **-** | **41,531.48** |

(iv) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2020:

| Redeemable within (Payable in monthly instalments) | 0-12 months | 12-24 months | 24-36 months | 36-60 months | More than 60 Months | Total |
|---|---|---|---|---|---|---|
| **For Banks :** | | | | | | |
| Rate of Interest 10.78 % to 12.75%* | 1,183.09 | 1,230.71 | 193.95 | - | - | 2,607.75 |
| **For Other Parties :** | | | | | | |
| Rate of Interest 11.75 % to 12.00%* | 6,840.60 | 2,222.01 | 1,546.51 | - | - | 10,609.12 |
| **Total** | **8,023.69** | **3,452.72** | **1,740.46** | **-** | **-** | **13,216.87** |

*Rate of interest on term loans considered on an annualised basis payable monthly for reporting purpose.

**Security and other terms of the loans for financial year 2021-2022 are as follows :**

(a) Rate of interest of the bank overdraft ranges from 7.30% per annum to 9.70% per annum and the same is secured against fixed deposits.

(b) The above borrowings other than Bank overdraft and unsecured borrowings are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its secured borrowings.

(c) Out of the the above, borrowings amounting to Rs 30,714 lakh as at March 31, 2022 are guaranteed by directors.

(d) Term Loans were used fully for the purpose for which the same were obtained.

(e) There were no default in the repayment of borrowings.

(f) Periodic statements of securities filed with the lending institutions are as per the books of accounts.

**Security and other terms of the loans for financial year 2020-2021 are as follows :**

(a) Rate of interest of over draft is 8.60% per annum and secured against fixed deposit.

(b) Term loans from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables. However in some of the borrowing made from financial institutions the Company has provided bank fixed deposit (Refer Note 50).

**Security and other terms of the loans for financial year 2019-2020 are as follows :**

(a) Rate of interest of cash credit is 10.78% per annum and secured by way of hypothecation on the standard asset portfolio of receivables.

(b) Rate of interest of over draft is 9.35% per annum and secured against fixed deposit.

(c) Term loans from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables. However in some of the borrowing made from financial institutions the Company has provided bank fixed deposit (refer note 50).

### 20. Other financial liabilities

**(Rupees in lakh)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Unclaimed dividend payable on equity shares | 1.43 | 1.43 | 1.43 |
| **Others payables :** | | | |
| Collateral margin money received | 1.67 | 199.67 | 219.81 |
| Deferred consideration on direct assignments | 23.81 | 156.87 | 95.63 |
| Lease liabilities (Refer Note 45) | 2,858.76 | 1,340.97 | 1,545.55 |
| Other liabilities | 1,437.96 | 389.09 | 49.04 |
| Book overdraft | 174.01 | 30.19 | - |
| Provision on unrealised gain* | 225.17 | - | - |
| **Total** | **4,722.81** | **2,118.22** | **1,911.46** |

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

### 21. Current tax liabilities (net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Provision for Tax (Net of advance tax and tax deducted at source Rs. 534.81 lakh for FY 2021-2022, Rs. 782.31 lakh for FY 2020-2021 and Nil for FY 2019-2020)) | 126.07 | 144.13 | - |
| **Total** | **126.07** | **144.13** | **-** |

### 22. Provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Provision for employee benefits : | | | |
| -Provision for gratuity (Refer Note 43b) | 83.65 | 71.13 | 52.70 |
| -Provision for compensated absences (Refer Note 43c) | 287.52 | 170.85 | 147.02 |
| -Provision for bonus | 700.00 | 180.00 | 371.36 |
| Provision for Expenses | 1,616.05 | 517.69 | 351.44 |
| **Total** | **2,687.22** | **939.67** | **922.52** |

### 23. Other non-financial liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Statutory dues payable | 364.23 | 137.64 | 148.93 |
| **Total** | **364.23** | **137.64** | **148.93** |

## 24. Equity

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

**(Rupees in lakh)**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| | | | | | | |
| **Authorised capital** | | | | | | |
| Equity shares of Rs 10 each | 8,15,00,000 | 8,150.00 | 8,15,00,000 | 8,150.00 | 8,15,00,000 | 8,150.00 |
| Preference shares of Rs 10 each | 2,05,00,000 | 2,050.00 | 2,05,00,000 | 2,050.00 | 2,05,00,000 | 2,050.00 |
| **Issued, subscribed and fully paid-up** | | | | | | |
| Equity shares of Rs 10 each, fully paid-up | 7,05,59,319 | 7,055.94 | 7,05,28,550 | 7,052.86 | 7,05,28,550 | 7,052.86 |
| **Total** | **7,05,59,319** | **7,055.94** | **7,05,28,550** | **7,052.86** | **7,05,28,550** | **7,052.86** |

**b. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year :**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| | | | | | | |
| Shares outstanding at the beginning of the year | 7,05,28,550 | 7,052.86 | 7,05,28,550 | 7,052.86 | 2,33,31,482 | 2,333.15 |
| Add: Shares issued during the year* | 30,769 | 3.08 | - | - | 1,35,65,891 | 1,356.59 |
| Add : converted during the year : | - | - | | | | |
| From compulsorily convertible preference shares ** | - | - | - | - | 1,38,37,210 | 1,383.72 |
| From compulsorily convertible debentures** | - | - | - | - | 1,38,37,210 | 1,383.72 |
| From compulsorily convertible warrants** | - | - | - | - | 59,56,757 | 595.68 |
| **Outstanding at the end of the year** | **7,05,59,319** | **7,055.93** | **7,05,28,550** | **7,052.86** | **7,05,28,550** | **7,052.86** |

* During the year ended March 31, 2022 the Company has allotted 30,769 equity shares of Rs 10 each under the ESOP scheme.
During the year ended March 31, 2020 the Company has alloted 1,35,65,891 equity shares of Rs 10 each for consideration of Rs 17,500 lakh on preferential basis.

** During the financial year 2018-2019, the Company had allotted 1,83,34,297 compulsory convertible preference shares of Rs 10 each for consideration of Rs 2,41,45.92 lakh preferential basis. Out of which during the financial year 2019-2020, the Company has converted 1,38,37,210 compulsorily convertible preference shares into equal numbers of equity shares.

** During the financial year 2018-2019, the Company had allotted 1,73,25,582 compulsory convertible debentures of Rs 10 each for consideration of Rs 22,350 lakh on preferential basis . Out of which during the financial year 2019-2020 , the Company has converted 1,38,37,210 compulsorily convertible debentures into equal numbers of equity shares.

** During the financial year 2018-2019, the Company had allotted 87,83,785 warrants. Out of which during the financial year 2019-2020, the Company has converted 59,56,757 into equal numbers of equity shares and balance stand forfeited.

**c. Rights, preferences and restrictions attached to equity shares :**

The Company has only one class of equity shares having a face value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding.

**d. Particulars of shareholders holding more than 5% of the equity share capital :**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding |
| Newquest Asia Investments III Limited | 1,51,16,279.00 | 21.42% | 1,51,16,279.00 | 21.43% | 1,51,16,279.00 | 21.43% |
| Clearsky Investment Holdings Pte Limited | 1,51,16,279.00 | 21.42% | 1,51,16,279.00 | 21.43% | 1,51,16,279.00 | 21.43% |
| DBZ (Cyprus) Limited | 65,07,687.00 | 9.22% | 1,35,65,891.00 | 19.23% | 1,35,65,891.00 | 19.23% |
| Samena Fidem Holdings | 59,56,757.00 | 8.44% | 59,56,757.00 | 8.45% | 59,56,757.00 | 8.45% |
| **Total** | **4,26,97,002.00** | **60.50%** | **4,97,55,206.00** | **70.54%** | **4,97,55,206.00** | **70.55%** |

**e. Shares reservation :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | No. of Shares | No. of Shares | No. of Shares |
| Equity shares of Rs 10 each | 29,91,097 | 32,57,033 | 38,01,528 |
| Number of Shares reserved for ESOPs (Refer Note 44) | | | |

**f. Objectives for managing capital :**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

**g. Shareholding of Promoters Disclosure :**

| Shares held by promoters at the end of the year March 31, 2022 | | | % Change during the year |
|---|---|---|---|
| **Promoter Name** | **No.of Shares** | **% of total shares** | |
| 1. Poshika Advisory Services LLP | 20,27,709 | 2.87% | - |
| **Total** | **20,27,709** | **2.87%** | |

**25. Other equity** **(Rupees in lakh)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| (i) Securities premium account | 77,723.91 | 77,673.45 | 77,673.44 |
| (ii) Employee stock options scheme outstanding account | 446.86 | 853.86 | 648.75 |
| (iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934 | 2,401.48 | 2,110.47 | 1,535.92 |
| (iv) Capital Reserve | 1,046.00 | 1,046.00 | 1,046.00 |
| (v) Retained Earnings - other than Remeasurement of Post Employment Benefit Obligations | 7,957.55 | 6,493.58 | 4,195.37 |
| (vi) Retained Earnings - Remeasurement of Post Employment Benefit Obligations | 18.20 | 13.60 | 0.02 |
| (vii) Cash Flow Hedges Reserve | 6.38 | - | - |
| **Total** | **89,600.38** | **88,190.96** | **85,099.50** |

**Nature and purpose of reserves :**

**(i) Securities Premium Account**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(ii) Employee stock options scheme outstanding**

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under the stock option schemes of the Company.

**(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934**

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with the authorisation of the Reserve Bank of India.

**(iv) Capital Reserve**

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

**(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations**

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

**(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations**

The Company recognises the change on account of remeasurement of the net defined benefit liabilities (assets) as a part of the retained earnings.

**(vii) Cash Flow Hedges Reserve**

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through the other comprehensive income (OCI).

**(Rupees in lakh)**

### 26. Interest income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **At Amortised Cost:** | | | |
| Interest on loans | 26,137.36 | 13,214.00 | 6,985.29 |
| Interest on deposits with Banks | 696.50 | 1,425.78 | 741.81 |
| Interest on other financial assets | 61.70 | 25.42 | 20.11 |
| Other interest income | 105.43 | 16.85 | 58.77 |
| Interest on debt securities | 214.29 | 1.38 | - |
| **Total** | **27,215.28** | **14,683.43** | **7,805.98** |

### 27. Dividend income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Dividend income on investment | - | - | 17.40 |
| **Total** | **-** | **-** | **17.40** |

### 28. Net gain on derecognition of financial instruments under amortised cost category

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Gain on derecognition of financial instruments | 2,852.50 | 129.42 | 69.50 |
| **Total** | **2,852.50** | **129.42** | **69.50** |

### 29. Net gain on fair value changes

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Net gain on financial instruments at fair value through profit and loss :- | | | |
| (a) On trading portfolio | | | |
| - Gain on sale of investments | 49.46 | 34.68 | 1,693.66 |
| (b) On financial instruments | (15.79) | - | - |
| **Total** | **33.67** | **34.68** | **1,693.66** |
| Fair value changes: | | | |
| Realised | 62.89 | 153.65 | 1,569.71 |
| Unrealised | (29.22) | (118.97) | 123.95 |
| **Total** | **33.67** | **34.68** | **1,693.66** |

### 30. Fees and commission income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Fees and commission income | 626.01 | 133.54 | 84.17 |
| **Total** | **626.01** | **133.54** | **84.17** |

### 31. Other income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Marketing advisory fees | - | - | 220.00 |
| Technology support fees | 433.81 | 300.00 | 625.00 |
| Web display fees | 180.00 | 50.00 | - |
| Insurance commission income | 0.32 | 2.77 | **-** |
| **Total** | **614.13** | **352.77** | **845.00** |

**(Rupees in lakh)**

**32. Finance costs**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Interest Costs** | | | |
| **Interest expense on financial liabilities measured at amortised cost:** | | | |
| **(a) Interest on borrowings** | | | |
| Interest on borrowings from banks and financial institutions | 8,090.88 | 2,331.37 | 822.48 |
| **(b) Interest on debt securities** | | | |
| Interest on redeemable non-convertible debentures / Discount on Commercial paper | 5,416.80 | 1,934.05 | 321.28 |
| **(c) Interest on lease liabilities** | | | |
| Interest on lease liabilities | 225.38 | 171.20 | 198.48 |
| **(d) Other interest expense** | | | |
| Interest expense on other financial liabilities | 5.86 | 19.62 | 25.50 |
| **Total** | **13,738.92** | **4,456.24** | **1,367.74** |

**33. Impairment losses on financial instruments**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **On financial instruments measured at amortised cost:** | | | |
| **Impairment on financial instruments** | | | |
| - Loans | 2,934.67 | 1,961.71 | 1,024.76 |
| - Other receivables | 3.17 | - | - |
| - Fixed deposits | 2.86 | - | - |
| - Investments | 0.84 | - | - |
| **Total** | **2,941.54** | **1,961.71** | **1,024.76** |

**34. Employee benefits expenses**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Salaries, other allowances and bonus | 7,074.49 | 4,159.92 | 4,211.33 |
| Contribution to provident and other funds (Refer Note 43a) | 236.77 | 120.15 | 93.03 |
| Gratuity expenses (Refer Note 43b) | 38.19 | 37.62 | 31.27 |
| Staff welfare expenses | 46.76 | 9.87 | 30.43 |
| Share based payments to employees (Refer Note 44) | (107.15) | 205.11 | 348.74 |
| **Total** | **7,289.06** | **4,532.67** | **4,714.80** |

**35. Depreciation, amortisation and impairment**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Depreciation on property, plant and equipment | 172.08 | 152.96 | 139.49 |
| Amortization on intangible assets | 580.17 | 654.93 | 255.84 |
| Depreciation on right of use assets | 481.01 | 366.02 | 344.02 |
| **Total** | **1,233.26** | **1,173.91** | **739.35** |

**(Rupees in lakh)**

**36. Other expenses**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Rent expenses | 222.22 | 92.82 | 83.52 |
| Communication expenses | 229.19 | 71.04 | 95.31 |
| Printing and stationery expenses | 49.71 | 14.20 | 33.13 |
| Advertisement and publicity expenses | 15.95 | 3.03 | 6.02 |
| Directors' sitting fees | 171.00 | 123.38 | 141.00 |
| Payments to auditor * | 75.20 | 46.03 | 51.28 |
| Legal and professional fees | 1,393.88 | 741.84 | 713.60 |
| Insurance expenses | 152.29 | 46.82 | 102.11 |
| Rates and taxes | 598.97 | 256.35 | 256.31 |
| Computer maintenance and software expenses | 580.38 | 320.39 | 403.78 |
| Marketing and brand promotion expenses | 36.95 | 6.73 | 11.25 |
| Power and fuel expenses | 12.97 | 10.65 | 20.96 |
| Meeting and events expenses | 18.02 | 14.91 | 20.10 |
| Travelling, lodging and boarding expenses | 151.81 | 35.24 | 186.90 |
| Brokerage expenses | 2.85 | 0.09 | 4.45 |
| Miscellaneous expenses | 370.52 | 193.83 | 203.79 |
| CSR expenditure (Refer Note 40) | 39.12 | 19.05 | 3.76 |
| **Total** | **4,121.03** | **1,996.40** | **2,337.27** |

* Payments to auditor includes:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| a. Statutory audit | 24.00 | 23.21 | 31.00 |
| b. Limited review | 19.00 | 15.77 | 15.00 |
| c. Certification matters | 30.70 | 7.05 | 4.35 |
| d. Out-of-pocket expenses | 1.50 | - | 0.93 |
| **Total** | **75.20** | **46.03** | **51.28** |

**(Rupees in lakh)**

**37. Earnings per share**

**Basic and diluted earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per share' :**

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Basic** | | | |
| Profit after tax [A] | 1,455.06 | 2,872.75 | 1,951.86 |
| Weighted average number of equity shares outstanding during the year (Nos.) [B] | 7,05,35,715 | 7,05,28,550 | 6,62,48,148 |
| **Basic earnings per share Rs. [A/B]** | **2.06** | **4.07** | **2.95** |
| | | | |
| **Diluted** | | | |
| Profit after tax [A] | 1,455.06 | 2,872.75 | 1,951.86 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 7,05,35,715 | 7,05,28,550 | 6,62,48,148 |
| Weighted average number of potential equity shares on account of employee stock options and share warrants | 5,73,817 | - | 18,31,840 |
| Weighted average number of shares outstanding for diluted earning per share [B] | 7,11,09,532 | 7,05,28,550 | 6,80,79,988 |
| **Diluted earnings per share Rs. [A/B]** | **2.05** | **4.07** | **2.87** |
| Face value per share Rs. | 10.00 | 10.00 | 10.00 |

The dilutive effect on the earnings per share is caused by the potential shares that would be issued upon the exercise of the ESOP options. As a result of the dilution, the denominator increased by 5,73,817 shares in FY 2021-22, Nil shares in FY 2020-21 and 18,31,840 shares in FY 2019-20. During the year ended March 31, 2021 the potential equity shares were anti-dilutive in nature, hence the impact of the same was ignored for the purpose of computation of the diluted earnings per share.

**38. Contingent liabilities and capital commitments:**

**a. Contingent liabilities**

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

**b. Capital commitments**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | | | |
| Commitments not provided for : | | | |
| - Commitments related to loans sanctioned but partially undrawn | 882.60 | 1,381.88 | 593.91 |
| - Other commitments* | 872.99 | - | - |
| - Amount of contracts remaining to be executed on capital account | 185.00 | 47.00 | 188.12 |
| **Total** | **1,940.59** | **1,428.88** | **782.03** |

*Other commitments represent financial guarantees given for Co-lending arrangement entered by the Company during the year.

**39. Segment Reporting**

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

**(Rupees in lakh)**

**40. Corporate Social Responsibility**

The Company is required to contribute to corporate social responsibility activity as per CSR Rules under the Companies Act, 2013. During the year ended March 31, 2022 the Company has spent Rs. 39.12 lakh which was the required amount to be spent under CSR activity. The amount is spent towards healthcare and education of the under-privileged through an NGO. During the year ended March 31, 2021 Company has spent Rs. 19.05 lakh whereas required sum to be spent was Rs. 18.57 lakh.The amount is spent towards Skill Training in Healthcare for Under-priveleged youth through NGO. During the year ended March 31, 2020 Company has spent Rs. 3.76 lakh out of required sum of Rs. 4.22 lakh. The amount is spent towards promoting gender equality and empowering women through NGO.

The last three financial years average profit before tax of the Company considered for the purpose of calculating Corporate Social Responsibility (CSR) expenditure is as follows:

| Year | Average profit before tax |
|---|---|
| 2021-2022 | 1,956.03 |
| 2020-2021 | 928.50 |
| 2019-2020 | 211.00 |

a) Amount spent during the year on :

| Particulars | 31-Mar-22 | | | 31-Mar-21 | | | 31-Mar-20 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Amount Spent | Amount unpaid/provision | Total | Amount Spent | Amount unpaid/provision | Total | Amount Spent | Amount unpaid/provision | Total |
| (i) Construction/acquisition of any asset | - | - | - | - | - | - | - | - | - |
| (ii) On purpose other than (i) above | 39.12 | - | 39.12 | 19.05 | - | 19.05 | 3.77 | 0.45 | 4.22 |

**For FY 21-22**

b) In case of Section 135(5) unspent amount :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 39.12 | 39.12 | - |

c) In case of Section 135(5) excess amount spent :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 39.12 | 39.12 | - |

d) In case of Section 135(6) details of ongoing projects :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | - | - | - |

e) The additional disclosure with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - Not applicable.

f) Nature of CSR activities
The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent ₹ 39.12 lakh which was the required amount to be spent under CSR activity. The amount is spent towards healthcare and education of the under-privileged through an NGO.

**(Rupees in lakh)**

**For FY 20-21**

b) In case of Section 135(5) unspent amount :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 18.57 | 19.05 | - |

c) In case of Section 135(5) excess amount spent :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 18.57 | 19.05 | - |

d) In case of Section 135(6) details of ongoing projects :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | - | - | - |

e) The additional disclosure with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Rs.0.46 lakh
(iii) The reason for above shortfalls - Not applicable.

f) Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year ended 31st March 2021 Company has spent Rs. 19.05 lakh whereas required sum to be spent was Rs. 18.57 lakh.The amount is spent towards Skill Training in Healthcare for Under-priveleged youth through NGO.

**For FY 19-20**

b) In case of Section 135(5) unspent amount :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 4.22 | 3.76 | 0.46 |

c) In case of Section 135(5) excess amount spent :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | 4.22 | 3.76 | - |

d) In case of Section 135(6) details of ongoing projects :

| Opening Balance | Amount deposited in Specified Fund of Sch. VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Amount required to be spent during the year |
|---|---|---|---|---|
| - | - | - | - | - |

e) The additional disclosure with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Rs.0.46 lakh
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - During the financial year 2019-20 the Company has incurred INR 3.76 lakh towards the CSR expenditure. While finalization of accounts computation for calculation of CSR expenditure as per provisions of the Act was re assessed. Based on assessment it was realized that INR 0.46 lakh was underspent. The Company will expend the unspent amount during the financial year 2020-21.

f) Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year ended March,31 2020 Company has spent Rs. 3.76 lakh out of required sum of Rs. 4.22 lakh. The amount is spent towards promoting gender equality and empowering women through NGO.

**(Rupees in lakh)**

**41. Related party**

**a. List of related parties and their relationship :**

**(i) Key managerial personnel (KMP) :**

| | |
|---|---|
| - Executive Chairman & Managing Director | Shachindra Nath |
| - Whole Time Director & Chief Executive Officer (up to 30th April 2021) | Abhijit Ghosh |
| - Chief Financial Officer (up to 12th November 2020) | Kalpeshkumar Ojha |
| - Chief Financial Officer (from 13th November 2020 to 2nd November 2021) | Sandeepkumar Zanvar |
| - Chief Financial Officer (from 3rd November 2021) | Amit Gupta |
| - Company Secretary (up to 13th June 2022) | Aniket Karandikar |

**(ii) Enterprises over which KMP has control :**

| |
|---|
| - Poshika Financial Ecosystem Private Limited |
| - Poshika Advisory Services LLP |
| - Livfin India Private Limited |

**b. Transactions with related parties are as enumerated below:**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| **Transactions during the year** | | | |
| **Expenses** | | | |
| | | | |
| **Arranger Fees Paid** | | | |
| Livfin India Private Limited | 20.57 | - | - |
| | | | |
| **Arranger Fees Received** | | | |
| Livfin India Private Limited | 33.81 | - | - |
| | | | |
| **Reimbursement of expenses** | | | |
| Aniket Karandikar | 0.17 | - | - |
| Amit Gupta | 0.99 | - | - |
| Shachindra Nath | 9.43 | - | - |
| | | | |
| **Remuneration paid *** | | | |
| Shachindra Nath | 295.60 | 269.35 | 319.45 |
| Abhijit Ghosh | 11.38 | 136.52 | 302.26 |
| Kalpeshkumar Ojha | - | 65.04 | 117.69 |
| Sandeepkumar Zanvar | 44.48 | 23.87 | - |
| Amit Gupta | 53.68 | - | - |
| Aniket Karandikar | 30.49 | 23.83 | 32.11 |

*The above figures do not include provision towards gratuity.

**c. Balance outstanding**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| **Other financial assets** | | | |
| Livfin India Private Limited | 7.89 | - | - |

**d. ESOPs held with Key Managerial Personnel**

| **Particulars** | **As at March 31, 2022 (No. of options)** | **As at March 31, 2021 (No. of options)** | **As at March 31, 2020 (No. of options)** |
|---|---|---|---|
| Abhijit Ghosh | - | 7,24,615 | 7,24,615 |
| Sandeepkumar Zanvar | - | 1,00,000 | - |
| Amit Gupta | 3,00,000 | - | - |
| Aniket Karandikar | 15,000 | - | - |
| Kalpeshkumar Ojha | - | - | 2,46,154 |

**42. Expenditure in foreign currency**

| **Particulars** | **For the year ended March 31, 2022** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|---|
| Other expenses | 79.49 | 0.87 | 1.30 |
| **Total** | **79.49** | **0.87** | **1.30** |

**43. Disclosure pursuant to Ind AS 19 'Employee benefits'**

**a. Defined contribution plans :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Employer's contribution to provident fund | 140.11 | 84.44 | 68.81 |
| Employer's contribution to national pension scheme | 96.61 | 35.58 | 24.16 |
| Employer's contribution to labour welfare fund | 0.05 | 0.13 | 0.06 |
| **Total** | **236.77** | **120.15** | **93.03** |

**(Rupees in lakh)**

**43. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)**

**b. Defined benefit plan (Gratuity)**

The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

**(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :**

| Particulars | Gratuity plans | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| Discount rate | 5.66% | 5.18% | 5.45% |
| Expected rate of return on plan asset | NA | NA | NA |
| Salary escalation | 5.00% | 5.00% | 7.00% |
| Attrition rate | 22.00% | 22.00% | 22.00% |
| Mortality table | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

**(ii). Amounts recognised in the reformatted statement of profit and loss in respect of these defined benefit plans are as follows :**

| Particulars | Gratuity plans | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| **Service cost:** | | | |
| Current service cost | 34.50 | 34.75 | 29.66 |
| Net interest expense | 3.69 | 2.87 | 1.61 |
| **Components of defined benefit costs recognised in the Statement of profit or loss** | **38.19** | **37.62** | **31.27** |
| **Remeasurement on the net defined benefit liability:** | | | |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | (0.02) | - | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | (1.94) | (5.85) | (0.03) |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (23.71) | (13.34) | - |
| **Components of defined benefit costs recognised in other comprehensive income** | **(25.67)** | **(19.19)** | **(0.03)** |
| **Total** | **12.52** | **18.43** | **31.24** |

**(iii). The amount included in the Reformatted Statement of Assets and Liabilities arising from the Company's obligation in respect of its defined benefit plans is as follows :**

| Particulars | Gratuity plans | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| Present value of defined benefit obligation | 83.65 | 71.13 | 52.70 |
| **Net liability arising from defined benefit obligation** | **83.65** | **71.13** | **52.70** |

**(iv). Movements in the present value of the defined benefit obligation is as follows :**

| Particulars | Gratuity plans | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| **Opening defined benefit obligation** | **71.13** | **52.70** | **21.46** |
| Current service cost | 34.50 | 34.75 | 29.66 |
| Interest cost | 3.69 | 2.87 | 1.61 |
| Remeasurement (gains) | (25.67) | (19.19) | (0.03) |
| **Closing defined benefit obligation** | **83.65** | **71.13** | **52.70** |

**(v). Maturity analysis of the benefit payments :**

| Projected benefits payable in future years | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 1st following year | 0.39 | 0.41 | 0.30 |
| 2nd following year | 11.55 | 0.37 | 0.27 |
| 3rd following year | 14.19 | 12.70 | 0.25 |
| 4th following year | 11.81 | 15.13 | 9.98 |
| 5th following year | 14.28 | 12.87 | 11.89 |
| Sum of years 6 To 10 | 40.89 | 37.21 | 34.24 |
| Sum of years 11 and above | 19.52 | 16.45 | 19.08 |

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

**(Rupees in lakh)**

**43. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)**

**(vi). Sensitivity analysis (defined benefit obligation) :**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (3.81) | 4.13 | (3.53) | 3.83 | (3.12) | 3.42 |
| Future salary growth (1% movement) | 3.67 | (3.44) | 3.37 | (3.21) | 3.16 | (2.98) |
| Attrition rate (1% movement) | (1.88) | 1.91 | (2.05) | 2.09 | (2.24) | 2.32 |

Note :

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Reformatted Statement of Assets and Liabilities.

**c. Compensated absences**

**(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :**

| Particulars | Compensated absences | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| **Demographic Assumptions** | | | |
| Mortality Rate: | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) Ultimate | NA |
| Attrition Rate: | 22.00% p.a. for all service groups. | 22.00% p.a. for all service groups. | NA |
| Retirement Age: | 60 years | 60 years | NA |
| | | | |
| **Financial Assumptions** | | | |
| Salary Escalation Rate: | 5.00% p.a. | 5.00% p.a. | NA |
| Discount Rate: | 5.66% p.a.(Indicative G.Sec referenced on 31-03-2022) | 5.18% p.a.(Indicative G.Sec referenced on 31-03-2021) | NA |

**(ii). The amount included in the Reformatted Statement of Assets and Liabilities arising from the Company's obligation in respect of its defined benefit plans is as follows :**

| Particulars | Compensated absences | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| Present value of defined benefit obligation | 287.52 | 170.85 | NA |
| **Net liability arising from defined benefit obligation** | **287.52** | **170.85** | NA |

| Particulars | Compensated absences | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| Discontinuance Liability | 293.61 | 171.84 | NA |
| Defined Benefit Obligation | 287.52 | 170.85 | NA |
| Funding Status | Unfunded | Unfunded | NA |
| Fund Balance | N.A. | N.A. | NA |
| Current Liability | 67.38 | 38.23 | NA |
| Non-Current Liability | 220.14 | 132.62 | NA |

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

| Past Service Interval | Distribution of DBO |
|---|---|
| 9 and below | 100% |
| 10 to 19 | - |
| 20 to 29 | - |
| 30 and above | - |

**(iii). Sensitivity analysis (defined benefit obligation) :**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (8.64) | 9.36 | NA | NA | NA | NA |
| Future salary growth (1% movement) | 9.32 | (8.77) | NA | NA | NA | NA |
| Attrition rate (1% movement) | (0.32) | 0.34 | NA | NA | NA | NA |

Note : Valuation of Compensated absence for the year ended March 2020 was not required so the same is reported as Not Applicable in disclosure no. 43(c) above.

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme**

The Company has one stock option scheme 'CSL Employee Stock Option Scheme 2017'. The said scheme was approved by the board of directors on August 13, 2018 and by the shareholders in the EGM dated September 18, 2018.

The Company had issued 13,78,039 options during the year ended March 31, 2022 , 5,97,617 options during the year ended March 31, 2021 and 270,769 options during the year ended March 31, 2020 representing equal numbers of equity shares of Rs. 10 each.

**The activity in the CSL employee stock option scheme 2017 during the year ended March 31, 2022, March 31, 2021 and March 31, 2020 is set below :**

| **Particulars** | **As at March 31, 2022** | **Exercise price range** | **As at March 31, 2021** | **Exercise price range** | **As at March 31, 2020** | **Exercise price range** |
|---|---|---|---|---|---|---|
| | **In numbers** | | **In numbers** | | **In numbers** | |
| | | | | | | |
| CSL employee stock option scheme 2017 : (face value of Rs. 10 each) | | | | | | |
| **Options outstanding at the beginning of the year** | **32,57,033** | **Rs. 130 - Rs. 180** | **38,01,528** | **Rs. 130** | **35,30,759** | **₹ 130** |
| Add: Granted | 13,78,039 | Rs. 130 | 5,97,617 | Rs. 130 | 2,70,769 | ₹ 130 - ₹ 180 |
| Less: Exercised | 30,769 | Rs. 130 | - | - | - | - |
| Less: Lapsed | 16,13,206 | - | 11,42,112 | - | - | - |
| **Option outstanding at the end of the year** | **29,91,097** | **Rs. 130** | **32,57,033** | **Rs. 130 - Rs. 180** | **38,01,528** | **Rs. 130 - Rs. 180** |
| **Exercisable at the end of the year** | **29,91,097** | | **32,57,033** | | **38,01,528** | |
| | | | | | | |

**For Year ended March 31 2022 -**

The Company follows accounting policy of fair value method for employee stock options (ESOPs) valuation. Accordingly, the accumulated expense reversal of Rs. 107.15 lakh has been credited to the reformatted statement of profit and loss of the year ended March 31, 2022.

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XVI** | **CSL employee stock option scheme 2017 - Grant XVII** | **CSL employee stock option scheme 2017 - Grant XVIII** | **CSL employee stock option scheme 2017 - Grant XIX** | **CSL employee stock option scheme 2017 - Grant XX** |
|---|---|---|---|---|---|
| Date of the grant | April 1, 2021 | September 08, 2021 | October 7 ,2021 | October 21 ,2021 | November 1, 2021 |
| Number of options granted | 65,000 | 50,000 | 25,90,328 | 35,000 | 40,000 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 50:50:00 | 50:50:00 | 50:50:00 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 2.00 | 2.44 | 1.02 | 1.06 | 1.09 |
| Vested but not exercised (in years) | Nil | Nil | Nil | Nil | Nil |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of three years from the date of vesting | | Tranche 1 can be vested within one year and Tranche can be vested within two years from date of vesting | | |
| Vesting conditions | Graded vesting based on fulfillment of IRR target mentioned in the scheme. | | | | |
| Weighted average fair value of options as on grant date (in Rs) | 42.11 | 48.83 | 33.06 | 41.31 | 47.54 |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XXI** | **CSL employee stock option scheme 2017 - Grant XXII** | **CSL employee stock option scheme 2017 - Grant XXIII** | **CSL employee stock option scheme 2017 - Grant XXIV** | **CSL employee stock option scheme 2017 - Grant XXV** |
|---|---|---|---|---|---|
| Date of the grant | December 13, 2021 | January 06, 2022 | January 21, 2022 | January 25, 2022 | January 27, 2022 |
| Number of options granted | 40,000 | 40,000 | 40,000 | 30,769 | 60,000 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant | Graded vesting - starting from 1 year from the date of the grant |
| Vesting pattern | 50:50:00 | 50:50:00 | 50:50:00 | 50:50:00 | 50:50:00 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 1.20 | 1.27 | 1.31 | 1.32 | 1.33 |
| Vested but not exercised (in years) | Nil | Nil | Nil | Nil | Nil |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Tranche 1 can be vested within one year and Tranche 2 can be vested within two years from date of vesting | | | | |
| Vesting conditions | Graded vesting based on fulfillment of IRR target mentioned in the scheme. | | | | |
| Weighted average fair value of options as on grant date (in Rs) | 106.63 | 107.53 | 131.27 | 133.67 | 135.32 |

**Exercise pricing formula**

**The exercise pricing formula for CSL employee stock option scheme 2017 is as under :**

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

**Fair value methodology :**

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.
Keeping in view the multiple rules and events during vesting period, the Company switched to binomial method for valuation of it's Share Options as the model is robust model and allows for more complicated rules and events during the vesting period.
The fair value of options have been estimated on the date of the grant using Black-Scholes Model (For Grants XVI and XVII) and Binomial model(For Grants XVIII onwards) :

The key assumptions used in Black-Scholes and Binomial models for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XVI** | **CSL employee stock option scheme 2017 - Grant XVII** | **CSL employee stock option scheme 2017 - Grant XVIII** | **CSL employee stock option scheme 2017 - Grant XIX** | **CSL employee stock option scheme 2017 - Grant XX** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 4.80% | 4.60% | 5.53% | 5.53% | 5.57% |
| Expected volatility of share price* | 55.50% | 53.60% | 58.76% | 59.17% | 59.56% |
| Time to maturity (in years) | 2.50 | 2.50 | 3.30 | 3.30 | 3.30 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation (in Rs) | 106.10 ** | 116.50 ** | 130 ** | 130 ** | 130 ** |
| *The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value. | | | | | |
| ** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share. | | | | | |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XXI** | **CSL employee stock option scheme 2017 - Grant XXII** | **CSL employee stock option scheme 2017 - Grant XXIII** | **CSL employee stock option scheme 2017 - Grant XXIV** | **CSL employee stock option scheme 2017 - Grant XXV** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 5.46% | 6.03% | 6.10% | 6.09% | 6.14% |
| Expected volatility of share price* | 59.37% | 58.82% | 58.50% | 58.43% | 58.40% |
| Time to maturity (in years) | 3.30 | 3.30 | 3.30 | 3.30 | 3.30 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation in (Rs.) | 130 ** | 130 ** | 130 ** | 130 ** | 130 ** |

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share.

**For Year ended March 31 2021 -**

The Company follows accounting policy of fair value method for employee stock option (ESOPs) valuation. Accordingly accumulated expense of Rs 205.11 lakh has been debited to the reformatted statement of profit and loss of the year ended March 31, 2021.

| **Particulars** | **CSL employee stock option scheme 2017 - Grant I** | **CSL employee stock option scheme 2017 - Grant II** | **CSL employee stock option scheme 2017 - Grant III** | **CSL employee stock option scheme 2017 - Grant IV** | **CSL employee stock option scheme 2017 - Grant V** |
|---|---|---|---|---|---|
| | | | | | |
| Date of grant | August 13, 2018 | September 26, 2018 | November 02, 2018 | November 14, 2018 | December 26, 2018 |
| Number of options granted | 27,49,223 | 2,89,229 | 2,46,154 | 61,538 | 1,84,615 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | 13/08/2019, 13/08/2020, 13/08/2021, 13/08/2022 | 26/09/2019, 26/09/2020, 26/09/2021, 26/09/2022 | 02/11/2019, 02/11/2020, 02/11/2021, 02/11/2022 | 14/11/2019, 14/11/2020, 14/11/2021, 14/11/2022 | 26/12/2019, 26/12/2020, 26/12/2021, 26/12/2022. |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 1.12 | 1.24 | 1.34 | 1.37 | 1.49 |
| Vested but not exercised (in years) | 1.87 | 1.99 | 2.09 | 2.12 | 2.24 |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of 3 years from date of vesting. | | | | |
| Vesting conditions | 50 % of the vesting of options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. | | | | |
| Weighted average fair value of options as on grant date ( in Rs) | 61.91 | 63.69 | 62.92 | 62.78 | 62.54 |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| Particulars | CSL employee stock option scheme 2017 - Grant VI | CSL employee stock option scheme 2017 - Grant VII | CSL employee stock option scheme 2017 - Grant VIII | CSL employee stock option scheme 2017 - Grant IX | CSL employee stock option scheme 2017 - Grant X |
|---|---|---|---|---|---|
| | | | | | |
| Date of grant | August 09, 2019 | August 16, 2019 | October 14, 2019 | February 05, 2020 | May 21, 2020 |
| Number of options granted | 1,69,230 | 46,154 | 15,385 | 40,000 | 1,91,924 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | 09/08/2020, 09/08/2021, 09/08/2022, 09/08/2023 | 16/08/2020, 16/08/2021, 16/08/2022, 16/08/2023 | 14/10/2020, 14/10/2021, 14/10/2022, 14/10/2023 | 05/02/2021, 05/02/2022, 05/02/2023, 05/02/2024 | 21/05/2021, 21/05/2022, 21/05/2023, 21/05/2024 |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 1.76 | 1.78 | 1.94 | 2.25 | 2.14 |
| Vested but not exercised (in years) | 2.36 | 2.38 | 2.54 | 2.85 | - |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of 3 years from date of vesting. | | | | |
| Vesting conditions | 50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. | | | | |
| Weighted average fair value of options as on grant date (in Rs.) | 74.80 | 81.44 | 77.38 | 66.37 | 46.98 |

| Particulars | CSL employee stock option scheme 2017 - Grant XI | CSL employee stock option scheme 2017 - Grant XII | CSL employee stock option scheme 2017 - Grant XIII | CSL employee stock option scheme 2017 - Grant XIV | CSL employee stock option scheme 2017 - Grant XV(a) |
|---|---|---|---|---|---|
| Date of grant | 13 November 2020 | 01 January 2021 | 09 February 2021 | 24 February 2021 | 01 March 2021 |
| Number of options granted | 1,15,385 | 78,000 | 61,538 | 20,000 | 1,00,000 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | 13/11/2021, 13/11/2022, 13/11/2023, 13/11/2024 | 1/1/2022, 1/1/2023, 1/1/2024, 1/1/2025 | 9/2/2022, 9/2/2023, 9/2/2024, 9/2/2025 | 24/2/2022, 24/2/2023, 24/2/2024, 24/2/2025 | 1/3/2022, 1/3/2023, 1/3/2024, 1/3/2025 |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 2.62 | 2.76 | 2.86 | 2.91 | 2.92 |
| Vested but not exercised (in years) | - | - | - | - | - |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of 3 years from date of vesting. | | | | |
| Vesting conditions | 50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. | | | | |
| Weighted average fair value of options as on grant date (in Rs.) | 31.37 | 35.47 | 37.46 | 38.16 | 38.41 |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XV(b)** |
|---|---|
| Date of grant | 31 March 2021 |
| Number of options granted | 30,770 |
| Method of settlement | Equity shares |
| Vesting period | 31/3/2022, 31/3/2023, 31/3/2024, 31/3/2025 |
| Vesting pattern | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | |
| Granted but not vested (in years) | 3.00 |
| Vested but not exercised (in years) | - |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil |
| Exercise period | Within a period of 3 years from date of vesting. |
| Vesting conditions | 50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. |
| Weighted average fair value of options as on grant date (in Rs.) | 41.46 |

Note - During the year certain employees of the company has surrendered their 2,39,999 ESOP which was issued on August 06, 2019 and January 20, 2020 having an exercise price of Rs. 180 and Rs. 165 respectively. The company has re-issued the same number of ESOPs with the same vesting conditions at an exercise price of Rs. 130.

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

**Exercise pricing formula**

**The exercise pricing formula for CSL employee stock option scheme 2017 are as under :**

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

**Fair value methodology :**

The fair value of options have been estimated on the date of grant using Black-Scholes model :

The key assumptions used in Black-Scholes model for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

| **Particulars** | **CSL employee stock option scheme 2017 - Grant I** | **CSL employee stock option scheme 2017 - Grant II** | **CSL employee stock option scheme 2017 - Grant III** | **CSL employee stock option scheme 2017 - Grant IV** | **CSL employee stock option scheme 2017 - Grant V** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 7.75% | 8.02% | 7.56% | 7.48% | 7.09% |
| Expected volatility of share price | 39.71% * | 41.40% * | 41.56% * | 41.6% * | 42.28% * |
| Time to maturity (in years) | 3.98 | 3.98 | 3.97 | 3.98 | 3.97 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation (in Rs.) | 140 ** | 140 ** | 140 ** | 140 ** | 140 ** |
| *The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value. | | | | | |
| ** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share. | | | | | |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant VI** | **CSL employee stock option scheme 2017 - Grant VII** | **CSL employee stock option scheme 2017 - Grant VI** | **CSL employee stock option scheme 2017 - Grant IX** | **CSL employee stock option scheme 2017 - Grant X** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 5.99% | 6.06% | 5.94% | 6.05% | 5.08% |
| Expected volatility of share price | 44.30% * | 44.41%* | 45.19%* | 45.27%* | 50.23%* |
| Time to maturity (in years) | 3.80 | 3.79 | 3.71 | 3.55 | 3.41 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation (in Rs.) | 180 | 180 | 180 | 165 | 120.95 |

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XI** | **CSL employee stock option scheme 2017 - Grant XII** | **CSL employee stock option scheme 2017 - Grant XIII** | **CSL employee stock option scheme 2017 - Grant XIV** | **CSL employee stock option scheme 2017 - Grant XV(a)** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 5.05% | 4.80% | 5.30% | 5.32% | 5.40% |
| Expected volatility of share price | 51.35%* | 51.42%* | 51.47%* | 51.47%* | 51.47%* |
| Time to maturity (in years) | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation (in Rs.) | 90 | 98.2 | 100.3 | 101.3 | 101.5 |

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant XV(b)** |
|---|---|
| | |
| Risk-free interest rate | 5.40% |
| Expected volatility of share price | 51.47%* |
| Time to maturity (in years) | 3.98 |
| Dividend yield | - |
| The price of equity share as on grant date considered for valuation (in Rs.) | 105.9 |

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**For Year ended March 31, 2020 -**

The Company follows accounting policy of fair value method for employee stock option (ESOPs) valuation. Accordingly accumulated expense of Rs 348.74 lakh has been debited to the reformatted statement of profit and loss of the year ended March 31, 2020.

| **Particulars** | **CSL employee stock option scheme 2017 - Grant I** | **CSL employee stock option scheme 2017 - Grant II** | **CSL employee stock option scheme 2017 - Grant III** | **CSL employee stock option scheme 2017 - Grant IV** | **CSL employee stock option scheme 2017 - Grant V** |
|---|---|---|---|---|---|
| | | | | | |
| Date of grant | August 13, 2018 | September 26, 2018 | November 02, 2018 | November 14, 2018 | December 26, 2018 |
| Number of options granted | 27,49,223 | 2,89,229 | 2,46,154 | 61,538 | 1,84,615 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | 13/08/2019, 13/08/2020, 13/08/2021, 13/08/2022 | 26/09/2019, 26/09/2020, 26/09/2021, 26/09/2022 | 02/11/2019, 02/11/2020, 02/11/2021, 02/11/2022 | 14/11/2019, 14/11/2020, 14/11/2021, 14/11/2022 | 26/12/2019, 26/12/2020, 26/12/2021, 26/12/2022. |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | | | | | |
| Granted but not vested (in years) | 1.77 | 1.89 | 1.99 | 2.02 | 2.14 |
| Vested but not exercised (in years) | 2.37 | 2.49 | 2.59 | 2.62 | 2.74 |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of 3 years from date of vesting. | | | | |
| Vesting conditions | 50 % of the vesting of options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. | | | | |
| Weighted average fair value of options as on grant date (in Rs.) | 61.91 | 63.69 | 62.92 | 62.78 | 62.54 |

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant VI** | **CSL employee stock option scheme 2017 - Grant VII** | **CSL employee stock option scheme 2017 - Grant VIII** | **CSL employee stock option scheme 2017 - Grant IX** |
|---|---|---|---|---|
| | | | | |
| Date of grant | August 09, 2019 | August 16, 2019 | October 14, 2019 | February 05, 2020 |
| Number of options granted | 1,69,230 | 46,154 | 15,385 | 40,000 |
| Method of settlement | Equity shares | Equity shares | Equity shares | Equity shares |
| Vesting period | 09/08/2020, 09/08/2021, 09/08/2022, 09/08/2023 | 16/08/2020, 16/08/2021, 16/08/2022, 16/08/2023 | 14/10/2020, 14/10/2021, 14/10/2022, 14/10/2023 | 05/02/2021, 05/02/2022, 05/02/2023, 05/02/2024 |
| Vesting pattern | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 | 16.66:16.66:16.66:50 |
| **Weighted average remaining contractual life** | | | | |
| Granted but not vested (in years) | 2.36 | 2.38 | 2.54 | 2.85 |
| Vested but not exercised (in years) | - | - | - | - |
| Weighted average share price at the date of exercise for stock options exercised during the year | Nil | Nil | Nil | Nil |
| Exercise period | Within a period of 3 years from date of vesting. | | | |
| Vesting conditions | 50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre determined parameters laid down in scheme i.e. ROA and AUM along with passage of time of 3 years continuous employment in the company. | | | |
| Weighted average fair value of options as on grant date (in Rs.) | 74.80 | 81.44 | 77.38 | 66.37 |

**Exercise pricing formula**

**The exercise pricing formula for CSL employee stock option scheme 2017 are as under :**

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

**Fair value methodology :**

The fair value of options have been estimated on the date of grant using Black-Scholes model :

The key assumptions used in Black-Scholes model for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

**(Rupees in lakh)**

**44. Disclosure relating to employee stock option scheme (continued)**

| **Particulars** | **CSL employee stock option scheme 2017 - Grant I** | **CSL employee stock option scheme 2017 - Grant II** | **CSL employee stock option scheme 2017 - Grant III** | **CSL employee stock option scheme 2017 - Grant IV** | **CSL employee stock option scheme 2017 - Grant V** |
|---|---|---|---|---|---|
| | | | | | |
| Risk-free interest rate | 7.75% | 8.02% | 7.56% | 7.48% | 7.09% |
| Expected volatility of share price | 39.71% * | 41.40% * | 41.56% * | 41.6% * | 42.28% * |
| Time to maturity (in years) | 3.98 | 3.98 | 3.97 | 3.98 | 3.97 |
| Dividend yield | - | - | - | - | - |
| The price of equity share as on grant date considered for valuation (in Rs.) | 140 ** | 140 ** | 140 ** | 140 ** | 140 ** |
| *The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value. | | | | | |
| ** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share. | | | | | |

| **Particulars** | **CSL employee stock option scheme 2017 - Grant VI** | **CSL employee stock option scheme 2017 - Grant VII** | **CSL employee stock option scheme 2017 - Grant VI** | **CSL employee stock option scheme 2017 - Grant IX** |
|---|---|---|---|---|
| | | | | |
| Risk-free interest rate | 5.99% | 6.06% | 5.94% | 6.05% |
| Expected volatility of share price | 44.30% * | 44.41%* | 45.19%* | 45.27%* |
| Time to maturity (in years) | 3.80 | 3.79 | 3.71 | 3.55 |
| Dividend yield | - | - | - | - |
| The price of equity share as on grant date considered for valuation in ( ₹) | 180 | 180 | 180 | 165 |

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**(Rupees in lakh)**

**45. Leases (entity as a lessee)**

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Reformatted Statement of Assets and Liabilities.

**a. Right of use asset :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| **Office Premises :** | | | |
| **At cost at the beginning of the year** | **1,971.28** | **1,854.97** | **1,794.60** |
| Additions during the year | 1,914.56 | 92.10 | 60.37 |
| Remeasurement of assets | 10.42 | 24.21 | - |
| **At cost at the end of the year** | **3,896.26** | **1,971.28** | **1,854.97** |
| | | | |
| **Accumulated depreciation as at the beginning of the year** | **876.97** | **510.96** | **166.94** |
| Depreciation for the year | 481.01 | 366.01 | 344.02 |
| **Accumulated depreciation as at the end of the year** | **1,357.98** | **876.97** | **510.96** |
| | | | |
| **Net carrying amounts as at the end of the year** | **2,538.28** | **1,094.31** | **1,344.01** |

**b. Amount recognised in Reformatted Statement of Profit and loss :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Depreciation expense for the year on right-of-use assets | 481.01 | 366.01 | 344.02 |
| Interest expense for the year on lease liabilities | 225.38 | 171.20 | 198.48 |
| **Total expenses recognised in Reformatted Statement of profit and loss** | **706.39** | **537.21** | **542.50** |

The total cash outflow on account of lease rentals amounting for the year ended March 31, 2022 was Rs. 587.61 lakh, for the year ended March 31, 2021 was Rs. 447.99 lakh and for the year ended March 31, 2020 was Rs 445.44 lakh.

The average lease term for the rented office premises is ranging between 5 to 12 years.

**c. Lease liabilities :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Lease liabilities | 2,858.76 | 1,340.97 | 1,545.55 |
| **Total** | **2,858.76** | **1,340.97** | **1,545.55** |

**d. Maturity analysis of lease liabilities :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Not later than 1 year | 597.97 | 404.82 | 294.10 |
| Later than 1 year and not later than 5 years | 2,185.39 | 884.64 | 1,190.00 |
| Later than 5 years | 75.40 | 51.51 | 61.45 |
| **Total** | **2,858.76** | **1,340.97** | **1,545.55** |

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

**(Rupees in lakh)**

**46. Disclosure under Clause 28 of the Listing Agreement for Debt Securities :**

| Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **a) Loans and advances in the nature of loans to Subsidiaries** | | | |
| Name of the Company | Not Applicable | Not Applicable | Not Applicable |
| Amount | - | - | - |
| | | | |
| **b) Loans and advances in the nature of loans to Associates** | | | |
| Name of the Company | Not Applicable | Not Applicable | Not Applicable |
| Amount | - | - | - |
| | | | |
| **c) Loans and advances in the nature of loans to Firms/Companies in which director are interested** | | | |
| Name of the Company | Not Applicable | Not Applicable | Not Applicable |
| Amount | - | - | - |
| | | | |
| **d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.** | Not Applicable | Not Applicable | Not Applicable |

**(Rupees in lakh)**

**47 Impact of Hedging activities**

**a) Disclosure of effects of hedge accounting on the financial position:**

**March 31, 2022**

| Type of hedge and risk | Nominal value | | Carrying amount of hedging instrument | | Maturity Date | Changes in fair value of hedging instruments | Change in the value of hedged item used as the basis for recognising hedge effectiveness | Line item in the reformatted statement of assets and liabilities |
|---|---|---|---|---|---|---|---|---|
| **Cashflow Hedge** | **Assets** | **Liabilities** | **Assets** | **Liabilities** | | | | |
| Currency Derivative (Cross Currency Interest Rate Swaps) | 3,109.43 | - | 22.29 | - | December 06, 2024 | 22.29 | 22.29 | Borrowings (other than debt securities) |

**March 31, 2021**

| Type of hedge and risk | Nominal value | | Carrying amount of hedging instrument | | Maturity Date | Changes in fair value of hedging instruments | Change in the value of hedged item used as the basis for recognising hedge effectiveness | Line item in the reformatted statement of assets and liabilities |
|---|---|---|---|---|---|---|---|---|
| **Cashflow Hedge** | **Assets** | **Liabilities** | **Assets** | **Liabilities** | | | | |
| Currency Derivative (Cross Currency Interest Rate Swaps) | - | - | - | - | - | - | - | - |

**March 31, 2020**

| 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 reformatted statement of assets and liabilities |
|---|---|---|---|---|---|---|---|---|
| **Cashflow Hedge** | **Assets** | **Liabilities** | **Assets** | **Liabilities** | | | | |
| Currency Derivative (Cross Currency Interest Rate Swaps) | - | - | - | - | - | - | - | - |

**b) Disclosure of effects of hedge accounting on the financial performance:**

**March 31, 2022**

| Type of Hedge | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in the reformatted statement of profit and loss | Amount reclassified from cash flow hedge reserve to reformatted statement of profit and loss | Line item affected in the reformatted statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge | | | | |
| -Foreign exchange risk and interest rate risk | 9.00 | - | (61.58) | Finance Cost |

**March 31, 2021**

| Type of Hedge | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in the reformatted statement of profit and loss | Amount reclassified from cash flow hedge reserve to reformatted statement of profit and loss | Line item affected in the reformatted statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge | | | | |
| -Foreign exchange risk and interest rate risk | - | - | - | N.A. |

**March 31, 2020**

| Type of Hedge | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in the reformatted statement of profit and loss | Amount reclassified from cash flow hedge reserve to reformatted statement of profit and loss | Line item affected in the reformatted statement of profit and loss because of the reclassification |
|---|---|---|---|---|
| Cash flow hedge | | | | |
| -Foreign exchange risk and interest rate risk | - | - | - | N.A. |

**(Rupees in lakh)**

**48. Summarised classification of financial assets and liabilities :**

| Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Amortised cost | At Fair Value Through profit and loss account | At fair value through other comprehensive income | Total |
| **Financial assets** | | | | | | | | | | | | |
| Cash and cash equivalents | 6,574.94 | - | - | **6,574.94** | 12,365.55 | - | **-** | **12,365.55** | 873.96 | - | **-** | **873.96** |
| Bank balances other than cash and cash equivalents above | 12,260.25 | - | - | **12,260.25** | 19,238.99 | - | **-** | **19,238.99** | 14,091.32 | - | **-** | **14,091.32** |
| Derivative financial instruments | - | - | 22.29 | **22.29** | - | - | **-** | **-** | - | - | **-** | **-** |
| Loans | 2,45,048.34 | - | - | **2,45,048.34** | 1,28,269.61 | - | **-** | **1,28,269.61** | 83,278.42 | - | **-** | **83,278.42** |
| Investments | 4,295.88 | 2,648.11 | | **6,943.99** | 1,508.21 | 4,014.54 | **-** | **5,522.75** | - | 7,250.81 | **-** | **7,250.81** |
| Other financial assets (Refer Note 8) | 789.62 | - | - | **789.62** | 680.88 | - | **-** | **680.88** | 9,061.62 | - | **-** | **9,061.62** |
| **Total** | **2,68,969.03** | **2,648.11** | **22.29** | **2,71,639.43** | **1,62,063.24** | **4,014.54** | **-** | **1,66,077.78** | **1,07,305.32** | **7,250.81** | **-** | **1,14,556.13** |
| | | | | | | | | | | | | |
| **Financial liabilities** | | | | | | | | | | | | |
| Payables : | | | | | | | | | | | | |
| (A) Trade payables | | | | | | | | | | | | |
| (I) Total outstanding dues of micro enterprises and small enterprises | 0.08 | - | - | **0.08** | 0.01 | - | **-** | **0.01** | 10.14 | - | **-** | **10.14** |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 666.93 | - | - | **666.93** | 218.24 | - | **-** | **218.24** | 687.19 | - | **-** | **687.19** |
| (B) Other payables | | | - | | | | | | | - | | **-** |
| (I) Total outstanding dues of micro enterprises and small enterprises | - | - | - | **-** | - | - | **-** | - | - | - | **-** | **-** |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 15.04 | - | - | **15.04** | 107.36 | - | **-** | **107.36** | - | - | **-** | **-** |
| Debt securities | 70,376.77 | - | - | **70,376.77** | 31,557.55 | - | **-** | **31,557.55** | 9,182.37 | - | **-** | **9,182.37** |
| Borrowings (other than debt securities) | 1,09,807.09 | - | - | **1,09,807.09** | 45,011.94 | - | **-** | **45,011.94** | 16,129.04 | - | **-** | **16,129.04** |
| Other financial liabilities (Refer Note 20) | 4,497.64 | 225.17 | - | **4,722.81** | 2,118.22 | - | **-** | **2,118.22** | 1,911.46 | - | **-** | **1,911.46** |
| **Total** | **1,85,363.55** | **225.17** | **-** | **1,85,588.72** | **79,013.32** | - | **-** | **79,013.32** | **27,920.20** | **-** | **-** | **27,920.20** |

**(Rupees in lakh)**

**49. Financial risk management**

**The Company has exposure to the following risks from financial instruments:**

a. Credit Risk
b. Liquidity Risk
c. Market Risk
d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk, etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

**a. Credit Risk**

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

**Management of Credit Risk**

**Write-off policy :**

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the reformatted statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

**Credit quality analysis :**

The Company's policies for computation of expected credit loss (ECL) are set out below:

**(I) ECL on Loans and advances**

**ECL is computed for loans and investments portfolio of the Company :**

**Loan portfolio :**

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

**Definition of default :**

A default shall be considered to have occurred when any of the following criteria is met:
a) An asset is more than 90 DPD.
b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

**Significant increase in credit risk (SICR) criteria :**

(a) External credit rating going below investment grade rating.
(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
(c) Other Qualitative parameters :
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
(d) Any other qualitative parameter.

**Definition of low credit risk :**

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

**Forward looking factors :**

Forward looking factors are considered while determining the significant increase in credit risk.

**Staging criteria :**

Following staging criteria is used for loans :
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-89 DPD and
(iii) Stage 3: >= 90 DPD
Any deviation to the above classification shall be approved by the audit committee of the board (ACB).

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**Probability of Default (PD%)**

PDs are determined depending on the risk profile of the pool of loans based on the internal rating models, credit bureau models, corporate ratings, specific market estimates as applicable to the respective portfolio segments.

**Loss given default (LGD%)**

Loss given default (LGD) represents recovery from defaulted assets.
LGD computation is based on the Foundational-Internal Rating Based (F-IRB) approach or basis cashflows from post default workout and collections, as applicable to the respective portfolio segments.

LGD is determined based on F-IRB approach for Stage 1 and Stage 2 loans. For Stage 3, loans the Company estimates the cash flows expected over a time period.

**Exposure at Default (EAD)**

Exposure at default represents the outstanding balance at the reporting date plus expected drawdowns on committed facilities. UGRO Capital Ltd has considered the following for EAD computation :
a.On books principal exposure
b.Accumulated interest exposure
c.Excluding FLDG amount, if any
The Company actively participates in co-lending with other NBFC partners. In many of these deals there is a FLDG in the form of FD (or equivalent) or corporate guarantee. In such scenarios, while arriving at EAD, FLDG amount is subtracted. In case of default in such arrangements, if the trigger event occurs for both unsecured and secured loans on the 89th day, the POS plus accumulated interest would be adjusted from the FLDG. The interest accumulation to stop in the accounting books for such assets in case there is no principal outstanding.

**(II) ECL on fixed deposits, investments, trade and other receivables**

With respect to the Fixed Deposits and Investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach.
The Company has followed Simplified Approach of ECL provisioning on its Trade and other receivables.

**(III) Undrawn exposure**

In case of ECL on undrawn exposure, the EAD is computed after considering credit conversion factor (CCF) of 50% (percentage as prescribed by RBI) and 12-month ECL is computed for all undrawn commitments pertaining to Stage 1 assets considering PD% and LGD% of the respective categories of loans and advances.

**Applicable provisions for NBFCs covered under Ind AS:**

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 provides that NBFCs which are required to comply with Indian Accounting Standards (Ind AS) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments. The Company follows the aforesaid circular.

**Portfolio default and loss estimates :**

To arrive at an early estimation of loss, an internally developed methodology has been adopted.

i) For term loans, the method combines macroeconomic outlook of the sector demand, entities' cash in hand and losses incurred during/immediately after the lockdown period, to arrive at a projection of delinquency and loss.

ii) For SCF portfolio, the assessment is based on evaluation of anchors basis personal interviews conducted by the Company officers, focusing on the key business aspects such as capacity utilization, production impact, fixed costs v/s cash flow.

iii) For onward lending , the estimates are based on a client level assessment.

iv) For direct assignment, the estimates are based on partner assessment and high-level multipliers.

Further, the management will continue to review the situation and do this analysis at regular intervals during FY 2023 as the Company will have more data points and keep updating the analysis and make appropriate adjustments, as warranted and reflect the same in the financials also considering further regulatory guidance as may be forthcoming.

**Impact of Covid – 19 on expected credit loss :**

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations, MSME lending and the efficiency in collection efforts resulting in increase in the delinquency rates and consequent increase in provisions therefor.

India has now emerged from the COVID-19 pandemic and we have witnessed significant revival in the MSME sector in terms of demand resulting in increased disbursements and improved collection efficiency. The extent to which any new wave of COVID-19 will impact the Company's results is estimated to be minimal with the increasing vaccination coverage in the country which will help in mitigating the risks associated with the pandemic and its impact thereof.

In view of the above, for the year ended March 31, 2022, the Management estimates that in future there would be minimal impact of the pandemic on the Company.

**Management Overlay :**

The Company has maintained management overlay of Rs. 273.79 lakh towards its restructured loans and advances as at March 31, 2022.

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**A. Movement of expected credit loss on advances :**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit impaired | Management Overlay | Total |
|---|---|---|---|---|---|---|
| **Opening balances as at April 01, 2021** | **1,197.28** | **75.03** | **1,011.00** | **-** | **270.00** | **2,553.31** |
| **Changes in the loss allowance during the year :** | | | | | | |
| Transfer to Stage 1 | 2.95 | (2.44) | (0.51) | - | - | - |
| Transfer to Stage 2 | (64.73) | 64.90 | (0.17) | - | - | - |
| Transfer to Stage 3 | (887.16) | (34.09) | 921.25 | - | - | - |
| New loans originated during the year | 2,156.49 | 28.68 | 168.15 | - | - | 2,353.32 |
| Other movements (on account of changes in EAD) | 76.83 | (38.17) | (884.68) | - | - | (846.02) |
| Management overlay | - | - | - | - | 3.79 | 3.79 |
| **Closing balance as at March 31, 2022** | **2,481.66** | **93.91** | **1,215.04** | **-** | **273.79** | **4,064.40** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Opening balance as at April 01, 2020** | **633.25** | **52.10** | **359.68** | **-** | **-** | **1,045.03** |
| **Changes in the loss allowance during the year :** | | | | | | |
| Transfer to Stage 1 | 2.56 | (2.30) | (0.26) | - | - | - |
| Transfer to Stage 2 | (43.87) | 43.89 | (0.02) | - | - | - |
| Transfer to Stage 3 | (669.50) | (165.61) | 835.11 | - | - | - |
| New loans originated during the year | 920.10 | 30.62 | 56.60 | - | - | 1,007.32 |
| Other movements (on account of changes in EAD) | 354.74 | 116.33 | (240.11) | - | - | 230.96 |
| Management overlay | - | - | - | | 270.00 | 270.00 |
| **Closing balance as at March 31, 2021** | **1,197.28** | **75.03** | **1,011.00** | **-** | **270.00** | **2,553.31** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Opening balance as at April 01, 2019** | **23.56** | **0.80** | **-** | **-** | **-** | **24.36** |
| **Changes in the loss allowance during the year :** | | | | | | |
| Transfer to Stage 1 | 0.80 | (0.80) | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - | - | - |
| New loan originated during the year | 611.41 | 52.67 | 359.68 | - | - | 1,023.76 |
| Other movements (on account of change in EAD) | (2.52) | (0.57) | - | - | - | (3.09) |
| **Closing balance as at March 31, 2020** | **633.25** | **52.10** | **359.68** | **-** | **-** | **1,045.03** |

**B. Movement of expected credit loss (ECL) on loan commitments :**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Opening balances as at April 01, 2021** | **8.69** | **-** | **-** | **8.69** |
| **Changes in the loss allowance during the year :** | | | | - |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - |
| Write off | - | - | - | - |
| Changes due to modifications that did not result in derecognition | - | - | - | - |
| New loan commitments originated during the year | - | - | - | - |
| Other movements (on account of changes in EAD) | (8.69) | **-** | **-** | (8.69) |
| **Closing balance as at March 31, 2022** | **-** | **-** | **-** | **-** |

| | | | | |
|---|---|---|---|---|
| **Opening balances as at April 01, 2020** | **2.77** | **-** | **-** | **2.77** |
| **Changes in the loss allowance during the year :** | | | | |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - |
| Write off | - | - | - | - |
| Changes due to modifications that did not result in derecognition | - | - | - | - |
| New loan commitments originated during the year | 8.69 | - | - | 8.69 |
| Other movements (on account of changes in EAD) | (2.77) | - | - | (2.77) |
| **Closing balance as at March 31, 2021** | **8.69** | **-** | **-** | **8.69** |

| | | | | |
|---|---|---|---|---|
| **Opening balances as at April 01, 2019** | **-** | **-** | **-** | **-** |
| **Changes in the loss allowance during the year :** | | | | |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - |
| New loan commitments originated during the year | 2.77 | - | - | 2.77 |
| Other movements (on account of change in EAD) | - | - | - | - |
| **Closing balance as at March 31, 2020** | **2.77** | **-** | **-** | **2.77** |

**(Rupees in lakh)**

**C. Movement in gross carrying amount of advances :**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit impaired | Total |
|---|---|---|---|---|---|
| **Opening balance of gross carrying amount as at April 01, 2021** | **1,24,036.19** | **3,751.00** | **3,044.42** | **-** | **1,30,831.61** |
| **Changes in the gross carrying amount during the year :** | | | | | |
| Transfer to Stage 1 | 430.59 | (289.11) | (141.48) | - | - |
| Transfer to Stage 2 | (2,004.44) | 2,010.61 | (6.17) | - | - |
| Transfer to Stage 3 | (4,175.51) | (277.22) | 4,452.73 | - | - |
| New loans originated during the year | 1,94,319.04 | 1,198.16 | 843.55 | - | 1,96,360.75 |
| Other movements (on account of changes in EAD) | (72,389.62) | (3,138.10) | (2,551.90) | - | (78,079.62) |
| **Closing balance as at March 31, 2022** | **2,40,216.25** | **3,255.34** | **5,641.15** | - | **2,49,112.74** |
| | | | | | |
| **Opening balance of gross carrying amount as at April 01, 2020** | **81,687.75** | **1,820.71** | **817.76** | **-** | **84,326.22** |
| **Changes in the gross carrying amount during the year :** | | | | | |
| Transfer to Stage 1 | 74.76 | (64.58) | (10.18) | - | - |
| Transfer to Stage 2 | (1,641.66) | 1,651.52 | (9.86) | - | - |
| Transfer to Stage 3 | (1,932.42) | (525.88) | 2,458.30 | - | - |
| New loans originated during the year | 81,548.14 | 2,023.61 | 286.61 | - | 83,858.36 |
| Other movements (on account of changes in EAD) | (35,700.37) | (1,154.38) | (498.21) | - | (37,352.96) |
| **Closing balance as at March 31, 2021** | **1,24,036.19** | **3,751.00** | **3,044.42** | **-** | **1,30,831.61** |

| | | | | | |
|---|---|---|---|---|---|
| **Opening balance of gross carrying amount as at April 01, 2019** | **7,943.71** | **19.63** | **-** | **-** | **7,963.34** |
| **Changes in the gross carrying amount during the year :** | | | | | |
| Transfer to Stage 1 | 10.31 | (10.31) | - | - | - |
| Transfer to Stage 2 | - | - | - | - | - |
| Transfer to Stage 3 | (111.72) | - | 111.72 | - | - |
| New loan originated during the year | 78,270.04 | 1,820.70 | 706.04 | - | 80,796.78 |
| Other movements (on account of change in EAD) | (4,424.59) | (9.31) | - | - | (3,749.51) |
| **Closing balance as at March 31, 2020** | **81,687.75** | **1,820.71** | **817.76** | **-** | **84,326.22** |

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**D. Movement in loan commitments :**

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Opening balance as at April 01, 2021** | **1,381.88** | **-** | **-** | **1,381.88** |
| **Changes in loan commitments during the year :** | | | | |
| Transfer to Stage 1 | **-** | **-** | **-** | **-** |
| Transfer to Stage 2 | **-** | **-** | **-** | **-** |
| Transfer to Stage 3 | **-** | **-** | **-** | **-** |
| Changes due to modifications that did not result in derecognition | **-** | **-** | **-** | **-** |
| New loan commitments originated during the year | 882.60 | **-** | **-** | 882.60 |
| Other changes | **-** | **-** | **-** | **-** |
| Other movements (on account of changes in EAD) | (1,381.88) | | | (1,381.88) |
| **Closing balance as at March 31, 2022** | **882.60** | **-** | **-** | **882.60** |
| **Opening balance as at April 01, 2020** | **593.91** | **-** | **-** | **593.91** |
| **Changes in loan commitments during the year :** | | | | |
| Transfer to Stage 1 | **-** | **-** | **-** | **-** |
| Transfer to Stage 2 | **-** | **-** | **-** | **-** |
| Transfer to Stage 3 | **-** | **-** | **-** | **-** |
| Changes due to modifications that did not result in derecognition | **-** | **-** | **-** | **-** |
| New loan commitments originated during the year | 1,381.88 | **-** | **-** | 1,381.88 |
| Other changes | | | | |
| Other movements (on account of changes in EAD) | (593.91) | **-** | **-** | (593.91) |
| **Closing balance as at March 31, 2021** | **1,381.88** | **-** | **-** | **1,381.88** |
| **Opening balance as at April 01, 2019** | **-** | **-** | **-** | **-** |
| **Changes in loan commitments during the year :** | | | | |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - |
| New loan commitments originated during the year | 593.91 | - | - | 593.91 |
| Other movements (on account of change in EAD) | - | - | - | - |
| **Closing balance as at March 31, 2020** | **593.91** | **-** | **-** | **593.91** |

**E. Details of collaterals received against loan portfolio :**

**Nature of security against advances :**

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

**Advances (LTV band-wise) :**

| LTV ratio | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Gross carrying amount of advances | Cumulative loss allowance | Gross carrying amount of advances | Cumulative loss allowance | Gross carrying amount of advances | Cumulative loss allowance |
| Less than 50% | 1,52,843.22 | 1,563.92 | 20,109.68 | 132.49 | 35,002.36 | 65.66 |
| 51% - 70% | - | - | 21,100.79 | 183.50 | 14,683.58 | 123.69 |
| 71%-90% | - | - | 17,935.08 | 126.71 | 9,046.87 | 67.07 |
| > 90% | - | - | 28,256.91 | 419.90 | 98.64 | 0.07 |

**Credit impaired advances (LTV band-wise) :**

| LTV ratio | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Gross carrying amount of advances | Cumulative loss allowance | Gross carrying amount of advances | Cumulative loss allowance | Gross carrying amount of advances | Cumulative loss allowance |
| Less than 50% | 3,033.97 | 325.26 | 374.80 | 30.30 | 122.11 | 1.41 |
| 71%-90% | - | - | 99.29 | 5.08 | - | - |
| > 90% | - | - | 579.93 | 89.59 | - | - |

There is no collateral repossessed by the Company during the year.

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**b. Liquidity risk**

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset Liability Management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Reformatted Statement of Assets and Liabilities. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

**Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2022 :**

| Particulars | Carrying amount* | Gross Nominal | Not later than one month | Later than one month and not later than three months | later than three months and not later than one year | later than one year and not later than five years | later than five years |
|---|---|---|---|---|---|---|---|
| **Financial assets (inflow) :** | | | | | | | |
| Cash and cash equivalents | 6,574.94 | 6,574.94 | 6,574.94 | - | - | - | - |
| Bank balances other than cash and cash equivalents above | 12,263.11 | 12,263.11 | 562.29 | 5,061.49 | 755.98 | 5,881.92 | 1.43 |
| Derivative financial instruments | 22.29 | 22.29 | - | - | 22.29 | - | - |
| Loans | 2,49,112.74 | 2,44,841.52 | 14,557.20 | 18,930.32 | 46,775.13 | 1,23,644.55 | 40,934.32 |
| Investments | 6,944.83 | 6,854.27 | - | - | 2,663.90 | 4,190.37 | - |
| Other financial assets (Refer Note 8) | 792.79 | 792.79 | - | 139.20 | 228.38 | 425.21 | - |
| | | | | | | | |
| **Financial liabilities (outflow) :** | | | | | | | |
| Payables | | | | | | | |
| (A) Trade payables | | | | | | | |
| (I) Total outstanding dues of micro enterprises and small enterprises | 0.08 | 0.08 | - | 0.08 | - | - | - |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 666.93 | 666.93 | - | 666.93 | - | - | - |
| (B) Other payables | | | | | | | |
| (I) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 15.04 | 15.04 | - | 15.04 | - | - | - |
| Debt securities | 70,376.77 | 71,924.34 | 5,479.87 | 6,255.99 | 18,438.72 | 31,049.76 | 10,700.00 |
| Borrowings (other than debt securities) | 1,09,807.09 | 1,11,572.30 | 3,242.70 | 10,458.32 | 33,111.47 | 64,509.81 | 250.00 |
| Other financial liabilities (Refer Note 20) | 4,722.81 | 5,470.75 | 78.07 | 1,753.94 | 639.48 | 2,902.39 | 96.87 |

*Carrying amount reported above is on gross basis.

**Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2021 :**

| Particulars | Carrying amount* | Gross Nominal | Not later than one month | Later than one month and not later than three months | later than three months and not later than one year | later than one year and not later than five years | later than five years |
|---|---|---|---|---|---|---|---|
| **Financial assets (Inflow) :** | | | | | | | |
| Cash and cash equivalents | 12,365.55 | 12,365.55 | 12,365.55 | - | - | - | - |
| Bank balance other than cash and cash equivalents | 19,238.99 | 19,987.06 | 7,110.55 | 5,054.95 | 6,835.16 | 986.40 | - |
| Loans | 1,30,831.61 | 1,61,434.82 | 3,347.20 | 8,853.06 | 30,334.89 | 82,615.22 | 36,284.45 |
| Investments | 5,522.75 | 6,033.90 | 4,055.46 | - | 66.83 | 1,397.95 | 513.66 |
| Other financial assets (Refer Note 8) | 680.88 | 680.88 | - | 357.77 | 94.97 | 222.88 | 5.26 |
| | | | | | | | |
| **Financial liabilities (outflow) :** | | | | | | | |
| Payables | | | | | | | |
| (A) Trade payables | | | | | | | |
| (I) Total outstanding dues of micro enterprises and small enterprises | 0.01 | 0.01 | 0.01 | - | - | - | - |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 218.24 | 228.20 | 32.64 | 62.39 | 133.17 | - | - |
| (B) Other payables | | | | | | | |
| (I) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| (II) Total outstanding dues of creditors other than micro enterprises and small enterprises | 107.36 | 107.36 | - | - | 107.36 | - | - |
| Debt securities | 31,557.55 | 35,885.48 | 242.92 | 1,581.38 | 18,023.08 | 16,038.10 | - |
| Borrowings (other than debt securities) | 45,011.94 | 48,288.24 | 1,951.34 | 3,274.99 | 14,501.89 | 28,560.02 | - |
| Other financial liabilities (Refer Note 20) | 2,118.22 | 2,408.11 | 47.41 | 498.44 | 408.22 | 1,381.66 | 72.38 |

*Carrying amount reported above is on gross basis.

**(Rupees in lakh)**

**Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2020 :**

| Particulars | Carrying amount* | Gross Nominal | Not later than one month | Later than one month and not later than three months | later than three months and not later than one year | later than one year and not later than five year | later than five years |
|---|---|---|---|---|---|---|---|
| **Financial assets (Inflow) :** | | | | | | | |
| Cash and cash equivalents | 873.96 | 873.96 | 873.96 | - | - | - | - |
| Bank balance other than cash and cash equivalents | 14,091.32 | 15,168.67 | 1.43 | - | 4,672.54 | 10,494.69 | - |
| #Loans | 84,326.22 | 1,12,088.44 | 1,790.38 | 14,873.31 | 25,510.24 | 45,452.40 | 24,462.11 |
| Investments | 7,250.81 | 7,250.81 | 7,250.81 | - | - | - | - |
| Other financial assets | 9,061.62 | 8,986.07 | 4,130.44 | 4,657.93 | - | 191.55 | 6.16 |
| | | | | | | | |
| Financial liabilities (outflow) : | | | | | | | |
| Payables | | | | | | | |
| (A) Trade payables | | | | | | | |
| (I) total outstanding dues of micro enterprises and small enterprises | 10.14 | 10.14 | - | 10.14 | - | - | - |
| (II) total outstanding dues of creditors other than micro enterprises and small enterprises | 687.19 | 1,064.57 | 38.64 | 792.59 | 110.06 | 123.29 | - |
| (B) Other payables | - | - | | | | | |
| (I) total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Debt securities | 9,182.37 | 5,061.40 | 5,061.40 | - | - | - | - |
| Borrowings (other than debt securities) | 16,129.04 | 22,775.45 | 4,306.12 | 1,692.98 | 9,081.20 | 7,695.15 | - |
| Other financial liabilities | 1,911.46 | 2,317.43 | 37.95 | 84.33 | 351.96 | 1,756.90 | 86.30 |

*Carrying amount reported above is on gross basis.
# Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2022 :**

| Particulars | Carrying Amount | Gross Nominal | Less than one year | Between 1 - 5 years | over 5 years |
|---|---|---|---|---|---|
| Loan commitments (outflow) | - | 882.60 | 882.60 | - | - |
| Other commitments | - | 872.99 | - | 872.99 | - |
| Capital commitments (outflow) | - | 185.00 | 185.00 | - | - |

**Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2021 :**

| Particulars | Carrying Amount | Gross Nominal | Less than one year | Between 1 - 5 years | over 5 years |
|---|---|---|---|---|---|
| Loan commitments (outflow) | - | 1,381.88 | 1,381.88 | - | - |
| Other commitments | - | - | - | - | - |
| Capital commitments (outflow) | - | 47.00 | 47.00 | - | - |

**Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2020 :**

| Particulars | Carrying Amount | Gross Nominal | Less than one year | Between 1 - 5 years | over 5 years |
|---|---|---|---|---|---|
| Loan commitments (outflow) | - | 593.91 | 593.91 | - | - |
| Other commitments | - | - | - | - | - |
| Capital commitments (outflow) | - | 188.12 | 188.12 | - | - |

**The Company has disclosed the below information as stated in RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.**

**(i) Funding concentration based on significant counterparty ( both deposits and borrowings ) :**

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposit.
The details of the borrowings are given below:

| Sr.No. | Number of Significant counterparties** | Amount* | % of Total Liabilities |
|---|---|---|---|
| 1 | 35 | 1,64,579.97 | 87.19% |

* The Principal outstanding amounts as on March 31, 2022 have been considered above.
** The number of significant counterparties are as on March 31, 2022.

**(ii) Top 20 large deposits ( amount in ₹ lakh and % of total deposits ) :**

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company has not accepted any deposit during the year.

**(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings) :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Total borrowings from ten largest lenders | 84607.78* | 54,775.47* | 25688.75* |
| Percentage of borrowings from ten largest lenders to total borrowings of the Company | 46.62% | 71.26% | 100.00% |

* The amount considered above excludes unamortised borrowing costs.

**(iv) Funding concentration based on significant instrument/ product :**

| Sr No. | Name of instrument/ product | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|---|
| | | Amount | % of total liabilities | Amount | % of total liabilities | Amount | % of total liabilities |
| 1 | Term loans facilities | 1,05,628.37 | 55.96% | 40,925.39 | 51.26% | 13,216.87 | 45.59% |
| 2 | Cash credit / overdraft facilities | 2,567.71 | 1.36% | 4,086.54 | 5.12% | 3,233.99 | 11.15% |
| 3 | Non-convertible debentures | 54,670.00 | 28.96% | 24,670.81 | 30.90% | 5,000.00 | 17.25% |
| 4 | From liabilities arising out of securitization transactions resulting into recording of borrowings | 3,419.61 | 1.81% | 1,616.85 | 2.02% | 4,235.17 | 14.61% |
| 5 | Commercial paper | 12,000.00 | 6.36% | 5,269.88 | 6.60% | - | - |
| 6 | External Commercial borrowing | 3,131.29 | 1.66% | - | - | - | - |
| **Total** | | **1,81,416.98** | **96.11%** | **76,569.47** | **95.90%** | **25,686.03** | **88.60%** |

**(v) Stock Ratios:**

**(a) Commercial papers as a % of total public funds, total liabilities and total assets :**

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | % of total public funds | % of total liabilities | % of total assets | % of total public funds | % of total liabilities | % of total assets | % of total public funds | % of total liabilities | % of total assets |
| Commercial papers | 6.61% | 6.36% | 4.20% | 5.88% | 7.01% | 3.20% | 0.00% | 0.00% | 0.00% |

**(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :**

The Company does not have borrowing through non-convertible debentures (original maturity of less than one year) as at March 31, 2022 and March 31, 2021. For the Non-convertible debentures outstanding as on March 31, 2020, put option is exercisable in every 3 months by the debenture holder.

**(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :**

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | % of total public funds | % of total liabilities | % of total assets | % of total public funds | % of total liabilities | % of total assets | % of total public funds | % of total liabilities | % of total assets |
| Cash credit / overdraft facilities | 1.42% | 1.36% | 0.90% | 4.29% | 5.12% | 2.33% | 3.51% | 11.13% | 2.67% |

The Principal outstanding amounts have been considered above.

**(vi) Institutional set-up for liquidity risk management :**

The Company monitors its inflows and outflows in various buckets and ensures that there are no major mismatches in the assets and liabilities in various buckets. The ALM is tabled and evaluated in the ALCO on a monthly basis. The Company ensures that there is adequate liquidity cushion available in the form of investments in G-Secs/ T-Bills/ Mutual Funds etc. and unavailed Bank lines. The Company issues various instruments including Term Loans, Lines of Credit, Non-Convertible Debentures, External Commercial Borrowings and other market instruments.

**(Rupees in lakh)**

**49. Financial risk management (continued)**

**c. Market risk**

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company does not have any direct exposure to foreign currency (refer foreign currency risk note below).

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing / lending cost including proportion of fixed and floating rate borrowings / loans so as to manage the impact of changes in interest rates.

**Exposure to price risk :**

The Company's exposure to price risk arises from investments held by the Company and is classified in the Reformatted Statement of Assets and Liabilities through fair value through profit and loss account.

**Sensitivity :**

The table below summarises the impact of increases / decreases of the NAV of the Company's investments in mutual fund schemes on profit for the period.

| **Sensitivity :** | **Impact on Reformatted Statement of Profit and Loss** | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
| Liquid plus scheme - NAV rate - increase by 0.50% respectively at the reporting period * | - | - | 25.74 |
| Liquid plus scheme - NAV rate - decrease by 0.50% respectively at the reporting period * | - | - | (25.74) |
| Liquid scheme - NAV rate - increase by 1.15%, 1% and 1% respectively at reporting period * | - | 46.17 | 21.03 |
| Liquid scheme - NAV rate - decrease by 1.15%, 1% and 1% respectively at reporting period * | - | (46.17) | (21.03) |
| * Impact on reformatted statement of profit and loss up to 1 year, holding all other variables constant. | | | |

**Interest rate risk :**

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:
a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
b. Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-Balance Sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

**The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Variable rate borrowings | 69,642.00 | 30,331.48 | 14,209.98 |
| Fixed rate borrowings | 1,11,774.98 | 46,535.94 | 11,478.77 |
| **Total borrowings** | **1,81,416.98** | **76,867.42** | **25,688.75** |

**The Company had the following variable rate borrowings outstanding :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Weighted average cost | 9.78% | 11.03% | 11.43% |
| Outstanding balance | 69,642.00 | 30,331.48 | 14,209.98 |
| % of total borrowings | 38.39% | 39.46% | 55.32% |
| **Sensitivity :** | **Impact on profit or loss** | | |
| **Particulars** | **For the year ended March 31, 2022** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
| *Interest rate - increase by 1% | (602.80) | (262.85) | (84.49) |
| *Interest rate - decrease by 1% | 602.80 | 262.85 | 84.49 |

* Impact on reformatted statement of profit and loss up to 1 year, holding all other variables constant.

**Foreign Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the company arises mainly on account of the foreign currency borrowings. The company manages this foreign currency risk by entering into cross currency interest rate swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The company holds the derivative financial instruments such as cross currency interest rate swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

**d. Operational Risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**Capital Management :**

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

**Gearing ratio :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| **The gearing ratio at each date were as follows :** | | | |
| *Debt (I) | 1,83,042.62 | 77,910.47 | 26,856.96 |
| Less: Cash and cash equivalents (II) ( Refer Note 3) | 6,574.94 | 12,365.55 | 873.96 |
| **Net debt (I - II)** | **1,76,467.68** | **65,544.92** | **25,983.00** |
| | | | |
| **Total equity** | **96,656.32** | **95,243.82** | **92,152.36** |
| | | | |
| **Net debt to equity ratio** | **1.83** | **0.69** | **0.28** |

* Debt includes debt securities, borrowings and lease liabilities.

**(Rupees in lakh)**

**50. Details of all collaterals used as security for liabilities**

| Particulars | Carrying amount of financial assets pledged | | |
|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| **Assets type** | | | |
| Loans receivable as collateral under lending agreements | 1,80,756.52 | 84,052.22 | 22,131.21 |
| Loans receivable as collateral under PTC agreements | 348.88 | 582.12 | 324.92 |
| Fixed deposits with original maturity of less than 3 months as collateral under lending agreements | 100.30 | - | - |
| Fixed deposits as collateral under lending agreements | 11,493.08 | 241.11 | 400.00 |
| Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings | 762.29 | 630.10 | 587.00 |

**(Rupees in lakh)**

**51. Income tax**

**a. The major components of tax expense for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 :**

| Sr. | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | **Reformatted statement of profit and loss :** | | | |
| | **Profit and loss section :** | | | |
| | **Current income tax :** | | | |
| | Tax for current year as per minimum alternate tax | 660.90 | 482.99 | 296.31 |
| | **Deferred tax :** | | | |
| | Tax expense on origination and reversal of temporary differences | (98.18) | (2,142.83) | (1,916.38) |
| | **Income tax expense reported in the reformatted statement of profit and loss** | **562.72** | **(1,659.84)** | **(1,620.07)** |
| 2 | **Other comprehensive income (OCI) section :** | | | |
| | **Deferred tax :** | | | |
| | Net loss on remeasurement of defined benefit obligations | 7.47 | 5.59 | 0.01 |
| | - The effective portion of Gains and Loss on hedging instrument in a cash flow hedge | 2.62 | - | - |
| | **Income tax expense reported in the OCI section** | **10.09** | **5.59** | **(0.01)** |

**b. Reconciliation of effective tax rate :**

| Sr. | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| 1 | Profit before tax as per books | 2,017.78 | 1,212.91 | 331.79 |
| 2 | Taxable Income | (369.47) | (634.90) | 1,164.78 |
| 3 | Book profit as per MAT | 3,782.60 | 2,764.68 | 1,375.06 |
| 4 | Applicable income tax rate* | 29.12% | 29.12% | 27.82% |
| 5 | Tax rate as per MAT | 17.47% | 17.47% | 17.47% |
| 6 | **Tax at the applicable income tax rate on profit before tax (A)** | 587.58 | 353.20 | 92.30 |
| 7 | **Tax effect of amounts not deductible/not taxable while calculating taxable income** | | | |
| | -Corporate Social Responsibility | 5.70 | 2.77 | - |
| | -Excess Interest Spread receivable on direct assignment transactions | (20.48) | - | - |
| | -Interest /penalty on TDS | 0.02 | 0.11 | 0.14 |
| | -Differences on account of WDV | - | (179.32) | - |
| | -Bonus Disallowed | - | (32.19) | - |
| | -Preliminary Expenses | - | 207.28 | - |
| | -Other adjustments | - | 1.75 | 7.61 |
| | -Impact on account of brought forward losses | - | (1,927.82) | (1,730.18) |
| | -Exempt Income | | | (5.07) |
| | -Impact on account of change in surcharge rate | - | (80.03) | 15.14 |
| | - Tax impact on Other Comprehensive Income | (10.10) | (5.59) | (0.01) |
| 8 | **Total of adjustments (B)** | **(24.86)** | **(2,013.04)** | **(1,712.37)** |
| 9 | **Total Tax Impact (Excl. MAT related adjustments) (C) = (A) - (B)** | **562.72** | **(1,659.84)** | **(1,620.07)** |
| 10 | Tax under MAT (Current Tax) | 660.90 | 482.99 | 296.31 |
| 11 | **Less: MAT credit entitlement (D)** | **(660.90)** | **(482.99)** | **(296.31)** |
| 12 | **Total Deferred tax ( E) = (D) - (C)** | **(98.18)** | **(2,142.83)** | **(1,916.38)** |
| | **Total Tax expense/(refund)** | **562.72** | **(1,659.84)** | **(1,620.07)** |

* 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 Reformatted Statement of Assets and Liabilities and Reformatted Statement of Profit and Loss :**

| Sr. | Particulars | Reformatted Statement of Assets and Liabilities | | | Reformatted statement of profit and loss and other comprehensive income | | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| | | | | | | | |
| **A** | **Deferred tax assets (DTA)** | | | | | | |
| 1 | Provision for compensated absences | 83.72 | 49.75 | 40.90 | 33.97 | 8.85 | 27.71 |
| 2 | Provision for gratuity | 24.36 | 20.71 | 14.66 | 3.65 | 6.05 | 8.69 |
| 3 | Others | 205.20 | 28.88 | 1.54 | 176.33 | 27.36 | 0.99 |
| 4 | Deferred revenue income - processing fees allowed upfront in income tax | 836.37 | 358.33 | 195.07 | 478.03 | 163.24 | 172.51 |
| 5 | Provision for impairment losses on financial instruments | 1,249.12 | 746.06 | 291.50 | 503.07 | 454.56 | 284.71 |
| 6 | Lease rentals expense under IndAS 116 | 100.25 | 71.99 | 56.23 | 28.26 | 15.76 | 27.16 |
| 7 | Preliminary expense (gross) | 69.81 | 132.50 | 15.16 | (62.69) | 117.34 | (5.05) |
| 8 | ESOS expenses disallowance | 217.44 | 248.64 | 180.48 | (31.20) | 68.16 | 180.48 |
| 9 | Unutilised minimum alternate tax credit entitlement | 1,587.34 | 926.44 | 443.45 | 660.90 | 482.99 | 296.31 |
| 10 | Income tax losses carried forward | 2,856.51 | 2,748.92 | 1,391.00 | 107.59 | 1,357.92 | 1,391.00 |
| 11 | **Total (A)** | **7,230.12** | **5,332.22** | **2,629.99** | **1,897.91** | **2,702.23** | **2,384.51** |
| **B** | **Deferred tax liabilities (DTL)** | | | | | | |
| 1 | Difference in written down value of property, plant and equipment and intangible assets | 218.84 | 157.79 | 23.26 | 61.05 | 134.53 | 19.84 |
| 2 | Receivable On EIS DA | 447.75 | 22.27 | - | 425.48 | 22.27 | - |
| 3 | Unrealised gain / (loss) on investments | (0.00) | 3.91 | 36.83 | (3.91) | (32.92) | 34.48 |
| 4 | Prepaid fees / charges on debt securities allowed upfront in income tax | 348.20 | 113.61 | 10.70 | 234.59 | 102.91 | 10.70 |
| 5 | Prepaid fees / charges on borrowings allowed upfront in income tax | 624.58 | 361.12 | 127.41 | 263.46 | 233.71 | 134.93 |
| 6 | Deferred loan sourcing cost allowed upfront income tax | 1,209.12 | 379.97 | 275.48 | 829.15 | 104.49 | 268.19 |
| 7 | **Total (B)** | **2,848.49** | **1,038.67** | **473.68** | **1,809.82** | **564.99** | **468.14** |
| **C** | **Deferred tax asset / (liability)** | **4,381.63** | **4,293.55** | **2,156.31** | **-** | **-** | **-** |
| **D** | **Deferred tax expense / (benefit)** | | **-** | **-** | **(88.09)** | **(2,137.24)** | **(1,916.37)** |

**Unrecognised deductible temporary differences, unused tax losses and unused tax credits :**

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Income tax losses :** | | | |
| AY 2015-16 (Expiry - AY 2023-24) | - | - | 3,573.56 |
| AY 2016-17 (Expiry - AY 2024-25) | - | - | 2,372.92 |
| AY 2017-18 (Expiry - AY 2025-26) | - | - | 0.11 |

**(Rupees in lakh)**

**52. 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 Reformatted Statement of Assets and Liabilities using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**a. Fair value hierarchy of financial instruments classified in amortised cost category :**

| Particulars | Fair value as on March 31, 2022 | | | Carrying value as on March 31, 2022 | Fair Value as on March 31, 2021 | | | Carrying value as on March 31, 2021 | Fair Value as on March 31, 2020 | | | Carrying value as on March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 | |
| **Assets** | | | | | | | | | | | | |
| Loans | - | - | 2,40,905.99 | 2,49,112.74 | - | - | 1,32,300.59 | 1,30,831.61 | - | - | 85,074.47 | 84,326.22 |
| Investments | 3,972.12 | - | - | 4,296.72 | 1,476.71 | - | - | 1,508.21 | - | - | - | - |
| Other financial assets (Refer Note 8) | - | - | 792.79 | 792.79 | - | - | 680.88 | 680.88 | - | 9,061.62 | - | 9,061.62 |
| **Total** | **3,972.12** | **-** | **2,41,698.78** | **2,54,202.25** | **1,476.71** | **-** | **1,32,981.47** | **1,33,020.70** | **-** | **9,061.62** | **85,074.47** | **93,387.84** |
| | | | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | | | |
| Debt securities | - | 74,189.29 | - | 70,376.77 | - | 31,812.13 | - | 31,557.55 | - | 9,188.91 | - | 9,182.37 |
| Borrowings (other than debt securities) | - | 1,01,864.90 | - | 1,09,807.09 | - | 45,693.66 | - | 45,011.94 | - | 16,872.31 | - | 16,129.04 |
| Other financial liabilities (Refer Note 20) | - | - | 4,497.64 | 4,497.64 | - | - | 2,118.22 | 2,118.22 | - | - | 1,911.46 | 1,911.46 |
| **Total** | **-** | **1,76,054.19** | **4,497.64** | **1,84,681.49** | **-** | **77,505.79** | **2,118.22** | **78,687.71** | **-** | **26,061.22** | **1,911.46** | **27,222.87** |

There were no transfers between Level 1 and Level 2 during the year ended March 31, 2022 , March 31, 2021 and March 31, 2020.

**Valuation methodologies of financial instruments not measured at fair value :**

**Short-term financial assets and liabilities :**

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents ,payables, debt securities, other financial assets and other financial liabilities .

**Loans and advances to customers :**
The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans.
Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

**Borrowings :**

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated / proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

**b. Fair value hierarchy of financial instruments classified in FVTPL category :**

| Particulars | Fair value as on March 31, 2022 | | | Carrying value as on March 31, 2022 | Fair Value as on March 31, 2021 | | | Carrying value as on March 31, 2021 | Fair Value as on March 31, 2020 | | | Carrying value as on March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 | |
| **Assets** | | | | | | | | | | | | |
| Investments in mutual funds | - | - | - | - | 4,014.54 | - | - | 4,014.54 | 7,250.81 | - | - | 7,250.81 |
| Investments in security receipts | - | 2,648.11 | - | 2,648.11 | - | - | - | - | - | - | - | - |
| **Total** | **-** | **2,648.11** | **-** | **2,648.11** | **4,014.54** | **-** | **-** | **4,014.54** | **7,250.81** | **-** | **-** | **7,250.81** |

There were no transfers between Level 1 and Level 2 during the year ended March 31, 2022 , March 31, 2021 and March 31, 2020.

**Valuation methodologies of financial instruments measured at fair value :**

Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.

**(Rupees in lakh)**

**53. Maturity profile of assets and liabilities :**

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Assets :** | | | | | | | | | |
| **Financial assets :** | | | | | | | | | |
| Cash and cash equivalents | 6,574.94 | - | 6,574.94 | 12,365.55 | - | 12,365.55 | 873.96 | - | 873.96 |
| Bank balances other than cash and cash equivalents above | 6,379.17 | 5,881.08 | 12,260.25 | 18,480.05 | 758.94 | 19,238.99 | 4,402.00 | 9,689.32 | 14,091.32 |
| Derivative financial instruments | 22.29 | - | 22.29 | - | - | - | - | - | - |
| Loans | 77,762.41 | 1,67,285.93 | 2,45,048.34 | 44,719.27 | 83,550.34 | 1,28,269.61 | 33,522.09 | 49,756.33 | 83,278.42 |
| Investments | 2,648.11 | 4,295.88 | 6,943.99 | 4,014.54 | 1,508.21 | 5,522.75 | 7,250.81 | - | 7,250.81 |
| Other financial assets (Refer note 8) | 364.41 | 425.21 | 789.62 | 452.74 | 228.14 | 680.88 | 8,789.05 | 272.57 | 9,061.62 |
| **Non-financial assets :** | | | | | | | | | |
| Current tax assets (net) | 164.23 | - | 164.23 | - | - | - | 143.72 | - | 143.72 |
| Deferred tax asset (net) | - | 4,381.63 | 4,381.63 | - | 4,293.55 | 4,293.55 | - | 2,156.31 | 2,156.31 |
| Property, plant and equipment | - | 430.43 | 430.43 | - | 468.60 | 468.60 | - | 586.82 | 586.82 |
| Right of use asset | 631.68 | 1,906.60 | 2,538.28 | - | 1,094.31 | 1,094.31 | - | 1,344.01 | 1,344.01 |
| Capital work in progress | 20.25 | - | 20.25 | - | - | - | - | - | - |
| Intangible assets under development | 568.54 | - | 568.54 | - | 388.41 | 388.41 | - | 93.96 | 93.96 |
| Other intangible assets | - | 2,602.04 | 2,602.04 | - | 2,062.02 | 2,062.02 | - | 1,839.34 | 1,839.34 |
| Other non-financial assets (Refer note 16) | 301.34 | 2,776.39 | 3,077.73 | 1,093.91 | - | 1,093.91 | 423.72 | - | 423.72 |
| **Total** | **95,437.37** | **1,89,985.19** | **2,85,422.56** | **81,126.06** | **94,352.52** | **1,75,478.58** | **55,405.35** | **65,738.66** | **1,21,144.01** |
| **Liabilities :** | | | | | | | | | |
| **Financial liabilities :** | | | | | | | | | |
| (A) Trade payables | | | | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 0.08 | - | 0.08 | 0.01 | - | 0.01 | 10.14 | - | 10.14 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 569.43 | 97.50 | 666.93 | 215.40 | 2.84 | 218.24 | 687.19 | - | 687.19 |
| (B) Other payables | | | | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 15.04 | - | 15.04 | 107.36 | - | 107.36 | | - | - |
| Debt securities | 29,012.29 | 41,364.48 | 70,376.77 | 17,420.49 | 14,137.06 | 31,557.55 | 7,306.84 | 1,875.53 | 9,182.37 |
| Borrowings (other than debt securities) | 46,051.32 | 63,755.77 | 1,09,807.09 | 19,795.67 | 25,216.27 | 45,011.94 | 11,062.31 | 5,066.73 | 16,129.04 |
| Other financial liabilities (Refer note 20) | 2,213.04 | 2,509.77 | 4,722.81 | 825.53 | 1,292.69 | 2,118.22 | 303.99 | 1,607.47 | 1,911.46 |
| **Non-financial liabilities :** | | | | | | | | | |
| Provisions | 2,316.05 | 371.17 | 2,687.22 | 735.90 | 203.77 | 939.67 | 754.19 | 168.33 | 922.52 |
| Current tax liabilities (net) | 126.07 | - | 126.07 | 144.13 | - | 144.13 | - | - | - |
| Other non-financial liabilities (Refer note 23) | 364.23 | - | 364.23 | 137.64 | - | 137.64 | 148.93 | - | 148.93 |
| **Total** | **80,667.55** | **1,08,098.69** | **1,88,766.24** | **39,382.13** | **40,852.63** | **80,234.76** | **20,273.59** | **8,718.06** | **28,991.65** |

**(Rupees in lakh)**

**54. Disclosure pursuant to IndAS 7 ' Statement of Cash Flows' - changes in liabilities arising from financing activities :**

| Particulars | As at April 01, 2021 | Cash inflow / (outflow) | Creation of right of use assets | As at March 31, 2022 |
|---|---|---|---|---|
| **Debt securities** | 31,557.55 | 38,819.22 | - | 70,376.77 |
| **Borrowings (other than debt securities)** | 45,011.94 | 64,795.15 | - | 1,09,807.09 |
| | | | | |
| **Other financial liabilities** | | | | |
| Lease liabilities | 1,340.97 | (407.17) | 1,924.96 | 2,858.76 |

| Particulars | As at April 01, 2020 | Cash inflow / (outflow) | Creation of right of use assets | As at March 31, 2021 |
|---|---|---|---|---|
| **Debt securities** | 9,182.37 | 22,375.18 | - | 31,557.55 |
| **Borrowings (other than debt securities)** | 16,129.04 | 28,882.90 | - | 45,011.94 |
| | | | | |
| **Other financial liabilities** | | | | |
| Lease liabilities | 1,545.55 | (320.89) | 116.31 | 1,340.97 |

| Particulars | As at April 01, 2019 | Cash inflow / (outflow) | Creation of right of use assets | As at March 31, 2020 |
|---|---|---|---|---|
| **Debt securities** | - | 9,182.37 | - | 9,182.37 |
| **Borrowings (other than debt securities)** | 973.60 | 15,155.44 | - | 16,129.04 |
| | | | | |
| **Other financial liabilities** | | | | |
| Lease liabilities | 1,732.15 | (246.98) | 60.38 | 1,545.55 |

**(Rupees in lakh)**

**55. Financial assets are transferred but not derecognised in their entirety :**

**a. Securitisation**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Financial assets at amortised cost | Financial assets at FVTPL | Financial assets at amortised cost | Financial assets at FVTPL | Financial assets at amortised cost | Financial assets at FVTPL |
| Carrying amount of Assets | 3,633.76 | - | 2,089.55 | - | 4,560.09 | - |
| Carrying amount of associated Liabilities | 3,419.61 | - | 1,649.40 | - | 4,235.17 | - |
| | | | | | | |
| **For those liabilities that have recourse only to the transferred financial assets** | | | | | | |
| Fair value of assets (A) | 3,657.84 | - | 2,050.63 | - | 4,852.13 | - |
| Fair value of associated liabilities (B) | 3,426.42 | - | 1,632.39 | - | 4,282.84 | - |
| **Net Position (C) = (A - B)** | **231.42** | - | **418.24** | - | **569.29** | - |

**b. Assignment**

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.
As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Reformatted Statement of Assets and Liabilities.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Carrying amount of de-recognised financial asset | 50,558.53 | 1,251.63 | - |
| Carrying amount of retained asset at amortised cost | 6,945.20 | 312.91 | - |
| Gain on sale of the de-recognised financial asset | 2,852.50 | 129.42 | - |

**(Rupees in lakh)**

**56. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification"), as updated from time to time.**

**a. Capital to risk assets ratio (CRAR)**

| Particulars | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| i) | CRAR (%) | 34.37 | 65.55 | 88.25 |
| ii) | CRAR - Tier I capital (%) | 33.61 | 65.15 | 88.07 |
| iii) | CRAR - Tier II capital (%) | 0.76 | 0.40 | 0.18 |
| iv) | Amount of subordinated debt raised as Tier-II capital | - | - | - |
| v) | Amount raised by issue of perpetual debt instruments | - | - | - |

**b. Investments**

| Particulars | | | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|---|---|
| (1) | Value of investments | | | | | |
| | (i) | Gross value of investments | | | | |
| | | (a) | In India | 6,944.83 | 5,522.75 | 7,250.81 |
| | | (b) | Outside India, | - | - | - |
| | (ii) | Provisions for depreciation | | | | |
| | | (a) | In India | 0.84 | - | - |
| | | (b) | Outside India, | - | - | - |
| | (iii) | Net value of investments | | | | |
| | | (a) | In India | 6,943.99 | 5,522.75 | 7,250.81 |
| | | (b) | Outside India. | - | - | - |
| (2) | Movement of provisions held towards depreciation on investments. | | | | | |
| | (i) | Opening balance | | | - | - |
| | (ii) | Add : provisions made during the year | | 0.84 | - | - |
| | (iii) | Less : write-off / write-back of excess provisions during the year | | - | - | - |
| | (iv) | Closing balance | | 0.84 | - | - |

**c. Derivatives**

**1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

| Sr No. | Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| I | The Notional Principal of swap agreement | 3,109.43 | - | - |
| II | Losses which would be incurred if counter parties failed to fulfill their obligations under the agreement | - | - | - |
| III | Collateral required by the Company upon entering into swaps | - | - | - |
| IV | Concentration of credit risk arising from the swaps | - | - | - |
| V | The fair value of the swap book (Asset/(Liability)) | 22.29 | - | - |

**2. Exchange traded interest rate (IR) derivatives**

The Company has not entered into any exchange traded derivative.

**3. Disclosures on risk exposure and derivatives**

**Qualitative Disclosures**

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk, etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally reowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

**(Rupees in lakh)**

**Quantitaive Disclosures**

| Sr. No. | Particulars | 31 March 2022 | | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|---|---|---|
| | | Currency Derivatives* | Interest Rate Derivatives | Currency Derivatives* | Interest Rate Derivatives | Currency Derivatives* | Interest Rate Derivatives |
| I | Derivative (Notional Principal Amount) - For Hedging | 3,109.43 | - | - | - | - | - |
| II | Market to market position (a) Asset [+] Estimated Gain | 22.29 | - | - | - | - | - |
| | (b) Liability [-] Estimated Loss | - | - | - | - | - | - |
| III | Credit Exposure | 3,131.72 | - | - | - | - | - |
| IV | Unhedged exposures | - | - | - | - | - | - |

* Cross currency interest rate swap

**d. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 Master Direction DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as updated from time to time.**

**Details of securitization :**

| Sr No. | Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 1 | No of SPVs sponsored by the applicable NBFC for securitization transactions* | 3.00 | 2.00 | 2.00 |
| 2 | Total amount of securitized assets as per books of the SPVs sponsored | 3,633.76 | 2,055.74 | 4,560.09 |
| 3 | Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet | | | |
| | a. Off - Balance Sheet exposures | | | |
| | First loss | - | - | - |
| | Others | - | - | - |
| | b. On - Balance Sheet exposures | | | |
| | First loss | 348.88 | 582.12 | 324.92 |
| | Others | - | - | - |
| 4 | Amount of exposures to securitization transactions other than MRR | | | |
| | a. Off - Balance Sheet exposures | | | |
| | i) Exposure to own securitizations | | | |
| | First loss | - | - | - |
| | Others | - | - | - |
| | ii) Exposure to third party securitization | | | |
| | First loss | - | - | - |
| | Others | - | - | - |
| | b. On - Balance Sheet exposures | | | |
| | i) Exposure to own securitizations | | | |
| | First loss | 762.29 | 630.10 | 587.00 |
| | Others | - | - | - |
| | ii) Exposure to third party securitization | | | |
| | First loss | - | - | - |
| | Others | - | - | - |

*Only the SPVs relating to outstanding securitization transactions.

**(Rupees in lakh)**

**d. Disclosures relating to securitization (continued)**

**Details of financial assets sold to securitization / reconstruction company for assets reconstruction :**

The Company has not entered into any sale of financial assets to any securitization / reconstruction company for assets reconstruction.

**Details of assignment transactions undertaken during the year :**

| Sr No. | Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| **1.** | No. of accounts | 1,853 | 107 | - |
| **2.** | Aggregate value (net of provisions) of accounts assigned* | 29,135.80 | 1,439.68 | - |
| **3.** | Aggregate consideration* | 29,135.80 | 1,439.68 | - |
| **4.** | Additional consideration realized in respect of accounts transferred in earlier years | - | - | - |
| **5.** | Aggregate gain / loss over net book value | - | - | - |

*Details pertaining to direct assignment transactions entered during the year.

**Details of non-performing financial assets purchased / sold :**

The Company has not entered into any purchase or sale of any non performing financial assets, except for those mentioned in note no. 61.

**e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2022 as follow :**

| Particulars | 1 to 7 days | 8 to 14 days | Over 14 days to one month | Over 1 month & upto 2 Months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| **Assets** | | | | | | | | | | | |
| Advances* | 7,820.00 | 2,198.53 | 4,608.79 | 7,960.65 | 10,993.05 | 20,880.96 | 25,998.58 | 89,597.59 | 30,686.00 | 48,368.60 | 2,49,112.74 |
| Investments** | - | - | - | - | - | - | 2,648.11 | - | 4,296.72 | - | 6,944.83 |
| **Liabilities** | | | | | | | | | | | |
| **Borrowings :** | | | | | | | | | | | |
| Borrowings from banks and financial Institutions | 542.51 | 992.33 | 1,651.26 | 5,612.34 | 4,673.27 | 12,406.70 | 20,172.91 | 54,633.62 | 8,874.21 | 247.94 | 1,09,807.09 |
| Market borrowings (Debt Securities) | 1,800.61 | 76.34 | 3,458.01 | 2.10 | 6,001.48 | 6,522.91 | 11,150.85 | 25,134.64 | 5,530.86 | 10,698.97 | 70,376.77 |

* Impairment loss allowance of Rs 4,064.40 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.84 lakh on investments is not a part of the above disclosure.

**(Rupees in lakh)**

**e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2021 as follow :**

| Particulars | 1 to 7 days | 8 to 14 days | Over 14 days to one month | Over 1 month & upto 2 Months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| **Assets** | | | | | | | | | | | |
| Advances* | 2,275.34 | 1,882.51 | 3,018.98 | 10,560.36 | 6,218.19 | 9,540.61 | 12,690.69 | 42,035.32 | 14,774.32 | 27,835.29 | 1,30,831.61 |
| Investments | 4,014.54 | - | - | - | - | - | - | - | 1,017.87 | 490.34 | 5,522.75 |
| **Liabilities** | | | | | | | | | | | |
| **Borrowings :** | | | | | | | | | | | |
| Borrowings from banks and financial Institutions | 4,256.32 | 731.67 | 818.42 | 1,199.99 | 1,255.50 | 3,674.88 | 7,858.90 | 23,115.78 | 2,100.48 | - | 45,011.94 |
| Market borrowings (Debt Securities) | - | 192.82 | 37.16 | 180.25 | 960.50 | 3,720.54 | 12,329.22 | 13,326.68 | 810.38 | - | 31,557.55 |

*Impairment loss allowance of Rs 2,562 lakh is not a part of the above disclosure.

**e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2020 as follow :**

| Particulars | 1 to 7 days | 8 to 14 days | Over 14 days to one month | Over 1 month & upto 2 Months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| **Assets** | | | | | | | | | | | |
| Advances* | 932.61 | 237.60 | 401.52 | 717.00 | 12,803.81 | 9,199.10 | 10,028.52 | 23,205.68 | 7,689.50 | 19,110.88 | 84,326.22 |
| Investments | 7,250.81 | - | - | - | - | - | - | - | - | - | 7,250.81 |
| **Liabilities** | | | | | | | | | | | |
| **Borrowings :** | | | | | | | | | | | |
| Borrowings from banks and financial Institutions | 3,343.15 | 285.54 | 563.43 | 666.57 | 715.57 | 2,505.33 | 5,580.24 | 2,469.21 | - | - | 16,129.04 |
| Market borrowings (Debt Securities) | 45.68 | 5,000.00 | - | - | - | - | - | 4,136.69 | - | - | 9,182.37 |

*Impairment loss allowance of ₹ 1,047.80 lacs and adjustments related to effective interest rate are not part of above disclosure. Moratorium status for the months of April 20 and May 20 has been taken as on the date of signing the financial statement.

**(Rupees in lakh)**

**f. Exposures :**

| **Category** | | | | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|---|---|---|
| **a)** | **Exposure to real estate sector :** | | | | | |
| | **Direct exposure** | | | | | |
| | (i) | **Residential mortgages :** | | | | |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | | 100,526.69* | 56,012.71* | 34,669.33* |
| | (ii) | **Commercial real estate :** | | | | |
| | | Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits. | | - | - | - |
| | (iii) | **Investments in mortgage backed securities (MBS) and other securitised exposures :** | | | | |
| | | a. | Residential | **-** | - | - |
| | | b. | Commercial real estate | **-** | - | - |
| **Total exposure to real estate sector** | | | | **1,00,526.69** | **56,012.71** | **34,669.33** |

* These include properties held as underlying security

| **Particulars** | | | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|---|---|
| **b)** | | **Exposure to capital market :** | | | |
| | (i) | direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt. | **-** | - | - |
| | (ii) | advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds. | **-** | - | - |
| | (iii) | advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security. | **-** | - | - |
| | (iv) | advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances. | **-** | - | - |
| | (v) | secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers. | **-** | - | - |
| | (vi) | loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources. | **-** | - | - |
| | (vii) | bridge loans to companies against expected equity flows / issues. | **-** | - | - |
| | (viii) | all exposures to venture capital funds (both registered and unregistered). | **-** | - | - |
| **Total exposure to capital market** | | | **-** | - | - |

**g. Details of financing of parent company products :**

The Company does not have any parent company in any of the financial years reported hence, this clause is not applicable.

**h. Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company :**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|---|
| Single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company.* | **-** | - | - |

*The Company had acquired ("acquisition") from Avanse Financial services limited ("Avanse"), by way of assignment it's unsecured MSME financing business, for a consideration of Rs 6,793.97 lakh in respect of 391 loan agreements vide transaction document executed between the Company and Avanse on July 8, 2019. Due to Ind AS 109 implication the same has been treated as single loan to Avanse. The Company has not exceeded exposure towards single borrower / group borrower limit.

**Notes forming part of the Ind AS reformatted financial statements (continued)**
**For the year ended March 31, 2022, March 31, 2021 and March 31, 2020**

**(Rupees in lakh)**

**i. Unsecured advances :**

Details of unsecured advances the rights, licenses, authorisations,etc.charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Advances against securities of intangible assets | - | - | - |

**j. Registration obtained from other financial sector regulators :**

| Particulars | Type | Number Reference | Date of Registration |
|---|---|---|---|
| IRDA | Corporate Agent | CA0733 | September 24, 2020 |

**k. Disclosure of penalties imposed by RBI and other regulators :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Penalties imposed by RBI and other regulators | - | - | - |

During financial year 2021-2022, 2020-2021 and 2019-2020 no penalties were imposed by RBI and other regulators.

**l. Related party transactions :**

Details of all material transactions with related parties has been given in note 41 of the Ind AS reformatted financial statements

**m. Ratings assigned by credit rating agencies and migration of ratings for the year :**

| Rating agency | Type | Rating FY 2021-2022 | Rating FY 2020-2021 | Rating FY 2019-2020 |
|---|---|---|---|---|
| Acuite Rating & Research Limited | Bank loans (long term) | ACUITE A+ | ACUITE A / stable | ACUITE A / stable |
| Acuite Rating & Research Limited | Commercial paper (short term) | ACUITE A1+/ Upgraded | ACUITE A1 | ACUITE A1 |
| Acuite Rating & Research Limited | Non- convertible debentures (long term) (Market Linked Debentures) | PP-MLD/ACUITE AA+/CE/Reaffirmed | - | - |
| Acuite Rating & Research Limited | Non- convertible debentures (long term) (Market Linked Debentures) | PP-MLD/ACUITE A+/Stable/Reaffirmed | - | - |
| Acuite Rating & Research Limited | Non- convertible debentures (long term) | ACUITE A+ / stable / assigned | ACUITE A / stable | ACUITE A / stable |
| Acuite Rating & Research Limited | Non- convertible debentures (long term) | ACUITE A+ / stable / reaffirmed | ACUITE A / stable | ACUITE A / stable |
| Acuite Rating & Research Limited | PTC (long term) for SME190930 – Series 1 | - | Acuite A - (SO) | Acuite A - (SO) |
| Acuite Rating & Research Limited | PTC (long term) for SME200130 – Series 2 | - | Acuite AA -(SO) | Acuite AA -(SO)** |

** Provisional

**n. Remuneration of directors :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Transactions with the Independent directors*** Director Sitting Fees | 171.00 | 123.38 | 141.00 |

* Payment to non-executive directors is NIL during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.
Refer Note 41 for remuneration to executive directors.

**o. During the year there are no changes in the accounting policies and no prior period items (Refer Note 1)**

**p. Provisions and contingencies :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Provision towards NPA | 1,488.83 | 1,350.25 | 359.68 |
| Provision made towards income tax | 126.07 | 144.13 | 443.45 |
| Provision for depreciation on investments | 0.84 | - | - |
| Provision for depreciation on fixed deposits | 2.86 | - | - |
| Provision for depreciation on other receivables | 3.17 | - | - |
| Provision for gratuity | 83.65 | 71.13 | 52.70 |
| Provision for compensated absences | 287.52 | 170.85 | 147.02 |
| Provision for bonus | 700.00 | 180.00 | 371.36 |
| Provision for expenses | 1,616.05 | 517.69 | 351.44 |
| Provision for standard assets | 2,575.57 | 1,211.75 | 688.12 |

**(Rupees in lakh)**

**q. Draw down from reserves :**

During the year March, 31 2022, the Company has drawn down Rs 107.15 lakh on account of change in the method for ESOPs option valuation from Black-Scholes Model to Binomial model. On account of same the Employee Stock Option Scheme Outstanding Account has been drawn down to the Statement of Profit & Loss.

**r. Concentration of deposits, advances, exposures and NPAs :**

**(i) Concentration of advances :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Total advance to twenty largest borrowers | 12,099.18 | 12,055.60 | 13,908.44 |
| Percentage of advances to twenty largest borrowers to total advances of the company | 4.98% | 8.98% | 16.25% |

**(ii) Concentration of exposures :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Total exposure to twenty largest borrowers | 12,099.18 | 12,055.60 | 13,908.44 |
| Percentage of exposures to twenty largest borrowers to total exposure of the company | 4.98% | 8.98% | 16.25% |

**(iii) Concentration of NPAs :**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Total Exposure to top four NPA accounts | 1,454.67 | 763.01 | 598.06 |

**s. Sector-wise NPAs :**

| Sl. No. | Sector | Percentage of NPAs to total advances in that sector | | |
|---|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
| 1 | Agriculture & allied activities | - | - | - |
| 2 | MSME | 2.11% | 2.40% | 0.96% |
| 3 | Corporate borrowers | 87.07% | 16.82% | - |
| 4 | Services | - | - | - |
| 5 | Unsecured personal loans | - | - | - |
| 6 | Auto loans | - | - | - |
| 7 | Other personal loans | - | - | - |

Note :The base considered for calculation of sector-wise NPA for Corporate borrowers has decreased from Rs 2,974.52 Lakh in FY21 to Rs 547.88 lakh in FY22 resulting in a higher percentage of NPA as at 31st March, 2022.

**t. Movement of NPAs :**

| Particulars | | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|---|
| (i) | Net NPAs to Net Advances (%) | | 1.70% | 1.75% | 0.54% |
| (ii) | Movement of NPAs (gross) | | | | |
| | (a) | Opening balance | 3,647.71 | 817.76 | - |
| | (b) | Additions during the year | 4,671.57 | 3,328.15 | 817.76 |
| | (c) | Reductions during the year | 2,678.13 | 498.21 | - |
| | (d) | Closing balance | 5,641.15 | 3,647.71 | 817.76 |
| (iii) | Movement of Net NPAs | | | | |
| | (a) | Opening balance | 2,297.45 | 458.08 | - |
| | (b) | Additions during the year | 3,364.96 | 2,097.47 | 458.08 |
| | (c) | Reductions during the year | 1,510.09 | 258.10 | - |
| | (d) | Closing balance | 4,152.32 | 2,297.45 | 458.08 |
| (iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | | | |
| | (a) | Opening balance | 1,350.25 | 359.68 | - |
| | (b) | Provisions made during the year | 242.63 | 1,212.21 | 359.68 |
| | (c) | provisions | 104.05 | 221.64 | - |
| | (d) | Closing balance | 1,488.83 | 1,350.25 | 359.68 |

**(Rupees in lakh)**

**u. Overseas assets (for those with joint ventures and subsidiaries abroad) :**

There are no overseas assets.

**v. Off- Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) :**

There are no off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

**w. Customer complaints :**

| Sr No. | Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| (a) | No. of complaints pending at the beginning of the year | Nil | Nil | Nil |
| (b) | No. of complaints received during the year | 30 | Nil | Nil |
| (c) | No. of complaints redressed during the year | 29 | Nil | Nil |
| (d) | No. of complaints pending at the end of the year | 1 | Nil | Nil |

**x. Revenue recognition :**

There are no postponement of revenue due to pending resolution of significant uncertainties.

**(Rupees in lakh)**

**y. Restructured accounts :**

| Sr. | Type of restructuring | | Under CDR Mechanism / SME Debt Restructuring Mechanism | | | | | Others | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Asset classification** | | **Standard** | **Sub- standard** | **Doubtful** | **Loss** | **Total** | **Standard** | **Sub- standard** | **Doubtful** | **Loss** | **Total** |
| 1. | Restructured accounts as on April 1, 2021 | No. of borrowers | - | - | - | - | **-** | 5 | - | - | - | **5** |
| | | Amount outstanding | - | - | - | - | **-** | 597.76 | - | - | - | **597.76** |
| | | Provision thereon | - | - | - | - | **-** | 69.25 | - | - | - | **69.25** |
| 2. | Fresh restructuring during the year | No. of borrowers | - | - | **-** | **-** | **-** | - | 3 | - | - | **3** |
| | | Amount outstanding | - | - | **-** | **-** | **-** | - | 159.29 | - | - | **159.29** |
| | | Provision thereon | - | - | **-** | **-** | **-** | - | 23.24 | - | - | **23.24** |
| 3. | Upgradation | No. of borrowers | - | - | - | - | **-** | | - | - | - | **-** |
| | | Amount outstanding | - | - | - | - | **-** | | - | - | - | **-** |
| | | Provision thereon | - | - | - | - | **-** | | - | - | - | **-** |
| 4. | Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year | No. of borrowers | - | - | - | - | **-** | 4 | - | - | - | **4** |
| | | Amount outstanding | - | - | - | - | **-** | 101.63 | **-** | **-** | **-** | **101.63** |
| | | Provision thereon | - | - | - | - | **-** | 6.87 | **-** | **-** | **-** | **6.87** |
| 5. | Downgradation of restructured accounts during the year | No. of borrowers | - | - | - | - | **-** | (1) | 1 | **-** | **-** | **-** |
| | | Amount outstanding | - | - | - | - | **-** | (496.13) | 477.05 | **-** | **-** | **(19.08)** |
| | | Provision thereon | - | - | - | - | **-** | (62.38) | 55.90 | **-** | **-** | **(6.48)** |
| 6. | Write-offs of restructured accounts during the year | No. of borrowers | - | - | - | - | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 7. | Restructured accounts as on March 31 , 2022 | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **4** | **-** | **-** | **4** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **636.34** | **-** | **-** | **636.34** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **79.14** | **-** | **-** | **79.14** |

| Sr. | Type of restructuring | | Under CDR Mechanism / SME Debt Restructuring Mechanism | | | | | Others | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Asset classification** | | Standard | Sub- standard | Doubtful | Loss | Total | Standard | Sub- standard | Doubtful | Loss | Total |
| 1. | Restructured accounts as on April 1, 2020 | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2. | Fresh restructuring during the year | No. of borrowers | **-** | **-** | **-** | **-** | **-** | 5 | - | - | - | 5 |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | 597.76 | - | - | - | 597.76 |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | 69.25 | - | - | - | 69.25 |
| 3. | Upgradation | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 4. | Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 5. | Downgradation of restructured accounts during the year | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 6. | Write-offs of restructured accounts during the year | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 7. | Restructured accounts as on March 31 , 2021 | No. of borrowers | **-** | **-** | **-** | **-** | **-** | **5** | **-** | **-** | **-** | **5** |
| | | Amount outstanding | **-** | **-** | **-** | **-** | **-** | **597.76** | **-** | **-** | **-** | **597.76** |
| | | Provision thereon | **-** | **-** | **-** | **-** | **-** | **69.25** | **-** | **-** | **-** | **69.25** |

**(Rupees in lakh)**

**v. Restructured accounts (continued) :**

| Sr. | Type of restructuring | | Under CDR Mechanism / SME Debt Restructuring Mechanism | | | | | Others | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset classification | | Standard | Sub- standard | Doubtful | Loss | Total | Standard | Sub- standard | Doubtful | Loss | Total |
| 1. | Restructured accounts as on April 1, 2019 | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 2. | Fresh restructuring during the year | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 3. | Upgradation | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 4. | Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the | 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. | Restructured accounts as on March 31 , 2020 | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |

**Notes forming part of the Ind AS reformatted financial statements (continued)**
**For the year ended March 31, 2022, March 31, 2021 and March 31, 2020**

**(Rupees in lakh)**

**z. Schedule to the Reformatted Statement of Assets and Liabilities of a NBFC :**

| Particulars | | | As at March 31, 2022 | | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|---|---|
| | | | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| **Liabilities side :** | | | | | | | | |
| 1 | **Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :** | | | | | | | |
| | a | Debentures : | | | | | | |
| | i | Secured | 54,621.07 | - | 24,670.81 | - | 5,002.87 | - |
| | ii | Unsecured | 990.29 | - | - | - | - | - |
| | | (other than falling within the meaning of public deposits) | | | | | | |
| | b | Deferred credits | | - | - | - | - | - |
| | c | Term loans | 1,07,239.38 | - | 40,925.40 | - | 12,895.05 | - |
| | d | Inter - corporate loans and borrowings | | - | - | - | - | - |
| | e | Commercial paper | 11,472.03 | - | 5,269.88 | - | - | - |
| | f | Public deposits | - | - | - | - | - | - |
| | g | Other Loans | 5,861.09 | - | 5,703.39 | - | 7,413.49 | - |
| 2 | **Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :** | | | | | | | |
| | a | In the form of unsecured debentures | - | - | - | - | - | - |
| | b | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - | - | - | - | - |
| | c | Other public deposits | - | - | - | - | - | - |
| **Assets Side :** | | | **As at March 31, 2022** | | **As at March 31, 2021** | | **As at March 31, 2020** | |
| 3 | **Break - up of gross loans and advances including bills receivables (other than those included in (4) below ) :** | | | | | | | |
| | a | Secured | | 1,55,877.19 | | 88,456.48 | | 58,953.56 |
| | b | Unsecured | | 93,235.55 | | 42,375.13 | | 25,372.66 |
| 4 | **Break - up of leased assets and stock on hire and other assets counting towards asset financing activities :** | | | | | | | |
| | a | Lease assets including lease rentals under sundry debtors | | | | | | |
| | | i. Finance lease | | - | | - | | - |
| | | ii. Operating lease | | - | | - | | - |
| | b | Stock on hire including hire charges under sundry debtors | | | | | | |
| | | i. Assets on hire | | - | | - | | - |
| | | ii. Repossessed assets | | - | | - | | - |
| | c | Other loans counting towards asset financing activities | | | | | | |
| | | i. Loans where assets have been repossessed | | - | | - | | - |
| | | ii. Loans other than (a) above | | - | | - | | - |
| 5 | **Break - up of investments :** | | | | | | | |
| | **Current investments** | | | | | | | |
| | a | Quoted | | | | | | |
| | | (i) Shares | | | | | | |
| | | a. Equity | | - | | - | | - |
| | | b. Preference | | - | | - | | - |
| | | (ii) Debentures and bonds | | - | | - | | - |
| | | (iii) Units of mutual funds | | - | | - | | - |
| | | (iv) Government securities | | - | | - | | - |
| | | (v) Others | | - | | - | | - |

**(Rupees in lakh)**

**z. Schedule to the Reformatted Statement of Assets and Liabilities of a NBFC (continued) :**

| **Assets Side** | | | **As at March 31, 2022** | | **As at March 31, 2021** | | **As at March 31, 2020** | |
|---|---|---|---|---|---|---|---|---|
| 5 | b | Unquoted | | | | | | |
| | | (i) Shares | | | | | | |
| | | a. Equity | - | | - | | - | |
| | | b. Preference | - | | - | | - | |
| | | (ii) Debentures and bonds | - | | - | | - | |
| | | (iii) Units of mutual funds | - | | 4,014.54 | | 7,250.81 | |
| | | (iv) Government securities | - | | - | | - | |
| | | (v) Others | - | | - | | - | |
| | **Long term investments** | | | | | | | |
| | a | Quoted | | | | | | |
| | | (i) Shares | | | | | | |
| | | a. Equity | - | | - | | - | |
| | | b. Preference | - | | - | | - | |
| | | (ii) Debentures and bonds | 4,295.88 | | 1,508.21 | | - | |
| | | (iii) Units of mutual funds | - | | - | | - | |
| | | (iv) Government securities | - | | - | | - | |
| | | (v) Others | 2,648.11 | | - | | - | |
| | b | Unquoted | | | | | | |
| | | (i) Shares | | | | | | |
| | | a. Equity | - | | - | | - | |
| | | b. Preference | - | | - | | - | |
| | | (ii) Debentures and bonds | - | | - | | - | |
| | | (iii) Units of mutual funds | - | | - | | - | |
| | | (iv) Government securities | - | | - | | - | |
| | | (v) Others | - | | - | | - | |
| 6 | **Borrower group wise classification of assets financed in (3) and (4) above (gross) :** | | **As at March 31, 2022** | | **As at March 31, 2021** | | **As at March 31, 2020** | |
| | **Category** | | **Amount** | | | | | |
| | | | **Secured** | **Unsecured** | **Secured** | **Unsecured** | **Secured** | **Unsecured** |
| | a | Related parties ** | | | | | | |
| | | i. Subsidiaries | - | - | - | - | - | - |
| | | ii. Companies in the same group | - | - | - | - | - | - |
| | | iii. Other related parties | - | - | - | - | - | - |
| | b | Other than related parties | 1,55,877.19 | 93,235.55 | 88,456.48 | 42,375.13 | 58,953.56 | 25,372.66 |
| | | **Total** | **1,55,877.19** | **93,235.55** | **88,456.48** | **42,375.13** | **58,953.56** | **25,372.66** |
| | ** As per accounting standard issued by ICAI. | | | | | | | |
| 7 | **Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :** | | | | | | | |
| | **Category** | | | | | | | |
| | 1 | Related parties ** | | | | | | |
| | | a. Subsidiaries | - | | - | | - | |
| | | b. Companies in the same group | - | | - | | - | |
| | | c. Other related parties | - | | - | | - | |
| | 2 | Other than related parties | 6,943.99 | | 5,522.75 | | 7,250.81 | |
| | | **Total** | **6,943.99** | | **5,522.75** | | **7,250.81** | |
| | ** As per accounting standard issued by ICAI. | | | | | | | |
| 8 | Other information | | | | | | | |
| | Particulars | | | | | | | |
| | | **Gross non performing assets :** | **5,641.15** | | **3,647.71** | | **817.76** | |
| | a | i. Related parties | - | | - | | - | |
| | | ii. Other than related parties | 5,641.15 | | 3,647.71 | | 817.76 | |
| | | **Net non performing assets :** | **4,152.32** | | **2,297.45** | | **458.08** | |
| | b | i. Related parties | - | | - | | - | |
| | | ii. Other than related parties | 4,152.32 | | 2,297.45 | | 458.08 | |
| | c | **Assets acquired in satisfaction of debt** | - | | - | | - | |

**(Rupees in lakh)**

**aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2022 :**

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount as per Ind AS* | Loss allowances (provisions) as required under Ind AS 109 | Net carrying amount | Provisions required as per IRAC norms | Difference between Ind AS 109 provisions and IRAC norms |
|---|---|---|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)=(3)-(4)** | **(6)** | **(7) = (4)-(6)** |
| **Performing assets** | | | | | | |
| Standard | Stage 1 | 2,39,025.36 | 2,481.66 | 2,36,543.70 | 1,856.21 | 625.45 |
| | Stage 2 | 3,255.34 | 93.91 | 3,161.43 | 50.52 | 43.39 |
| **Non-performing assets (NPA)** | | | | | | |
| Substandard | Stage 3 | 5,451.73 | 1,299.41 | 4,152.32 | 623.40 | 676.01 |
| Doubtful - up to 1 year | Stage 3 | 189.42 | 189.42 | - | 184.06 | 5.36 |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms | Stage 1 | 882.60 | - | 882.60 | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| **Total** | **Stage 1** | **2,39,907.96** | **2,481.66** | **2,37,426.30** | **1,856.21** | **625.45** |
| | **Stage 2** | **3,255.34** | **93.91** | **3,161.43** | **50.52** | **43.39** |
| | **Stage 3** | **5,641.15** | **1,488.83** | **4,152.32** | **807.46** | **681.37** |
| | **Total** | **2,48,804.45** | **4,064.40** | **2,44,740.05** | **2,714.19** | **1,350.21** |

*The above numbers are reported at gross excluding effective interest rate impact on the same.

**(Rupees in lakh)**

**aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2021 :**

| Asset classification as per RBI norms | Asset classification as per Ind AS 109 | Gross carrying amount as per IndAS* | Loss allowances (provisions) as required under Ind AS 109 | Net carrying amount | Provisions required as per IRAC norms | Difference between Ind AS 109 provisions and IRAC norms |
|---|---|---|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)=(3)-(4)** | **(6)** | **(7) = (4)-(6)** |
| **Performing assets** | | | | | | |
| Standard | Stage 1 | 1,25,395.07 | 1,128.03 | 1,24,267.04 | 497.85 | 630.18 |
| | Stage 2 | 3,751.00 | 75.03 | 3,675.98 | 14.94 | 60.08 |
| **Non-performing assets (NPA)** | | | | | | |
| Substandard | Stage 1 | 603.27 | 69.25 | 534.02 | 62.17 | 7.08 |
| Substandard | Stage 3 | 3,044.42 | 1,281.00 | 1,763.41 | 1,109.58 | 171.41 |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms | Stage 1 | 1,381.88 | 8.69 | 1,373.19 | - | 8.69 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| **Total** | **Stage 1** | **1,27,380.22** | **1,205.97** | **1,26,174.25** | **560.02** | **645.95** |
| | **Stage 2** | **3,751.00** | **75.03** | **3,675.97** | **14.94** | **60.09** |
| | **Stage 3** | **3,044.42** | **1,281.00** | **1,763.42** | **1,109.58** | **171.42** |
| | **Total** | **1,34,175.64** | **2,562.00** | **1,31,613.64** | **1,684.54** | **877.46** |

*The above numbers are reported at gross excluding effective interest rate impact on the same.

**(Rupees in lakh)**

**aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2020 :**

| Asset classification as per RBI norms | Asset classification as per IndAS 109 | Gross carrying amount as per IndAS | Loss allowances (provisions) as required under IndAS 109 | Net carrying amount | Provisions required as per IRAC norms | Difference between Ind AS 109 provisions and IRAC norms |
|---|---|---|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)=(3)-(4)** | **(6)** | **(7) = (4)-(6)** |
| **Performing assets** | | | | | | |
| Standard | Stage 1 | 82,372.14 | 632.68 | 81,739.46 | 330.94 | 301.75 |
| | Stage 2 | 1,820.70 | 52.67 | 1,768.03 | 63.01 | (10.34) |
| **Non-performing assets (NPA)** | | | | | | |
| Substandard | Stage 3 | 817.76 | 359.68 | 458.08 | 81.78 | 277.90 |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms | Stage 1 | 593.91 | 2.77 | 591.14 | - | 2.77 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| **Total** | **Stage 1** | **82,966.05** | **635.45** | **82,330.60** | **330.94** | **304.51** |
| | **Stage 2** | **1,820.70** | **52.67** | **1,768.03** | **63.01** | **(10.34)** |
| | **Stage 3** | **817.76** | **359.68** | **458.08** | **81.78** | **277.90** |
| | **Total** | **85,604.51** | **1,047.80** | **84,556.71** | **475.73** | **572.07** |

*The above numbers are reported at gross excluding effective interest rate impact on the same.

**(Rupees in lakh)**

**57 Note on Social Security Code**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**58 Events after the reporting period**

There have been no events after the reporting date that require disclosure in these Ind AS reformatted financial statements.

**59** Total Fixed Deposits stand at Rs 762.29 lakh as at March 31, 2022 ,Rs 630.10 lakh as at March 31, 2021 and Rs 587 lakh as at March 31, 2020 on account of securitisation transactions.

**60** Disclosure on frauds pursuant to RBI Master direction detected and reported to RBI:

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Number of Frauds | 4 | 1 | - |
| Amount involved (Rs in Lakh) | 400.14 | 500.00 | - |

**61** The company has not purchased any credit impaired financial assets during the financial year 2021-22, 2020-21 and 2019-20. However, the company has transferred certain credit impaired assets to the Asset Reconstruction Company in terms of guidelines issued by RBI circular number DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021. Further, the company has not sold any credit impaired financial asset to institutions other than to securitization/reconstruction Company (SC/RC) [refer note no. 72(c)].

**62** The Company does not hold any immovable property as at March 31, 2022, March 31, 2021 and March 31, 2020. All the lease agreements are duly executed in the favour of the Company for properties where the Company is the lessee.

**63** The Company does not have any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

**64** No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2022, March 31, 2021 and March 31, 2020.

**65** The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

**66** Registration of charges or satisfaction with Registrar of Companies (ROC) for the year ended March 31, 2022

| Brief Description of Charge | Location of Registrar | Period by which charge has been registered | Reason for delay |
|---|---|---|---|
| Canara Bank- Term Loan- Rs. 25,00,00,000/-<br>Charge ID- 100480997<br>DOH Date- 18/08/2021 | Mumbai | 22-09-2021 (form filed with MCA)<br>24-09-2021 (Charge certificate date) | There was delay from the bank's end in providing signed form. Therefore there was delay in filing of the Form. |
| ECB Charge Form-. Rs. 31,09,42,500/-<br>Charge ID- 100518344<br>DOH Date- 02/12/2021 | Mumbai | 06-01-2022 (form filed with MCA)<br>06-01-2022 (Charge certificate date) | The list of receivable (mandatory part of form) could not be finalized within prescribed timeline of filing of form by the investors who are based out of India. Hence there was delay in filing of Form. |
| NCD- Rs. 15,00,00,000/-<br>Charge ID- 100542449<br>DOH Date- 30/11/2021 | Mumbai | 28-02-2022 (form filed with MCA)<br>09-03-2022 (Charge certificate date) | The delay in filing form was inadvertent. |

There was no delay in registration of charges or satisfaction with Registrar of Companies (ROC) for the year ended March 31, 2021 and March 31, 2020.

**67** 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, 2022 , March 31, 2021 and March 31, 2020, in tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2022 , March 31, 2021 and March 31, 2020.

**68** The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2022 , March 31, 2021 and March 31, 2020.

**69** Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 for the year ended March 31, 2022:

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries;

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries;

**(Rupees in lakh)**

**70 Gold Loans**

During the year ended March 31, 2022 , March 31, 2021 and March 31, 2020 the Company had not provided any loans on collateral of gold and gold jewellery.

**71 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 07 April 2021.**

Under the circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

| Sr. No | Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| 1 | Aggregate amount | 54.71 | 54.71 | - |
| 2 | Refunded/Adjusted | 40.12 | - | - |
| 3 | Outstanding Balance | 14.59 | 54.71 | - |

**72 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").**

a. Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2022*

| Sr. No | Particulars | To Banks / NBFCs |
|---|---|---|
| 1 | Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh) | 33,372.84 |
| 2 | Aggregate consideration received (Rs. in Lakh) | 33,372.84 |
| 3 | Weighted average residual tenor of loans sold (in years) | 3.74 |
| 4 | Weighted average Maturity of Loans (in years) | 4.97 |
| 5 | Weighted average Holding period of Loans (in years) | 1.23 |
| 6 | Retention of Beneficial economic interest (in %) | 11.10% |
| 7 | Coverage of Tangible security (in % ) ** | 188.22% |
| 8 | Rating- wise distribution of rated loans | Non- Rated |

Note
* a. The above table includes Special Mention Account ("SMA") Loans
b. The above table does not include loans transferred by the Company through Co-Lending arrangements
** For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b. Details of loans acquired in respect of loans not in default during the year ended March 31, 2022

| Sr. No | Particulars | From NBFCs |
|---|---|---|
| 1 | Aggregate principal outstanding of loans acquired (Rs. in Lakh) | 12,199.68 |
| 2 | Aggregate consideration paid (Rs. in Lakh) | 12,199.68 |
| 3 | Weighted average residual tenor of loans acquired (in years) | 1.35 |
| 4 | Weighted average Maturity of Loans (in years) | 1.96 |
| 5 | Weighted average Holding period of Loans (in years) | 0.67 |
| 6 | Retention of Beneficial economic interest (in %) | 88.57% |
| 7 | Coverage of Tangible security (in % ) * | 709% |
| 8 | Rating- wise distribution of rated loans (in Lakh) | a. A-(SO) – 1,438.79 |
| | | b. BBB+(SO) – 8,456.59 |
| | | c. BBB (SO) – 2,304.30 |

Note * - For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans.

c. Details of stressed loans transferred during the year ended March 31, 2022 NPAs as on the date of Transfer **

| Sr. No | Particulars | To Assest Reconstruction Companies (ARCs) |
|---|---|---|
| 1 | No. of accounts | 3,377 |
| 2 | Aggregate principal outstanding of loans transferred (Rs. In Lakh) | 4,385.77 |
| 3 | Weighted average residual tenor of the loans transferred (in years) | 0.81 |
| 4 | Net book value of loans transferred (at the time of transfer) (Rs. in Lakh) | 3,264.50 |
| 5 | Aggregate consideration (Rs. in Lakh) | 3,394.00 |
| 6 | Additional consideration realized in respect of accounts transferred in earlier years | - |
| 7 | Excess Provision reversed on account of sale | - |

** The Company has not transferred any SMA loans in the above category during the year ended 31 March 2022.

d. The Company has not acquired any Stressed loans during the year ended March 31, 2022.

e. The rating wise distribution of Security Receipts (SRs) held by the Company as on March 31, 2022 is given below:

| Ratings | Rating Agency | Amount (in Lakh) |
|---|---|---|
| BW RR1 | Brick Works Rating India Private Limited | 1,217.47 |
| In Process | Brick Works Rating India Private Limited | 1,430.64 |

Note : Master Direction DOR.STR.REC.51/21.04.048/2021-22 came into immediate effect from September 24, 2021 therefore the details of transfer of loan pertaining to only financial year March 31, 2022 has been disclosed in Note no. 72 above.

**(Rupees in lakh)**

**73 a. Disclosure as per the format prescribed under circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021**

**For FY 21-22**

| Type of borrower | Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2021 (A) | Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2022 | Of (A), amount written off during the half year ended March 31, 2022 | Of (A), amount paid by the borrowers during the half year ended March 31, 2022 | Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2022* |
|---|---|---|---|---|---|
| Personal Loans | Nil | Nil | Nil | Nil | Nil |
| Corporate persons | Nil | Nil | Nil | Nil | Nil |
| Of which, MSMEs | 6,297.90 | Nil | Nil | 7.59 | 6,290.31 |
| Others | Nil | Nil | Nil | Nil | Nil |
| Total | Nil | Nil | Nil | Nil | Nil |

* Total ECL Provision for the above loans as on March 31, 2022 is Rs 629.03 Lakh.

**For FY 20-21**

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) Exposure to accounts mentioned at (A) before implementation of the plan | (C) Of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution plan |
|---|---|---|---|---|---|
| Personal Loans | Nil | Nil | Nil | Nil | Nil |
| Corporate persons* | Nil | Nil | Nil | Nil | Nil |
| Of which, MSMEs | Nil | Nil | Nil | Nil | Nil |
| Others | Nil | Nil | Nil | Nil | Nil |
| Total | Nil | Nil | Nil | Nil | Nil |

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**73 b. Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2022:**

| Type of borrower | Year | (A) Number of accounts where resolution plan has been implemented under this window | (B) exposure to accounts mentioned at (A) before implementation of the plan |
|---|---|---|---|
| MSMEs | 2021-22 | 184 | 6,623.10 |
| | 2020-21 | 156 | 7,356.11 |
| | 2019-20 | Nil | Nil |

**(Rupees in lakh)**

## 74. Asset acquisition

### a. Brief of the transaction :

The Board of Directors of the Company at their meeting held on December 31, 2017 had considered and approved a scheme of arrangement under Sections 230 to 232 read with section 52 and 66 of the Companies Act, 2013 between Asia Pragati Capfin Private Limited ("APCPL") a private limited company incorporated under the laws of India and holding a license to act as a non-banking finance company, and UGRO Capital Limited ("UGRO") the resulting company and their respective shareholders and creditors. The scheme of arrangement (the "Scheme") for demerger of lending business of APCPL into UGRO has been sanctioned by the National Company Law Tribunal, Mumbai bench ("NCLT") vide order dated June 13, 2019. The certified copy of order of NCLT was filed with the registrar of companies, Maharashtra at Mumbai on June 28, 2019 and June 30,2019 by UGRO and APCPL respectively and has become effective from June 30, 2019.
As per the NCLT approved scheme, the appointed date of the Scheme is April 01, 2018 ("the appointed date"). The Company has issued 135,65,891 number of equity shares at ₹ 129 each (face value ₹ 10) at a premium of ₹ 119 per share aggregating to ₹ 17,500 lacs on July 30, 2019 to DBZ (Cyprus) Limited("DBZ"), a Company incorporated under the laws of Cyprus and the shareholder of APCPL, as the consideration.

Pursuant to the scheme of arrangement and board approval, the purchase of the net assets has been accounted on the appointed date, wherein the purchase consideration of ₹ 17,500 lacs has been allocated to the respective net assets (including indemnification asset) at their respective fair values. DBZ will pay UGRO, the difference (net of applicable taxes, if any) between the consideration and the aggregate realisable value of the assets and cash and cash equivalents. As per the indemnity agreement, UGRO has filed the requisite documentation for the same.

### b. Details of assets acquired :

| Sr No. | Particulars | Amount |
|---|---|---|
| | **Assets** | |
| (i) | Fixed deposits | 13,500.00 |
| (ii) | Indemnified assets | 4,000.00 |
| | **Net assets acquired** | **17,500.00** |

### c. Computation of goodwill :

| Sr No. | Particulars | Amount |
|---|---|---|
| | **Transfer consideration** | |
| (i) | Equity shares | 1,356.59 |
| (ii) | Security premium account | 16,143.41 |
| | **Total consideration (A)** | **17,500.00** |
| | **Net assets acquired (B)** | **17,500.00** |
| | **Goodwill (excess of net assets ) (A-B)** | - |

**(Rupees in lakh)**

**75 Impact of COVID 19 pandemic**

**a. For year ended March 31, 2021 -**

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, the sale of third party products and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations

As a matter of prudence, the Company has made a provision of Rs. 295.59 lakh towards recoverability of its loans and advances.

**For year ended March 31, 2020 -**

In assessing the recoverability of loans, receivables, intangible assets, deferred tax asset and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Company's best estimate of the recoverable amounts. The Company has estimated and recognised an additional expected credit loss of ₹ 331.00 lakh on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

**b. Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 ("RBI Circular") :**

In accordance with the COVID-19 Regulatory Packages announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company, in line with its board approved policy, offered a moratorium on the repayment of all instalments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

| Period | Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI Circular | Respective amount where asset classification benefits is extended | Provisions made in terms of paragraph 5 of RBI Circular | Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular |
|---|---|---|---|---|
| As on March 31, 2022 | NA | NA | NA | NA |
| As on March 31, 2021 | 1,797.29 | Nil* | Nil** | NA |
| As on March 31, 2020 | 1211.37*** | 1,211.37 | 60.57 | NA |

* There are NIL accounts where asset classification benefit is extended till March 31, 2021. Post the moratorium period, the movement of aging has been at actuals.

**The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has created an additional Covid provision in Q4 FY2020 and Q1 FY2021 amounting to Rs 448.86 lakh. The residual provisions had been written back/ adjusted by the Company in March 2021 as per the circular.

*** These include overdue accounts which would otherwise (i.e. without availing the benefit related to asset classification) have been marked as NPA as at March 31, 2020 (overdue more than 60 days as at February 29, 2020) and does not include overdue accounts that would have continued to be under standard category as at March 31, 2020.

**76 Supreme Court Order dated March 23, 2021 (Applicable for only year ended March 31, 2021)**

The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr.), vide an interim order dated September 03, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders which was subsequently vacated vide final order dated March 23, 2021. Accordingly, the Company has classified and recognised provision as at 31 March 2021 in accordance with the Company's Expected Credit Loss policy.

Pursuant to the order passed by the Honourable Supreme Court read along with the instructions received from RBI circular dated April 07 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 the Company has put in place a Board approved policy and the methodology for calculation of the amount to be refunded/ adjusted by way of the interest on interest / penal interest' charged to borrowers during the moratorium period i.e., March 01, 2020 to August 31, 2020. The Company has estimated the said amount, considering the relevant portfolio, and has accordingly recognised a charge of Rs. 54.71 laKh in its Reformatted Statement of Profit and Loss for the year ended March 31, 2021.

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The Company had implemented the ex-gratia scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.

**77** Previous year figures have been reclassified / regrouped wherever necessary to conform to / with the current year classification / disclosure.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

**Swapnil Kale**
Partner

Membership No : 117812
Place : Mumbai
Date : August 12, 2022

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

**Shachindra Nath**
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
August 12, 2022

**Amit Gupta**
Chief Financial Officer
Mumbai
August 12, 2022

**Namrata Sajnani**
Company Secretary
Mumbai
August 12, 2022

MSKA & Associates
Chartered Accountants

HO
602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

**Independent Auditor's Review Report on unaudited financial results of UGRO Capital Limited for the quarter ended June 30, 2022 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors**
**UGRO Capital Limited**

1. We have reviewed the accompanying statement of unaudited financial results of UGRO Capital limited ('the Company') for the quarter ended June 30, 2022 ('the Statement') being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether standalone financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812ANKPJM4361

Mumbai
July 22, 2022

**UGRO CAPITAL LIMITED**

**Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070**

**Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com**

**CIN:L67120MH1993PLC070739**

**Statement of Unaudited Financial Results for the Quarter Ended June 30, 2022**

(Rupees in Lakh)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended |
|---|---|---|---|---|---|
| | | June 30, 2022 | March 31, 2022 | June 30, 2021 | March 31, 2022 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | | | | |
| 1 | Revenue from operations | | | | |
| | (a) Interest income | 9,309.80 | 9,403.08 | 4,964.56 | 27,215.28 |
| | (b) Net Gain / (Loss) on derecognition of financial instruments under amortised cost category | 2,264.11 | 1,612.29 | 74.26 | 2,852.50 |
| | (c) Net gain on fair value changes | - | (5.27) | 33.17 | 33.67 |
| | (d) Fees and commission income | 303.55 | 198.68 | 56.72 | 626.01 |
| 2 | Other income | 502.90 | 213.90 | - | 614.13 |
| 3 | **Total income (1 + 2)** | **12,380.36** | **11,422.68** | **5,128.71** | **31,341.59** |
| | | | | | |
| 4 | (a) Finance cost | 5,308.69 | 4,968.30 | 2,237.04 | 13,738.92 |
| | (b) Impairment on financial instruments | 935.42 | 926.31 | 492.22 | 2,941.54 |
| | (c) Employee benefits expense | 2,918.69 | 2,795.48 | 1,228.90 | 7,289.06 |
| | (d) Depreciation, amortisation and impairment | 177.03 | 376.83 | 259.87 | 1,233.26 |
| | (e) Other expenses | 2,002.00 | 1,552.69 | 674.98 | 4,121.03 |
| | **Total expense** | **11,341.83** | **10,619.61** | **4,893.01** | **29,323.81** |
| 5 | **Profit before tax (3-4)** | **1,038.53** | **803.07** | **235.70** | **2,017.78** |
| 6 | Tax expense | | | | |
| | (a) Current tax | 335.72 | 272.01 | - | 660.90 |
| | (b) Deferred tax | (31.43) | (77.49) | 65.54 | (98.18) |
| | **Total tax expense (a +b)** | **304.29** | **194.52** | **65.54** | **562.72** |
| | | | | | |
| 7 | **Profit for the period (5-6)** | **734.24** | **608.55** | **170.16** | **1,455.06** |
| | | | | | |
| 8 | **Other comprehensive income** | | | | |
| | **Items that will not be reclassified to profit and loss** | | | | |
| | Remeasurements of the defined benefit obligations | 6.42 | (2.78) | 6.97 | 25.67 |
| | Income tax relating to items that will not be reclassified to profit and loss | (1.87) | 0.82 | (2.03) | (7.47) |
| | **Items that will be reclassified to profit and loss** | | | | |
| | The effective portion of Gains and Loss on hedging instrument in a cash flow hedge | 56.82 | 91.86 | - | 9.00 |
| | Income tax relating to items that will be reclassified to profit and loss | (16.55) | (26.75) | - | (2.62) |
| | **Total other comprehensive income (Net of Tax)** | **44.82** | **63.15** | **4.94** | **24.58** |
| | | | | | |
| 9 | **Total comprehensive income (7+8)** | **779.06** | **671.70** | **175.10** | **1,479.64** |
| | | | | | |
| 10 | Paid Up Equity Share Capital (Face Value Rs. 10 each) | 7,055.94 | 7,055.94 | 7,052.86 | 7,055.94 |
| | | | | | |
| 11 | **Earnings per share (Face Value of Rs 10 each)** | | | | |
| | Basic (in rupees) | 1.04 | 0.86 | 0.24 | 2.06 |
| | Diluted (in rupees) | 1.03 | 0.84 | 0.24 | 2.05 |
| | | Not annualised | Not annualised | Not annualised | |

**Notes to Statement of Unaudited Financial Results for the Quarter Ended June 30, 2022**

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI").

2. The above unaudited financial results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on July 22, 2022. The above results have been subjected to limited review by the statutory auditor of the Company.

3. These financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard ("IND AS")- 34- Interim Financial Reporting as prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and in compliance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended from time to time.

4. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments, as per the IND AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

5. India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on the ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

6. The management overlay of Rs. 273.79 lakh towards its restructured loans and advances as on March 31, 2022 has been continued for the quarter ended June 30, 2022.

7. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

8. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").

   a. Details of transfer through Assignment in respect of loans not in default during the quarter ended June 30, 2022*

| Sr.No. | Particulars | To Banks / NBFCs |
|---|---|---|
| i. | Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh) | 5,236.16 |
| ii. | Aggregate consideration received (Rs. in Lakh) | 5,236.16 |



| Sr.No. | Particulars | To Banks / NBFCs |
|---|---|---|
| iii. | Weighted average residual tenor of loans sold (in years) | 5.09 |
| iv. | Weighted average Maturity of Loans (in years) | 5.98 |
| v. | Weighted average Holding period of Loans (in years) | 0.83 |
| vi. | Retention of Beneficial economic interest (in %) | 13.86% |
| vii. | Coverage of Tangible security Coverage (in % ) ** | 220.77% |
| viii. | Rating- wise distribution of rated loans | Non- Rated |

Note

* a. The above table includes Special Mention Account ("SMA") Loans

b. The above table does not include loans transferred by the Company through Co-Lending arrangements

** For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b. The Company has not acquired loans not in default during the quarter ended June 30, 2022

c. The Company has neither transferred nor acquired any stressed loans during the quarter ended June 30, 2022.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on June 30, 2022 is given below:

| Ratings | Rating Agency | Amount (in Lakh) |
|---|---|---|
| BW RR1 | Brick Works Rating India Private Limited | 1,166.81 |
| In Process | Brick Works Rating India Private Limited | 1,430.64 |

9. During the quarter ended June 30, 2022, the Company has transferred loans amounting to Rs.12,598.19/- lakh through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction under circular no. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020.

10. During the quarter ended June 30, 2022, the Company has granted 60,000 options under the employee stock option scheme of the Company. During the quarter ended June 30, 2022, the Company has not allotted any Equity Shares pursuant to the exercise of options under the approved employee stock option schemes.

11. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified receivables to the extent as stated in the respective offer document, term sheet and debenture trust deed (together referred to as "transaction documents"). Further the company has maintained asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.

12. The Company has raised funds by way of public issuance of Rated Secured Listed Non-Convertible Debentures (NCDs) of face value Rs. 1,000 each for an amount of Rs. 7,221.55 lakh pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCD Regulations"), The Companies Act, 2013 and the rules made thereunder, as amended to the extent notified. The NCDs were allotted on 5th May, 2022.

13. The figures of the quarter ended March 31, 2022 represents balancing figures between the audited figures for the year ended March 31, 2022 and the published year to date figures up to December 31, 2021 which were subject to limited review by auditors.

14. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.

15. Previous period/ year figures have been regrouped/ rearranged wherever necessary, to conform with the current period presentation.

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

**Shachindra Nath**
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
July 22, 2022

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at and for the quarter ended June 30, 2022:

| Sr. No | Particular | Ratio |
|---|---|---|
| 1 | Debt - Equity Ratio [1] | 2.26 |
| 2 | Debt Service Coverage Ratio [2] | Not Applicable |
| 3 | Interest Service Coverage Ratio [2] | Not Applicable |
| 4 | Outstanding redeemable preference shares (quantity and value) | Nil |
| 5 | Capital redemption reserve (Rs. in Lakh) [3] | Not Applicable |
| 6 | Debenture redemption reserve (Rs. in Lakh) [3] | Not Applicable |
| 7 | Net worth [4] (Rs. in Lakh) | 97,491.76 |
| 8 | Net profit after Tax (Rs. in Lakh) | 734.24 |
| 9 | Current ratio | Not Applicable |
| 10 | Long term debt to working capital | Not Applicable |
| 11 | Bad debts to Account receivable ratio | Not Applicable |
| 12 | Current liability ratio | Not Applicable |
| 13 | Total debts to total assets [5] | 0.67 |
| 14 | Debtors turnover | Not Applicable |
| 15 | Inventory turnover | Not Applicable |
| 16 | Operating margin | Not Applicable |
| 17 | Net profit margin (%) [6] | 5.93% |
| 18 | Sector specific equivalent ratios | |
| | a. Gross Stage 3 [7] | 2.13% |
| | b. Net Stage 3 [8] | 1.57% |
| | c. Capital to risk-weighted assets [9] | 27.93% |

Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / Total Assets
6. Net profit margin = Net profit after tax / total income
7. Gross Stage 3 = Gross Stage 3 Loans Exposure at Default (EAD) / Gross Total Loans EAD
8. Net Stage 3 = (Gross Stage 3 Loans EAD - Impairment loss allowance for Stage 3) / (Gross Total Loans EAD - Impairment loss allowance)
9. Capital to risk-weighted assets is calculated as per the RBI guidelines.



## KEY OPERATIONAL AND FINANCIAL PARAMETERS

This section should be read together with the Reformatted Standalone Financial Information, including the notes thereto, in "Financial Information" on page 119.

Our financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise in dictated or the context otherwise requires, the financial information included herein is derived from our Reformatted Financial Information included in this Prospectus.

**Key Performance Indicators –Reformatted Financial Information**

(Rs. In lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Balance Sheet** | | | |
| Net Fixed assets (including intangible assets) | 6,159.54 | 4,013.34 | 3,864.13 |
| Current assets | 94,216.90 | 81,126.06 | 55,405.35 |
| Deferred tax assets (net) | 4,381.63 | 4,293.55 | 2,156.31 |
| Non-current assets | 1,80,664.49 | 86,045.63 | 59,718.22 |
| **Total Assets** | **2,85,422.56** | **1,75,478.58** | **1,21,144.01** |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | 1,07,727.52 | 40,648.86 | 8,549.73 |
| Provisions | 371.17 | 203.77 | 168.33 |
| Deferred tax liabilities (net) | - | - | - |
| Other non-current liabilities | - | - | - |
| Current Liabilities | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | 77,861.20 | 38,364.46 | 19,370.47 |
| Provisions | 2,316.05 | 735.90 | 754.19 |
| Current tax liabilities (net) | 126.07 | 144.13 | - |
| Other current liabilities | 364.23 | 137.64 | 148.93 |
| Equity (equity and other equity) | 96,656.32 | 95,243.82 | 92,152.36 |
| **Total equity and liabilities** | **2,85,422.56** | **1,75,478.58** | **1,21,144.01** |
| **Profit and Loss** | | | |
| Total revenue | | | |
| - Revenue from operations | 30,727.46 | 14,981.07 | 9,670.71 |
| - Other income | 614.13 | 352.77 | 845.00 |
| Total Expenses | 29,323.81 | 14,120.93 | 10,183.92 |
| Profit / (loss) | 2,017.78 | 1,212.91 | 331.79 |
| Profit / (loss) after tax | 1,455.06 | 2,872.75 | 1,951.86 |
| Earnings per equity share: Basic; (Continuing operations) | 2.06 | 4.07 | 2.95 |
| Earnings per equity share: Diluted (Continuing operations) | 2.05 | 4.07 | 2.87 |
| Earnings per equity share: Basic (Discontinued operations) | - | - | - |
| Earnings per equity share: Basic (Total Continuing and discontinued operations | 2.06 | 4.07 | 2.95 |
| Earnings per equity share: Diluted (Total Continuing and discontinued operations) | 2.05 | 4.07 | 2.87 |
| **Cash Flow** | | | |
| Net cash (used in) operating activities | (1,13,181.67) | (34,712.05) | (79,881.30) |
| Net cash generated from / (used in) investing activities | 4,137.95 | (4,591.73) | 17,872.79 |
| Net cash generated from financing activities | 1,03,253.11 | 50,794.69 | 30,795.49 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Cash and cash equivalents | 6,574.94 | 12,365.55 | 873.96 |
| Balance as per statement of cash flows | 6,574.94 | 12,365.55 | 873.96 |
| **Additional Information** | | | |
| Net worth | 96,656.32 | 95,243.82 | 92,152.36 |
| Cash and Cash Equivalents | 6,574.94 | 12,365.55 | 873.96 |
| Current Investments | 2,648.11 | 4,014.54 | 7,250.81 |
| Assets Under Management | 2,96,900 | 1,31,700 | 86,100 |
| Off Balance Sheet Assets | 51,700 | 1,118 | - |
| Total Debts to Total assets (times) | 0.63 | 0.44 | 0.21 |
| Debt Service Coverage Ratios (times) | N.A. | N.A. | N.A. |
| Interest Income | 27,215.28 | 14,683.43 | 7,805.98 |
| Interest Expense | 13,738.92 | 4,456.24 | 1,367.74 |
| Interest service coverage ratio (times) | N.A. | N.A. | N.A. |
| Provisioning & Write-offs | 2,941.54 | 1,961.71 | 1,024.76 |
| Bad debts to Account receivable ratio (times) | 0.00 | 0.00 | 0.00 |
| Gross NPA (%) | 2.28% | 2.79% | 0.96% |
| Net NPA (%) | 1.70% | 1.75% | 0.54% |
| CRAR (%) | 34.37% | 65.55% | 88.25% |
| CRAR - Tier I Capital (%) | 33.61% | 65.15% | 88.07% |
| CRAR - Tier II Capital (%) | 0.76% | 0.40% | 0.18% |

**Debt Equity Ratio of the Company (as on March 31, 2022)**

| | |
|---|---|
| Debt Equity Ratio before Issue of the Debt Securities (Refer Note 1) | 1.86 |
| Debt Equity Ratio after Issue of the Debt Securities (Refer Note 2) | 1.97 |

Note 1: The debt equity ratio pre-issue is calculated based on the Reformatted Financial Information for the year ended March 31, 2022.

Note 2: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 10,000 lakhs from the proposed public issue with borrowings and total equity as on March 31, 2022.

Note 3:

1. Net worth is the aggregate of paid up share capital and other equity as appearing in the Reformatted Financial Information
2. Short term borrowings represent borrowings which are due within twelve months from March 31, 2022.
3. Long term borrowings represent debts other than short term borrowings, as defined above.
4. The figures disclosed above are based on the Reformatted Financial Information of the Company as at March 31, 2022.
5. Total Debts to Total assets = Short term borrowings + Long term borrowings including current maturity of long term borrowings / Total Assets.
6. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
7. Bad debts to Account receivable ratio = Bad Debts written off / Loans
8. Debt / Equity Ratio= Total Debt [Borrowings (other than debt securities) + Debt securities] / Net worth.
9. The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000 lakhs from the proposed public issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and shareholders fund on the date of allotment.

## FINANCIAL INDEBTEDNESS

Details of the outstanding borrowings of our Company as on June 30, 2022:

| S. No. | Nature of Borrowing | Amount (in ₹ lakh) | % age |
|---|---|---|---|
| 1. | Secured Borrowings | 1,99,400 | 88.35 |
| 2. | Unsecured Borrowings | 26,298 | 11.65 |
| | **Total** | **2,25,698** | **100.00** |

| Standalone | Amount (in ₹ lakh) |
|---|---|
| Debt Securities | 80,760.65 |
| Borrowings (Other than Debt Securities) | 1,39,997.02 |
| **Total** | **2,20,757.67** |

Set forth below, is a brief summary of the borrowings by our Company as on June 30, 2022, together with a brief description of certain significant terms of such financing arrangements. Our Company does not have any subsidiary as on the date of this Prospectus.

**Secured Loan Facilities**

Our Company's secured borrowings as on June 30, 2022 amount to ₹ 1,99,400 Lakhs.

The details of the secured borrowings are set out below:

**Term Loans**

The total sanctioned amount of term loans availed from banks and financial institutions as on June 30, 2022 is ₹ 179,509 Lakh, the total amount outstanding (as per Ind-AS) as on June 30, 2022 is ₹ 132,009.47 Lakh and the principal amount outstanding as on June 30, 2022 is ₹ 133,627 Lakhs. The details of the term loans as of June 30, 2022 are set out below:

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| 1. | AU Small Finance Bank | 30-Dec-20 | 2,000.00 | 1,055.00 | 1,055.00 | 03-Jan-24 | Monthly | After 12 months from loan disbursement, 1 % of the principal O/s | Delay EMI, penal Interest @ 24 % p.a compounded monthly for period |
| 2. | Canara Bank | 15-Jul-20 | 1,000.00 | 600.00 | 600.00 | 15-Jun-25 | Quarterly | Till 12 months from Loan disbursement, 2 % of Principal O/s. | Delay EMI, penal Interest @ 24 % p.a compounded monthly for period |
| 3. | CapriGlobal | 25-Mar-21 | 1,000.00 | 500.00 | 500.00 | 15-Apr-23 | Quarterly | After 12 months from loan disbursement, 1 % of the principal O/s | Delay EMI, penal Interest @ 24 % p.a compounded monthly for period |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| 4. | ESAF Small Finance Bank | 16th Jan 20 & 2nd Jul 20 | 1,000.00 | 120.00 | 120.00 | 10th Jul 22 & 10th Dec22 | Monthly | 2 % Pre-Paid amount | Penal Interest of 2 % p.a in case of default for the period in default |
| 5. | ESAF Small Finance Bank | 16-Mar-21 | 2,500.00 | 1,500.00 | 1,500.00 | 10-Mar-24 | Monthly | Any prepayment to the Lender shall be charged at the rate of 5.00% on the amount prepaid plus applicable taxes. However, no prepayment shall be permissible within a period of first 6 months from the date of first disbursement. Notice period is 30 days for prepayment | Any interest / principal being over-due will attract penal interest of 2.00% p.m. over and above the regular interest rate on the amount due for the period of delay. |
| 6. | Federal Bank | 28-Jun-21 & 23-Dec-21 | 2,500.00 | 2,166.67 | 2,166.67 | 28-Dec-22 | Monthly | 4% of the loan amount sanctioned | 4% p.a. delay in servicing of interest/ principal |
| 7. | Hinduja Leyland Finance Limited | 29-Aug-19 | 1,500.00 | 97.00 | 97.00 | 28-Aug-22 | EMI | Any prepayment to the Lender shall be charged at the rate of 5.00% on the amount prepaid plus applicable taxes. However, no prepayment shall be permissible within a period of first 6 months from the date of | In case the delay extends beyond 60 days then the penal interest shall be levied at 2.00% p.m. over and above the regular interest rate on the entire facility amount outstanding for the period of delay. |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | first disbursement. Notice period is 30 days for prepayment | |
| 8. | Hinduja Leyland Finance Limited | 19-Mar-20 | 3,500.00 | 993.00 | 993.00 | 19-Mar-23 | EMI | 1 % Pre-Paid amount | Penal Interest of 2 % p.a in case of default for the period in default |
| 9. | IDFC First Bank | 11-Sep-20 | 4,000.00 | 2,888.00 | 2,888.00 | 31-Aug-24 | Monthly | 1 % Pre-Paid amount | Penal Interest of 2 % p.a in case of default for the period in default |
| 10. | Indian Bank | 31-Dec-20 | 2,500.00 | 1,500.00 | 1,500.00 | 31-Dec-23 | Monthly | 2 % Pre-Paid amount | Non- Satisfaction of condition will result in repayment of entire loan |
| 11. | Kisetsu Saison | 30-Jun-21 | 2,500.00 | 1,500.00 | 1,500.00 | 25-Dec-23 | Monthly | No foreclosure within twelve months from the date of loan agreement. After twelve months, 5% of the principle amount outstanding as on the due date prior to the settlement date, plus GST applicable | Any deviation from the said covenant will be treated as event of default & the have right to recall the loan amount. |
| 12. | Manveeya Development Finance | 30th Dec 20 & 16th Mar 21 | 4,000.00 | 2,181.00 | 2,181.00 | 30-Dec-23 | Monthly | 2 % Pre-Paid amount | Non- Satisfaction of condition will result in repayment of entire loan |
| 13. | MAS Financials Services Limited | 29-Sep-20 | 1,500.00 | 188.00 | 188.00 | 23-Sep-22 | Monthly | Facilities cannot be repaid | Penal Interest of 2 % p.a in case of default for the period in default |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| 14. | MAS Financials Services Limited | 30-Mar-21 | 5,000.00 | 2,666.00 | 2,666.00 | 05-Oct-23 | Monthly | Pre payment Penalty @ 2 % of the drawing limit or balance outstanding whichever is higher. | Penal Interest of 1 % p.a in case of default for the period in default |
| 15. | MAS Financials Services Limited | 30-Jun-21 | 2,000.00 | 1,333.00 | 1,333.00 | 25-Jun-24 | Monthly | 2% | 2% penalty for breach of sanctioned T & C. |
| 16. | Northern Arc | 10th Feb 21 & 17th Feb 21 & 26thFeb 21 | 5,000.00 | 2,591.00 | 2,591.00 | 15th Aug 23 & 15th Sep 23 | Monthly | No Pre-Payment Clause condition | Non- Satisfaction of condition will result in repayment of entire loan |
| 17. | State Bank of India | 29th Jan 2021 & 30th March 2021 | 5,000.00 | 3,502.00 | 3,502.00 | 29-May-25 | Monthly | No Pre-Payment Clause condition | Non-compliance of any of the conditions of sanction or irregularly in the account for any reason will attract penal interest @ 2% over and above sanction rate during the period of non-compliance/delay submission. |
| 18. | Sundaram Finance | 31-Mar-21 | 2,500.00 | 1,339.00 | 1,339.00 | 22-Sep-23 | EMI | 2% of the prepaid amount by borrower | 2% penalty for breach of sanctioned T & C. |
| 19. | Vivriti Capital | 25-Jun-21 | 2,500.00 | 400.00 | 400.00 | 25-Dec-23 | Monthly | 2.00% + GST of the pre-paid amount, pre-payment charges will not be levied on the following : (A) in case payment has been made out of cash sweep | 5% penal interest p.a. |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | /Insurance proceeds. (B) payment at the instance of lenders. © loan prepaid out of higher cash accruals from the project /refinancing under 5/25 scheme of RBI on the date of refinancing /equity infusion by promoters. | |
| 20. | Canara Bank | 31-Aug-21 | 2,500.00 | 2,375.00 | 2,375.00 | 25-Feb-27 | Quarterly | 2% of amount prepaid | 2% penal interest p.a. |
| 21. | Federal Bank | 24-Dec-21 | 2,500.00 | 1,666.00 | 1,666.00 | 24-Jun-23 | Quarterly | 4% of the loan amount sanctioned | 4% p.a. delay in servicing of interest/ principal |
| 22. | Hinduja Leyland Finance Limited | 02-Sep-21 | 2,200.00 | 1,715.00 | 1,715.00 | 02-Sep-24 | EMI | 2 % Pre-Paid amount and partial prepayment is not allowed | Penal Interest of 2.5 % p.a in case of default for the period in default |
| 23. | Kisetsu Saison | 24-Sep-21 | 2,500.00 | 1,750.00 | 1,750.00 | 15-Mar-24 | Quarterly | No prepayment allowed within 1 year & 2% of outstanding amount thereafter | Default interest of 2% p.m. on occurrence of EOD |
| 24. | MAS Financials Services Limited | 30-Oct-21 | 3,000.00 | 2,833.33 | 2,833.33 | 25-Oct-24 | Monthly | Not mentioned | Penal Interest of 2 % p.a in case of default for the period in default |
| 25. | MAS Financials Services Limited | 02-Nov-21 | 2,000.00 | 1,944.44 | 1,944.44 | 25-Oct-24 | Monthly | Not mentioned | Penal Interest of 2 % p.a in case of default for the period in default |
| 26. | MAS Financi | 24-Dec-21 | 3,500.00 | 1,275.00 | 1,275.00 | 25-Dec-24 | Monthly | Not mentioned | Penal Interest of 2 % p.a in case of |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | als Services Limited | | | | | | | | default for the period in default |
| 27. | Nabsamruddhi Finance | 17-Sep-21 | 1,500.00 | 1,393.00 | 1,393.00 | 31-Mar-25 | Monthly | 2.5% of amount prepaid | Not mentioned |
| 28. | Nabsamruddhi Finance | 17-Sep-21 | 500.00 | 464.00 | 464.00 | 31-Mar-25 | Monthly | 2.5% of amount prepaid | Not mentioned |
| 29. | Northern Arc | 10-Feb-21 & 17-Feb-21 & 26-Feb-21 | 5,000.00 | 2,591.00 | 2,591.00 | 15-Aug-23 & 15-Sep-23 | Monthly | No Pre-Payment Clause condition | Non- Satisfaction of condition will result in repayment of entire loan |
| 30. | SIDBI | 28-Sep-21 | 9,000.00 | 1,800.00 | 1,800.00 | 10-Aug-22 | Monthly | No charges subject to 7 days notice | Penal Interest of 2 % p.a in case of default for the period in default |
| 31. | Nabkisan Finance Limited | 30-Nov-21 | 2,000.00 | 2,000.00 | 2,000.00 | 01-Jul-23 | Quarterly | 2% | 2% penal interest p.a. |
| 32. | Tata Capital | 27-Dec-21 | 1,500.00 | 1,250.00 | 1,250.00 | 15-Dec-24 | Monthly | 3% of amount prepaid | 2% penal interest p.a. |
| 33. | Aditya Birla Finance | 31-Dec-21 | 2,500.00 | 2,338.00 | 2,338.00 | 01-Jan-27 | Monthly | To be decided by Lender at the time of prepayment | Penal Interest of 2 % p.a in case of default for the period in default |
| 34. | IDBI Bank | 31-Dec-21 | 2,500.00 | 2,500.00 | 2,500.00 | 01-Jan-26 | Monthly | 1% of amount prepaid | 2% penal interest p.a. |
| 35. | Indian Bank | 31-Dec-21 | 1,500.00 | 1,500.00 | 1,500.00 | 31-Dec-24 | Quarterly | prepayment penalty @ 2% of the drawing Limit or balance outstanding whichever is higher, to be paid except if prepayment is from internal generation | 1% penal interest on overdue amount for period overdrawn |
| 36. | Karnataka Bank | 28-Sep-21 | 2,000.00 | 2,000.00 | 2,000.00 | 28-Jul-24 | Semi Annual | Preclosure charges of 2% shall be | 2% penal interest p.a. |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | charged only in case of takeover of liabilities by other banks | |
| 37. | South Indian Bank | 30-Aug-21 | 2,000.00 | 1,666.00 | 1,666.00 | 31-Aug-26 | Monthly | Prepayment Penalty will be collected if prepaid amount crosses the least of the following: 1) Amount Prepaid equal to 6 EMIs, 2) 2 Quarterly installments, 3) 1 half year installment, 4) 10% of the loan amount | 2% penal interest p.a. |
| 38. | Dhanlaxmi Bank | 30-Oct-21 | 1,000.00 | 1,000.00 | 1,000.00 | 30-Oct-25 | Quarterly | To be stipulated by Lender at the time of prepayment | To be stipulated by Lender at the time of default |
| 39. | Ujjivan Small Finance Bank | 30-Nov-21 | 2,000.00 | 1,611.00 | 1,611.00 | 30-Nov-24 | Monthly | No partial prepayment allowed. Full prepayment allowed subject to 15 days notice 2% p.a. on principal amount | Penal Interest of 2 % p.a in case of default for the period in default |
| 40. | Utkarsh Bank | 30-Dec-21 | 3,000.00 | 2,538.00 | 2,538.00 | 25-Mar-25 | Monthly | 2 % of Pre-Paid amount subject to 15 days prior notice | Penal Interest of 2 % p.a in case of default for the period in default |
| 41. | Bandhan Bank Ltd | 22-Feb-22 | 2,500.00 | 2,500.00 | 2,500.00 | 01-Mar-25 | Quarterly | Borrower may prepay the Facility amount with payment of Prepayment Penalty of 4.00%. However, client may | Penal interest of 2 % over and above the interest rate in case of default |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | prepay the loan without prepayment penalty incase of increase in interest spread. | |
| 42. | Bank of Maharashtra | 13-May-22 | 3,000.00 | 3,000.00 | 3,000.00 | 12-Nov-27 | Quarterly | If the loan is paid off by internal cash accruals and/or own sources, company will have the option to pre-pay the loan at any tim within 15 days notice without any prepayment charges. Penalty of 1 % of the prepaid amount in case of other case except above | 1% p.a. penal interest will be charged on overdue interest/in stallment |
| 43. | Canara Bank | 30-03-2022, 31-03-2022 | 2,500.00 | 2,500.00 | 2,500.00 | 30-Mar-27 | Monthly | Penalty of 2% on amount prepaid | Penal interest of 2% p.a. in case of default for the period of default |
| 44. | Capital Small finance Bank | 21-Mar-22 | 2,500.00 | 2,305.00 | 2,305.00 | 21-Mar-25 | Monthly | 2% of the outstanding amount or DB whichever is higher. | In case of events of default, Penal Charges shall be charged @ 2% PA. |
| 45. | DCB bank | 06-May-22 | 2,500.00 | 2,500.00 | 2,500.00 | 30-Apr-25 | Quarterly | 2% on outstanding/ pre-paid amount, minimum INR 10,000 | in case of delay in payment of interest/repayment of principal, 3% of penal interest to be charged per monthof irregular/overdue amount |
| 46. | ESAF Small | 15-Mar-22 | 2,000.00 | 1,833.00 | 1,833.00 | 10-Mar-25 | Quarterly | Prepayment penalty of | Penal interest of 2% p.a. would be |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | Finance Bank | | | | | | | 2% will be charged for the prepaid amount or amount for the balance period of tenor whichever is higher and a notice of at least 7 business days should be provided to the lender before any prepayment/ pre-closure is made | charged on the amount of overdue installment/interest over and above drawing power |
| 47. | Hinduja Leyland Finance Limited | 22-Jun-22 | 1,700.00 | 1,700.00 | 1,700.00 | 22-Jun-25 | Monthly | No prepayment allowed within 1 year & 2% of outstanding amount thereafter | In case of events of default, Penal Charges shall be charged @ 2% PA. over and above interest rate |
| 48. | IDFC First Bank Ltd | 25-Feb-22 | 7,500.00 | 6,875.00 | 6,875.00 | 25-Feb-26 | Monthly | Facilities cannot be prepaid | 2% plus Applicable Rate of Interest due non-payment of interest/ principal or any other amount on the due date or breach of terms and conditions under the Facility Agreement and Sanction Letter. |
| 49. | Indian Overseas Bank | 28-Jan-22 | 5,000.00 | 5,000.00 | 5,000.00 | 30-Jul-22 | Quarterly | NA | NA |
| 50. | Jana Small Finance Bank | 30-Apr-22 | 5,000.00 | 5,000.00 | 5,000.00 | 03-Oct-24 | Quarterly | Voluntary prepayment in full or part thereof is not premitted, a prepayment premium of | In case of events of default, Penal Charges shall be charged @ 2% PA. over and above interest rate |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 2% p.a. will be payable. | |
| 51. | JM Financial Products | 30-Jun-22 | 4,000.00 | 4,000.00 | 4,000.00 | 29-Sep-23 | Monthly | Have option to repay subject to 15 business days prior notice and payment of Prepayment penalty of 1% of the amount prepaid + applicable taxes | Default interest will be in addition to the interest rate and compounded monthly rest @ 12%p.a. For any breach of covenants of term sheet, default penalty to be levied till default confinuous @ 2% p.a. compounded monthly |
| 52. | Kotak Mahindra Bank Ltd | 28-Feb-22 | 5,000.00 | 4,444.00 | 4,444.00 | 28-Feb-25 | Monthly | Any prepayment shall attract a penal charge of 3% of amount prepaid | NA |
| 53. | Punjab and Sind bank | 20-Jan-22 | 5,000.00 | 5,000.00 | 5,000.00 | 20-Dec-25 | Quarterly | 1% of outstanding loan | NA |
| 54. | Ratnakar Bank Limited | 29-Jun-22 | 2,500.00 | 2,500.00 | 2,500.00 | 29-Jun-24 | Quarterly | No charges subject to 30 days notice | In case of events of default, Penal Charges shall be charged @ 2% PA. |
| 55. | SBM Bank (India) Limited | 31-May-22 | 2,000.00 | 1,944.45 | 1,944.45 | 30-May-25 | Monthly | Penal interest @ 2% p.a. on the facility prepaid on any other dates apart from reset date | In case of events of default, Penal Charges shall be charged @ 2% PA. over and above interest rate |
| 56. | State Bank of India | 25-May-22 | 10,000.00 | 3,000.00 | 3,000.00 | 25-May-23 | Quarterly | 2% of amount prepaid | 5 % p.a in case of any breach /irregularity |
| 57. | State Bank of India | 30-Jun-22 | 4,000.00 | 4,000.00 | 4,000.00 | 30-Apr-25 | Quarterly | Penal interest @ 2% + GST of the prepaid amount | 5 % p.a in case of any breach /irregularity |

| Sr. No | Lender Name | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| 58. | STCI Finance Limited | 03-Jun-22 | 3,000.00 | 2,950.00 | 2,950.00 | 30-Jun-27 | Monthly | 2% of amount prepaid + applicable tax | In case of default, 3% p.a. will be payable. |

**Security for the above term loans/ facilities:**

a) Term loans from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables. However in some of the borrowing made from financial institutions the Company has provided bank fixed deposit and cash collateral.

b) For liabilities arising out of securitization transactions resulting into recording of borrowings credit enhancement provided through fixed deposits and loan receivables.

**Working Capital Demand Loans and Cash Credit facilities from Banks:**

The total sanctioned amount of working capital demand loans and cash credit facility and overdraft availed from banks as on June 30, 2022 is ₹ 14,200 Lakhs, the amount outstanding (as per Ind-AS) of working capital demand loans and cash credit facility as on June 30, 2022 is ₹ 7,987.55 Lakh and the principal amount outstanding as on June 30, 2022 is ₹ 13,000 Lakhs. The details of the working capital demand loans and cash credit facilities are set out below:

| Sr. No. | Lender Name | Facility | Date of Disbursement | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstanding (₹ in lakh) | Maturity Date | Repayment Schedule |
|---|---|---|---|---|---|---|---|---|
| 1. | AU Small Finance Bank | ODFD | NA | 7,200.00 | 6,738.65 | 6,738.65 | Yearly renewal | on demand and Interest monthly |
| 2. | Barclays Bank Plc | OD Investment | NA | 10,000.00 | 2,966.51 | 2,966.51 | Yearly renewal | on demand and Interest monthly |
| 3. | IDFC First Bank | ODFD | NA | 1,000.00 | Nil | Nil | Yearly renewal | on demand and Interest monthly |
| 4. | Indian Bank | Overdraft | NA | 1,000.00 | Nil | Nil | Yearly renewal | on demand and Interest monthly |
| 5. | Kotak Mahindra Bank Ltd | Working Capital | NA | 2500.00 | Nil | Nil | Yearly renewal | on demand and Interest monthly |
| 6. | Ratnakar Bank Limited | Working Capital | NA | 2500.00 | Nil | Nil | Yearly renewal | on demand and Interest monthly |

**Security for the above working capital demand loans and cash credit facilities**

a) Working Capital Demand Loans and Cash Credit facilities from Banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables.

b) Overdraft facilities against Fixed Deposit from banks and other parties are secured against Fixed Deposits.

c) Overdraft facilities against Investment from banks and other parties are secured against Bonds.

**Secured Non-Convertible Debentures**

Our Company has issued secured redeemable non-convertible debentures of which 63,391.55 Lakhs (Principal Value) is outstanding as on June 30, 2022 the details of which are set forth below:

| Particulars | Amount (₹ in lakh) |
|---|---|
| 1422155 secured NCDs of face value of ₹ 1,000 | 14221.55 |
| 2500 secured NCDs of face value of ₹ 1,00,000 | 2500] |
| 4767 secured NCDs of face value of ₹ 10,00,000 | 46670 |
| Total | 63391.55 |

Redemption dates of aforesaid NCDs represents actual maturity and does not consider call/put option, except as stated below:

| Description (ISIN) | Tenor (in years) | Coupon Rate (%) | Amount Outstanding (₹ in lakh) | Date of Allotment | Date of Redem-ption | Latest Credit Rating | Interest Payment Frequency | Repayment Schedule |
|---|---|---|---|---|---|---|---|---|
| INE583D07026 | 3 | 10% PA payable annually | 5,000.00 | 08-Jun-20 | 08-Jun-23 | ACUITE A/Positive | Annually | Bullet |
| INE583D07059 | 1.5 | 10.25% PA payable annually | 2,500.00 | 11-Sep-20 | 11-Mar-22 | ACUITE A/Positive | Annually and on maturity | Bullet |
| INE583D07059 | 1.5 | 10.25% PA payable annually | 1,000.00 | 11-Sep-20 | 11-Mar-22 | ACUITE A/Positive | Annually and on maturity | Bullet |
| INE583D07067 | 1.5 | 9.88% PA payable Quarterly | 2000.00 | 21-Oct-20 | 21-Apr-22 | ACUITE A/Positive | Quarterly and on maturity | Quarterly in four equal Amount with 9 Months moratorium |
| INE583D07091 | 1.5 | 10.50% PA payable Quarterly | 6,000.00 | 31-Dec-20 | 30-Jun-22 | ACUITE A/Positive | Quarterly and on maturity | Bullet |
| INE583D07083 | 1.5 | 10.25% PA payable annually | 6000.00 | 31-Dec-20 | 30-Jun-22 | ACUITE A/Positive | Annually and on maturity | Bullet |
| INE583D07109 | 3.77 | 11.55% PA payable Quarterly | 2,500.00 | 26-Mar-21 | 31-Dec-24 | ACUITE A/Positive | Quarterly and on maturity | Annually in three equal amount |
| INE583D07117 | 1.5 | 9.25% PA payable on maturity | 2,970.00 | 30-Apr-21 | 30-Oct-22 | ACUITE A/Positive | At maturity | Bullet |
| INE583D07125 | 1.5 | 9.50% PA payable on maturity | 2,000.00 | 25-May-21 | 25-Nov-22 | ACUITE PP-MLD AA+ (CE)/Stable | At maturity | Bullet |
| INE583D07133 | 8 | 9.11% PA payable on maturity | 2,000.00 | 20-Jul-21 | 20-Jul-29 | ACUITE PP-MLD AA+ (CE)/Stable | At maturity | Bullet |

| Description (ISIN) | Tenor (in years) | Coupon Rate (%) | Amount Outstanding (₹ in lakh) | Date of Allotment | Date of Redem-ption | Latest Credit Rating | Interest Payment Frequency | Repayment Schedule |
|---|---|---|---|---|---|---|---|---|
| INE583D07141 | 2.25 | 9.25% PA payable on maturity | 5,000.00 | 06-Aug-21 | 06-Nov-23 | ACUITE PP-MLD AA+ (CE)/Stable | At maturity | Bullet |
| INE583D07158 | 2 | 9.10% PA payable on maturity | 2,000.00 | 31-Aug-21 | 05-Sep-23 | ACUITE PP-MLD AA+ (CE)/Stable | At maturity | Bullet |
| INE583D07166 | 1.25 | 9.25% PA payable on maturity | 1,000.00 | 29-Sep-21 | 29-Dec-22 | ACUITE A/Positive | Annual | Bullet |
| INE583D07174 | 2.25 | 10.03% PA payable monthly | 5,000.00 | 16-Nov-21 | 16-Feb-24 | ACUITE A/Positive | Monthly | Every 9 months |
| INE583D07182 | 1.5 | 9.25% PA payable on maturity | 1,500.00 | 30-Nov-21 | 30-May-23 | ACUITE A/Positive | At maturity | Bullet |
| INE583D07190 | 6 | 11.30% PA payable semi annually | 4,600.00 | 17-Dec-21 | 17-Dec-27 | ACUITE A/Positive | Semi Annually | Bullet |
| INE583D07208 | 6 | 11.30% PA payable semi annually | 2,600.00 | 29-Dec-21 | 29-Dec-27 | ACUITE A/Positive | Semi Annually | Bullet |
| INE583D07273 | 1.67 | 9.45% PA payable on maturity | 3,000.00 | 23-May-22 | 23-Jan-24 | ACUITE PP MLD A+ Stable | Bullet | Bullet |
| INE583D07240 | 1.50 | 10.3% PA payable Quarterly | 2,040.38 | 05-May-22 | 05-Nov-23 | ACUITE A Plus/Stable | Quaterly | Bullet |
| INE583D07257 | 2.25 | 10.15% PA payable Monthly | 780.11 | 05-May-22 | 05-Aug-24 | ACUITE A Plus/Stable | Monthly | Bullet |
| INE583D07265 | 3.00 | 10.40% PA payable Monthly | 4,401.06 | 05-May-22 | 05-May-25 | ACUITE A Plus/Stable | Monthly | Bullet |
| INE583D07216 | 6.00 | 11.30% PA payable Semi annually | 3,500.00 | 12-Jan-22 | 12-Jan-28 | ACUITE A/Positive | Half yearly | Bullet |
| INE583D07224 | 3.00 | 10.25% PA payable Monthly | 2,500.00 | 19-Jan-22 | 19-Jan-25 | ACUITE A | Monthly | Bullet |

| Description (ISIN) | Tenor (in years) | Coupon Rate (%) | Amount Outstanding (₹ in lakh) | Date of Allotment | Date of Redem-ption | Latest Credit Rating | Interest Payment Frequency | Repayment Schedule |
|---|---|---|---|---|---|---|---|---|
| INE583D08024 | 2.75 | 11.50% PA payable Monthly | 1,000.00 | 16-Mar-22 | 31-Dec-24 | ACUITE A/Positive | Monthly | Annually |
| INE583D07232 | 3.17 | 11.70% PA payable on maturity | 5,000.00 | 28-Mar-22 | 29-May-25 | ACUITE A Plus/Stable | Bullet | Bullet |

**Security for Secured Non-Convertible Debentures**:
The various issues of secured non-convertible debentures of our Company are secured in the following manner:

NCD'S from banks and other parties are secured by way of exclusive charge on hypothecation on the standard asset portfolio of receivables

**Penalty Clause to all Secured Non-Convertible Debentures**

| Sr. No. | Description (ISIN) | Penalty Clause |
|---|---|---|
| 1 | INE583D07026 | 1) In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.<br>2) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate will be payable by the Company for the defaulting period. In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. |
| 2 | INE583D07059 | 1.In case of delay in listing beyond 15 (fifteen) days from the Deemed date of Allotment, the Company will pay penal interest of 1% (one percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (thirty) days from Deemed Date of Allotment till the listing of such NCDs to the Investor.<br>2. The Company undertakes to maintain Minimum Security Cover of 1.20 times to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs. Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 30 days from the day such cover falls below the required cover.<br>3. In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |
| 3 | INE583D07067 | 1. In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |

| Sr. No. | Description (ISIN) | Penalty Clause |
|---|---|---|
| | | 2. In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate will be payable by the Company for the defaulting period. In case of delay in listing of the debt securities beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. |
| 4 | INE583D07091 | In case of delay in listing of debentures beyond the aforesaid timeline, the company will pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e., from date of allotment to the date of listing). |
| 5 | INE583D07083 | 1. In case of delay in listing of debentures beyond the aforesaid timeline, the company will pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e., from date of allotment to the date of listing.<br>2. If the Company fails to execute the Debenture Trust Deed and charge documents within 30 days of the issue closure, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Bondholders. |
| 6 | INE583D07109 | 1.In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will: pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed;<br>2. Without prejudice to the rights of the Debenture Trustee / Debenture Holders under the Transaction Documents, in case of non maintenance of security cover will attract penal interest of 1% p.a. over the coupon rate for the period of non-compliance.<br>3. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the Deemed Date of Allotment. |
| 7 | INE583D07117 | 1.In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will: pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed;<br>2. Without prejudice to the rights of the Debenture Trustee / Debenture Holders under the Transaction Documents, in case of non maintenance of security cover will attract penal interest of 1% p.a. over the coupon rate for the period of non-compliance.<br>3. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate, from the Deemed Date of Allotment. |
| 8 | INE583D07125 | 1) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will:<br>(i) pay to the Debenture Holders, penal interest of 2% (two percent) per annum over the Annualized Interest Rate, from the closure of the issue of the Debentures until the listing of the Debentures is completed. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the relevant Due Date;<br>2) In the event the Debentures are delisted and remain delisted for a continuous period of 1 (one) month, the Issuer will pay to the Debenture Holders, penal interest of 2% (two percent) per annum over the Annualised Interest Rate calculated on the Outstanding Principal Amounts, which interest will be calculated from the Deemed Date of Allotment and until the Debentures are listed on the wholesale debt market segment of the BSE. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the relevant Due Date.<br>3). In the event of any delay in the execution of any Debenture Documents (including the DTD or the Deeds of Hypothecation or any Guarantee), the Issuer will, at the option of the Debenture Holders, either (A) refund the Application Money together with interest at the Annualised Interest Rate/discharge the Secured Obligations to the Debenture Holders, or (B) pay to the Debenture Holders penal interest at the rate of |

| Sr. No. | Description (ISIN) | Penalty Clause |
|---|---|---|
| | | 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Annualised Interest Rate till the relevant Debenture Documents(as the case may be) are duly executed to the satisfaction of the Debenture Holders. |
| 9 | INE583D07133 | Notwithstanding any other provision of the Transaction Documents, where an Event of Default (other than a Payment Non-Compliance) occurs, the Issuer shall pay an interest on the Debentures at the aggregate rate of 15% (fifteen percent) per annum on the Outstanding Principal Amounts, from the date of the occurrence of such Event of Default until such Event of Default is cured or the Secured Obligations are repaid.<br>In the event of any delay in the execution of any Debenture Documents (including the DTD or the Deeds of Hypothecation or any Guarantee), the Issuer will, at the option of the Debenture Holders, either, (a) refund the Application Money together with interest at the Annualised Interest Rate/discharge the Secured Obligations to the Debenture Holders, or (b) pay to the Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Annualised Interest Rate till the relevant Debenture Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders. |
| 10 | INE583D07141 | (a) Without prejudice to the row named "Step up/Step down coupon rate" above, the Issuer hereby agrees that, in accordance with the SEBI Enhanced Disclosures Circular, in case of any default by the Issuer in payment of any interest and/or principal amounts in respect of the Debentures on the relevant Due Dates ("Payment Non-Compliance"), an additional interest of 2% (two percent) per annum over the applicable Annualised Interest Rate shall be payable by the Issuer from the date of the occurrence of the Payment Non-Compliance until the Payment Non-Compliance is cured or the Secured Obligations are repaid (whichever is earlier).<br>(b) Without prejudice to (a) above, the Issuer agrees that, upon the occurrence of an Event of Default (before or after the Call Option Payment Date), interest at 15.65% (fifteen decimal six five percent) XIRR per annum shall be applicable on the Outstanding Principal Amounts, from the date of the occurrence of any Event of Default until such Event of Default is cured or the Secured Obligations are repaid. |
| 11 | INE583D07158 | In the event of any delay in the execution of any Debenture Documents (including the DTD or the Deeds of Hypothecation or any Guarantee), the Issuer will: (A) if so required by the Debenture Holders, refund the Application Money together with interest at the Annualised Interest Rate/discharge the Secured Obligations to the Debenture Holders; and/or (B) pay to the<br>Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Annualised Interest Rate till the relevant Debenture Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders or the Secured Obligations are discharged (whichever is earlier).<br>The Issuer agrees to pay default interest at 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Final Settlement Date (whichever is earlier). Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the Due Dates following the occurrence of such aforementioned Payment Default. |
| 12 | INE583D07166 | The Issuer agrees to pay default interest at 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Final Settlement Date (whichever is earlier). Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the Due Dates following the occurrence of such aforementioned Payment Default. |
| 13 | INE583D07174 | The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment |

| Sr. No. | Description (ISIN) | Penalty Clause |
|---|---|---|
| | | Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier).<br><br>In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Issuer will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee |
| 14 | INE583D07182 | In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period.<br>In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. |
| 15 | INE583D07190 | In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.<br>In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |
| 16 | INE583D07208 | In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.<br>In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |
| 17 | INE583D07273 | The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Annualised Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts on the relevant Due Date.<br><br>The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Annualised Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of any breach of any covenants (including any financial covenants) (other than a Payment Default) set out in the DTD or the other Transaction Documents until such breach is cured or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the relevant Due Date. |
| 18 | INE583D07240 | On the occurrence of an Event of Default (including a Payment Default), the Company shall pay additional interest at 2% (two percent) per annum over the relevant Interest Rate in respect of the relevant NCDs on the relevant Outstanding Principal Amounts |

| Sr. No. | Description (ISIN) | Penalty Clause |
|---|---|---|
| | | from the date of the occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period. |
| 19 | INE583D07257 | On the occurrence of an Event of Default (including a Payment Default), the Company shall pay additional interest at 2% (two percent) per annum over the relevant Interest Rate in respect of the relevant NCDs on the relevant Outstanding Principal Amounts from the date of the occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period. |
| 20 | INE583D07265 | On the occurrence of an Event of Default (including a Payment Default), the Company shall pay additional interest at 2% (two percent) per annum over the relevant Interest Rate in respect of the relevant NCDs on the relevant Outstanding Principal Amounts from the date of the occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period. |
| 21 | INE583D07216 | In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.<br>In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |
| 22 | INE583D07224 | The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of any Event of Default until such Event of Default is cured or the Secured Obligations are repaid on each Interest Payment Date occurring during the aforementioned period. |
| 23 | INE583D08024 | Not applicable |
| 24 | INE583D07232 | The Issuer agrees to pay additional interest at 3% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of any Event of Default until such Event of Default is cured or the Secured Obligations are repaid on each Interest Payment Date occurring during the aforementioned period. |

Also, it is clarified that in addition to the above, in certain issuances of secured non-convertible debentures, the following penalty clause is also applicable:

a. In case of delay in listing of the Debentures beyond the prescribed days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% p.a. from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Debentures to the investor.

**Details of the charges created:**

Our Company as on June 30, 2022, has created charges aggregating to a sanctioned amount of ₹ 67,392 Lakh in favor of security trustees for the benefit of Company's lenders. The details of the charges as on June 30, 2022 is as follows:

| Sr. No. | SRN | Charge Id | Charge Holder | Date of Creation | Date of Modification | Date of Satisfaction | Amount (₹ in lakh) |
|---|---|---|---|---|---|---|---|
| 1 | T69871366 | 100520861 | Catalyst Trusteeship Limited | 27-12-2021 | - | - | 2,600.00 |

| Sr. No. | SRN | Charge Id | Charge Holder | Date of Creation | Date of Modification | Date of Satisfaction | Amount (₹ in lakh) |
|---|---|---|---|---|---|---|---|
| 2 | T66242199 | 100518063 | Catalyst Trusteeship Limited | 15-12-2021 | - | - | 4,600.00 |
| 3 | T70760681 | 100518344 | Catalyst Trusteeship Limited | 02-12-2021 | - | - | 3,109.42 |
| 4 | T59021600 | 100503462 | IDBI Trusteeship Services Limited | 16-11-2021 | - | - | 5,000.00 |
| 5 | T53805495 | 100493809 | Beacon Trusteeship Limited | 25-09-2021 | - | - | 1,000.00 |
| 6 | T40086829 | 100477309 | Catalyst Trusteeship Limited | 30-08-2021 | - | - | 2,000.00 |
| 7 | T34418772 | 100475582 | Catalyst Trusteeship Limited | 06-08-2021 | - | - | 5,000.00 |
| 8 | T32154155 | 100464812 | Catalyst Trusteeship Limited | 20-07-2021 | - | - | 2,000.00 |
| 9 | T20535977 | 100449450 | Catalyst Trusteeship Limited | 25-05-2021 | - | - | 2,000.00 |
| 10 | T17584608 | 100442384 | Catalyst Trusteeship Limited | 30-04-2021 | - | - | 2,970.00 |
| 11 | T14682124 | 100441401 | Catalyst Trusteeship Limited | 26-03-2021 | - | - | 2,500.00 |
| 12 | R82931007 | 100411385 | Beacon Trusteeship Limited | 28-12-2020 | - | - | 1,000.00 |
| 13 | R82934498 | 100411392 | Beacon Trusteeship Limited | 28-12-2020 | - | - | 5,000.00 |
| 14 | R67983155 | 100379076 | Beacon Trusteeship Limited | 20-10-2020 | - | - | 2,000.00 |
| 15 | R56238108 | 100373541 | Beacon Trusteeship Limited | 03-09-2020 | - | - | 3,500.00 |
| 16 | R43749076 | 100345799 | Beacon Trusteeship Limited | 23-06-2020 | - | - | 5,000.00 |
| 17 | R40811671 | 100344557 | Beacon Trusteeship Limited | 05-06-2020 | - | - | 5,000.00 |
| 18 | T71880504 | 100528838 | Catalyst Trusteeship Limited | 10-01-2022 | - | - | 3,500.00 |
| 19 | T73950099 | 100529183 | Beacon Trusteeship Limited | 18-01-2022 | - | - | 2,500.00 |

| Sr. No. | SRN | Charge Id | Charge Holder | Date of Creation | Date of Modification | Date of Satisfaction | Amount (₹ in lakh) |
|---|---|---|---|---|---|---|---|
| 20 | T94320496 | 100566801 | Catalyst Trusteeship Limited | 26-03-2022 | - | - | 5,000.00 |
| 21 | T99680191 | 100571099 | Mitcoin Credentia Trusteeship Services Limited | 05-05-2022 | - | - | 7,221.55 |
| 22 | F02311264 | 100573165 | SBICAP Trustee Company Limited | 13-05-2022 | - | - | 10,000.00 |
| 23 | F02310373 | 100573170 | SBICAP Trustee Company Limited | 13-05-2022 | - | - | 500.00 |
| 24 | F03719374 | 100579538 | Mitcoin Credentia Trusteeship Services Limited | 23-05-2022 | - | - | 3,000.00 |
| 25 | F11912391 | 100585948 | SBICAP Trustee Company Limited | 29-06-2022 | - | - | 4,000.00 |

**Details of rest of the secured borrowings (if any, including but not limited to, hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on June 30, 2022:**
Nil

**External Commercial Borrowings of the Company:**

| Sl. No. | Date of availment | Lender's Name | Amount Sanctioned (₹ in lakhs) | Amount Outstanding (₹ in lakhs) | Maturity Date | Repayment Terms |
|---|---|---|---|---|---|---|
| 1 | 02/12/2021 | Financer for Healthier Life DAC | 3,109.00 (USD 4.125 mn) | 3,083.70 | 06/12/2024 | Interest to be paid semi-annually and principal repayment bullet |

**Other Secured Borrowings**
Nil

**Details of Unsecured Loan Facilities:**

**Term Loans:**
The total sanctioned amount of term loans availed from Financial Institutions as on June 30, 2022 is ₹ 6,000 Lakh, the total amount outstanding (as per Ind-AS) as on June 30, 2022 is ₹ 5893.69 Lakh, and the principal amount outstanding as on June 30, 2022 is ₹ 5,898 Lakh. The details of the term loans as of June 30, 2022 are set out below:

| Sr. No | Lender Name | Date of Disbur se-ment | Sanctioned Amount (₹ in lakh) | Amount Outstanding (As per Ind-AS) (₹ in lakh) | Principal Amount Outstand-ing (₹ in lakh) | Matu-rity Date | Repay-ment Schedule | Prepayment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Northern Arc Capital Ltd | 02-Feb-22 | 5,000.00 | 5,000.00 | 5,000.00 | 05-Feb-24 | Half yearly | Penalty of 2% on amount prepaid | In case of events of default, Penal Charges shall be charged @ 2% PA. over and above interest rate |
| 2 | Vivriti Capital | 21-Mar-22 | 1000.00 | 8.93 | 8.98 | 21-Sep-24 | Monthly | Not applicable | In case of events of default, Penal Charges shall be |

| Sr. No | Lender Name | Date of Disbur se-ment | Sanction ed Amount (₹ in lakh) | Amount Outstandi ng (As per Ind-AS) (₹ in lakh) | Principal Amount Outstand -ing (₹ in lakh) | Matu-rity Date | Repay-ment Schedu le | Prepay ment Clause | Penalty Clause |
|---|---|---|---|---|---|---|---|---|---|
| | Private Limited | | | | | | | | charged @ 5% PA. over and above interest rate |

**Commercial Papers:**
Our Company has issued Commercial Papers of which ₹ 19,400 Lakh is outstanding as on June 30, 2022, the details of which are set forth below:

| Sr. No. | Lender | Facility | Secured / Unsecured | Sanctioned Amount (₹ in lakh) | Amount Outstanding (₹ in lakh) | Maturity Date |
|---|---|---|---|---|---|---|
| 1 | Kangra Central Cooperative Bank | CP 3 | Unsecured | 2,500.00 | 2,500.00 | 04-Mar-21 |
| 2 | Kangra Central Cooperative Bank | CP 4 | Unsecured | 2,000.00 | 2,000.00 | 13-Jul-22 |
| 3 | Kangra Central Cooperative Bank | CP 5 | Unsecured | 3,000.00 | 3,000.00 | 29-Sep-22 |
| 4 | Incred Financial Services Limited | CP 6 | Unsecured | 2,500.00 | 2,500.00 | 07-Feb-22 |
| 5 | Incred Financial Services Limited | CP 7 | Unsecured | 2,500.00 | 2,500.00 | 07-Feb-22 |
| 6 | Arka Fincap Limited | CP 8 | Unsecured | 1,500.00 | 1,500.00 | 01-Feb-22 |
| 7 | Northern Arc Money Market Alpha Trust | CP 9 | Unsecured | 3,000.00 | 3,000.00 | 29-Apr-22 |
| 8 | The Greater Bombay Co-Op Bank Ltd | CP 10 | Unsecured | 10.00 | 10.00 | 04-Feb-23 |
| 9 | Kangra Central Cooperative Bank | CP 11 | Unsecured | 30.00 | 30.00 | 03-Mar-23 |
| 10 | Northern Arc | CP 12 | Unsecured | 30.00 | 30.00 | 28-Oct-22 |
| 11 | Unity SFB | CP 13 A | Unsecured | 15.00 | 15.00 | 25-Jan-23 |
| 12 | Unity SFB | CP 13 B | Unsecured | 15.00 | 15.00 | 27-Feb-23 |
| 13 | Unity SFB | CP 13 C | Unsecured | 20.00 | 20.00 | 29-Mar-23 |
| 14 | The Baramati Sahakari Bank Ltd | CP 14 A | Unsecured | 9.00 | 9.00 | 01-Dec-22 |
| 15 | Vima Kamgar Co - Operative Bank Limited | CP 14 B | Unsecured | 5.00 | 5.00 | 01-Dec-22 |
| 16 | Shri Swami Samarth Sahakari Bank Limited | CP 14 C | Unsecured | 2.00 | 2.00 | 01-Dec-22 |
| 17 | Pusad Urban Co-Operative Bank Limited | CP 14 D | Unsecured | 5.00 | 5.00 | 01-Dec-22 |
| 18 | Suvarnayug Sahakari Bank Limited | CP 14 E | Unsecured | 3.00 | 3.00 | 01-Dec-22 |

**Loan from Directors and Relatives of Directors**
Our Company has not taken any loan from Directors or relative of Directors. For personal guarantee given by Mr. Shachindra Nath with respect to loans availed by our Company, refer to "Our Promoters" on page 115 of this Prospectus.

**Inter-Corporate Deposits**
As on June 30, 2022, our Company has not borrowed any amount by way of inter-corporate deposits.

**Inter Corporate Loans**
As on June 30, 2022, our Company has not borrowed any amount in the nature of demand loans from companies under same management.

**Servicing behaviour on existing debt securities, payment of interest on due dates on financing facilities or securities**
Our Company has not defaulted upon or delayed in payment of any interest and/or principal for the existing term loan, the non-convertible debentures and other financial indebtedness. The Company has not issued any corporate guarantee.

**List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on June 30, 2022:**

| Sl. No. | Name of the holders of non-convertible Securities | No. of Debentures held | Amount (Rs.) (in lakhs) | % of total NCS outstanding |
|---|---|---|---|---|
| 1 | UTI International Wealth Creator 4 | 1,070 | 1,07,00.00 | 16.62 |
| 2 | State Bank of India | 500 | 50,00.00 | 7.76 |
| 3 | Bank of India | 500 | 50,00.00 | 7.76 |
| 4 | Northern Arc Capital Limited | 440 | 44,00.00 | 6.83 |
| 5 | Vivriti Short Term Bond Fund | 2,500 | 25,00.00 | 3.88 |
| 6 | S K Finance Limited | 174 | 17,40.00 | 2.70 |
| 7 | MAS Financial Services Ltd | 100 | 10,00.00 | 1.55 |
| 8 | Punjab National Bank | 100 | 10,00.00 | 1.55 |
| 9 | Rekha Chona | 100 | 10,00.00 | 1.55 |
| 10 | Kogta Financial India Ltd | 97 | 9,70.00 | 1.51 |

**Restrictive Covenants under our Financing Arrangements:**

Many of our financing arrangements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent or intimation, as the case may be, in the following:

i. To create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/person if it breaches the security cover of the facility;
ii. To transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loans if it breaches the security cover of the facility;
iii. To change or in way alter the capital structure of the borrowing concern;
iv. Effect any scheme of amalgamation or reconstitution;
v. Implement a new scheme or expansion or take up an allied line of business or manufacture;
vi. To change its constitution, more particularly change in promoter, directors or in the core management team or any merger/acquisition/amalgamation;
vii. To obtain any fund based/non fund based credit facility from any financial institution or any other source if it breaches the security cover of the facility;
viii. To effect any change in Company's capital structure;
ix. To invest or lend money except in the ordinary course of business or act as surety or guarantor;
x. To transfer, encumber, charge, alienate its movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money, etc.;
xi. To enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit if it breaches the security cover of the facility;
xii. To permit any merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
xiii. Permit any transfer of the controlling interest of promoters/ directors/ partners or make drastic change in the management set up;
xiv. To pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
xv. To give guarantee on behalf of third parties except in the ordinary course of business;
xvi. To make any amendment in our Company's memorandum and articles of association;

xvii. To change the registered office or the location of the borrower.
xviii. To create, assume or incur any further indebtedness of a long term nature whether for borrowed money or otherwise, or undertake any guarantee obligation on behalf of any other company (including group companies) beyond the levels as agreed to in the sanction letter.
xix. To obtain any financial assistance from any other source without express approval of the bank in writing.
xx. To borrow any moneys from any other bank or from any other source whatsoever and whomsoever apart from loans obtained in the ordinary course of business and shall so be conveyed to by the borrower to the bank.
xxi. To approach capital market for mobilising additional resources either in the form of debt or equity.

**Events of Default under our Financing Arrangements:**

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

i. Default in the repayments of the loans by our Company;
ii. Entering into a composition with its creditors;
iii. If our Company becomes bankrupt or is adjudicated as insolvent or any insolvency petition is filed against our Company;
iv. Order or resolution passed for the winding up of our Company, or if a petition or a notice of a meeting to pass such a resolution has been initiated;
v. If any of the representations made by our Company in the application for granting credit facilities is found to be untrue or false;
vi. If any instalments of the principal money, due in respect of the loans, whether payment is demanded or not, remain unpaid on the due date for payment by our Company;
vii. Any interest due in respect of the loan remaining unpaid and in arrears after the same have become due;
viii. Any execution, attachment or distraint being enforced or levied against the whole or any part of our Company's property;
ix. A receiver being appointed in respect of the whole or any part of the property of our Company;
x. Ceasing or threatening to cease, to carry on the activity/ activities for the purpose for which loans are borrowed or availed;
xi. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to depreciate the value of the security given to the bank by our Company;
xii. The occurrence of any event or circumstances which would likely or prejudicially or adversely affect in any manner the capacity of our Company to repay our loans;
xiii. Going into liquidation, except for the purpose of amalgamation or reconstruction;
xiv. Cross default;
xv. Failure on our Company's part to create the security as provided in the respective facility agreement;
xvi. Default in perfection of securities;
xvii. Invalidity or unenforceability of the documents of our Company;
xviii. Downgrade in rating below present rating;
xix. Non-compliance with RBI norms;
xx. Change in ownership or management control of our Company; and
xxi. Diversion of funds apart from the purpose for which the respective facilities are sanctioned by the bank.

## OUTSTANDING LITIGATIONS

Our Company, Directors and Promoter are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) civil suits (b) criminal complaints, (c) consumer complaints, (d) business operations related litigations. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation including, suits, criminal or civil prosecutions and taxation related proceedings against our Company, Directors and Promoters that would have a material adverse effect on our operations or financial position.

For the purposes of above, our IBC has considered and adopted a policy of materiality for identification of material litigations ("**Material Threshold**"), for the purpose of the present issue of NCDs. In terms of materiality policy, any outstanding litigation:

a. involving our Company, in which the aggregate monetary claim by or against our Company exceeds the lower of one percent of the total income or net worth for Fiscal 2022 has been considered material. The total income of our Company for Fiscal 2022 is ₹ 31,341.59 lakhs and net worth for Fiscal 2022 is ₹ 96,656.32 lakhs. Accordingly, all litigation involving monetary amount of claim exceeding ₹ 313.41 lakhs has been considered as material;
b. involving our Company, in which the aggregate monetary claim by or against our Company which are similar in nature, exceeds the lower of ten percent of the total income or net worth for Fiscal 2022 has been considered material. The total income of our Company for Fiscal 2022 is ₹ 31,341.59 lakhs and net worth for Fiscal 2022 is ₹ 96,656.32 lakhs. Accordingly, all litigation which are similar in nature and involving monetary amount of claim exceeding ₹ 3134.15 lakhs has been considered as material;
c. involving our Directors, irrespective of the amount involved in such litigation, has been considered as material; and
d. involving our Promoter, in which the aggregate monetary amount of claim by or against our Promoter exceeds an amount equivalent to one percent of the consolidated income or net worth for the Fiscal 2022 has been considered as material.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, our Promoter shall, unless otherwise decided by our Board of Directors / IBC, not be considered as litigation until such time that our Company, Directors or Promoter, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

**Save as disclosed below, there are no:**

1. outstanding civil or tax proceedings involving our Company, Directors and Promoter in which the pecuniary amount involved is in excess of the Materiality Threshold.
2. outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or the Stock Exchanges or MCA, Registrar of Companies or any other such similar authorities, involving our Company, Directors and Promoters.
3. outstanding criminal proceedings filed by or against our Company, Directors and Promoters.
4. defaults in or non-payment of any statutory dues by our Company.
5. litigations or legal actions pending or taken against our Promoter by a Government department or a statutory body during the last three years immediately preceding the year of this Prospectus.
6. inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Prospectus for the Company.
7. outstanding litigation involving our Company, Directors, Promoter, or any other person, whose outcome could have material adverse effect on the position of our Company, or which may affect the Issue or an investor's decision to invest in the Issue.
8. pending proceedings initiated against our Company for economic offences.
9. material frauds committed against our Company in the last three years preceding the date of this Prospectus and actions taken by our Company in this regard.

*Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.*

*Unless stated to the contrary, the information provided below is as of the date of this Prospectus.*

*All terms defined in a particular litigation disclosure below are for that particular litigation only.*

**I. Involving our Company**

- **Against our Company**

**A. Criminal Proceedings**

1. A first information report bearing number 0287 of 2021 has been lodged with police station Mujesar, Faridabad, Haryana on May 09, 2021, by Mr. Pawan Malhotra ("**Complainant**"), manager of Maharani Innovative Paints Private Limited under Sections 120B, 406 and 420 of the Indian Penal Code, 1860 against Hema Engineering Industries Limited ("**Accused No. 1**"), its directors, our Company and Mr. Abhijit Ghosh (former chief executive officer of our Company). The matter relates to a supply chain facility provided by our Company vide loan agreement dated November 01, 2019 ("**Facility**") to the Complainant. The Complainant has alleged that the Accused No. 1 and our Company hatched a conspiracy to cheat the Complainant and in pursuance of this conspiracy, induced the Complainant to enter into the Facility. Further, the Complainant has alleged that our Company has adopted coercive means to recover the loan amounting to ₹ 93,83,615 and forced the complainant to pay a sum amounting to ₹ 26,18,835 and will be further requiring the Complainant to pay a sum of ₹ 1,00,92,453. It has also been alleged that the Accused No. 1 owes a sum amounting to ₹ 2,22,33,868 along with interest at the rate of 12 % per annum to the Complainant. The matter is presently pending.

2. An application bearing CRR number 624 of 2021 ("**Application**") has been filed by Bell Finvest (India) Limited, Mr. Chirag Rathod and Mr. Bhupesh Rathod ("**Applicants**") before the Hon'ble High Court at Calcutta, West Bengal ("**High Court**") under Section 482 of the Code of Criminal Procedure, 1973 for quashing of proceedings bearing number CS/10059/2020 ("**Proceedings**") initiated by the State of West Bengal and our Company ("**Respondents**") before the Chief Metropolitan Magistrate at Calcutta, West Bengal ("**CMM Court**") under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 ("**Act**"). The matter relates to dishonour of a cheque dated January 17, 2020 drawn on Bank of Baroda ("**Drawee Bank**") for an amount of ₹ 72,37,415 issued by the Applicants to our Company towards full and/or partial relinquishment of their legal debts and/or liabilities arising out of loan agreement dated April 04, 2019. Thereafter, our Company issued a demand notice dated January 29, 2020 in terms of Section 138 of the Act and when the Applicants failed to make the payment, our Company initiated the Proceedings. The Hon'ble CMM Court vide its order dated March 05, 2020 took cognizance of the complaint and transferred the case to the Court of 11$^{th}$ Metropolitan Magistrate at Calcutta, West Bengal ("**MM Court**") for enquiry and disposal. The Hon'ble MM Court vide its order dated March 13, 2020 ("**Order**") issued summons to the Applicant to appear before it. Aggrieved by initiation of the impugned Proceedings, the Applicants has filed the present Application on the grounds that our Company has obtained the Order by suppressing the material facts, the Hon'ble MM Court has not applied the judicial mind and has passed the Order in a mechanical manner, etc. The Applicants have prayed before the Hon'ble High Court to stay all the further proceedings initiated under the impugned Proceedings and to issue summons to the Respondents calling upon them to show cause as to why the Order should not be quashed. The matter is currently pending.

**B. Civil Proceedings**

1. An application dated July 01, 2021 bearing A.P. number 271 of 2021 ("**Claimant Appeal 1**") has been filed by Bell Finvest (India) Limited ("**Claimant**") before the Hon'ble High Court at Calcutta ("**High Court**"), under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") challenging the award passed on March 15, 2021 for an amount of ₹ 4,46,30,952 plus interest at the rate of 18% p.a. ("**Award**") in favour of our Company ("**Respondent**"). The matter relates to the loan of ₹ 5,00,00,000 ("**Facility**") which was sanctioned by the Respondent to the Claimant pursuant to a term loan agreement dated April 04, 2019 ("**Term Loan Agreement**"). A dispute arose between the Claimant and the Respondent relating to the breach of the Term Loan Agreement on account of default on part of the Claimant in making regular payments of instalments in respect of the Facility within the agreed timelines ("**Dispute**"). In order to resolve the Dispute, Respondent initiated arbitration proceedings and a sole arbitrator ("**Sole Arbitrator**") was appointed. The Sole Arbitrator passed an ex-parte order dated December 26, 2019 awarding an amount of ₹ 4,46,30,952 in favour of the Respondent and passed an injunction in respect of some properties of the Claimant ("**Award 1**"). Thereafter, Claimant filed an appeal bearing APO number 9 of 2020 against the Award 1 before the High Court. The High Court vide its order dated February 14, 2020 set aside the Award 1 on account of being unreasoned and held that the Respondent can initiate fresh arbitration proceedings under Section 17 of the Act. Thereafter, Respondent requested for amendment of claims and both parties filed affidavits in terms Section 17 of the Act. Further, the Sole Arbitrator passed the impugned Award in favour of the Respondent. Thereafter, the Respondent filed an appeal bearing no. A.P. 311 of 2021 challenging the Award before the High Court under Section 9 of the Act praying for interim order in respect of appointment of receiver. The High Court vide its order dated August 09, 2021 ("**Interim Award**") appointed receiver to take possession of the assets. The matters are presently pending.

2. A petition bearing A.P. number 1177 of 2021 has been filed by Samyak Metals Private Limited ("**Petitioner**") on December 01, 2021 ("**Arbitration Petition**") before the Hon'ble High Court at New Delhi, under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("**Act**"), against Kiran Udyog Private Limited ("**Respondent 1**") and our Company ("**Respondent 2**", collectively referred to as "**Respondents**"). The matter relates to an alleged dispute between the Petitioner and the Respondent 1 regarding an invoice amounting to ₹ 2,47,11,552 raised by the Petitioner for payment of the goods supplied to the Respondent 1 pursuant to the Master Service Agreement dated February 20, 2019 executed between the Respondents ("**MSA**"). Our Company extended a facility to the Petitioner under the terms of the Facility Agreement dated January 28, 2021 signed between the Petitioner and our Company ("**Facility Agreement**") for providing financial assistance to the suppliers of Respondent 1. Our Company sent a notice to the Petitioner, dated April 20, 2021 for the recovery of the amount paid by our Company for the invoice raised by the Petitioner. The Petitioner issued a statutory notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 to Respondent 1, for the recovery of the abovementioned amount. Our Company sent further notices to the Petitioner for the repayment of the abovementioned amount. In order to resolve the dispute, our Company initiated arbitration proceedings on July 28, 2021 pursuant to which a sole arbitrator ("**Sole Arbitrator**") was appointed. During the course of the arbitration proceedings, the Petitioner claimed that Respondent 1 should be a party to the arbitration proceedings as well, following which, a notice for appearance on September 03, 2021 was served to Respondent 1. The Petitioner disputed the appointment of the Sole Arbitrator as well as invocation of the arbitration under the Facility Agreement, instead of the MSA, which forms as the main agreement for the transaction in question. Pursuant to the objection raised by the Petitioner, the Sole Arbitrator recused himself from the arbitration proceedings vide communication dated September 10, 2021. The present petition has been filed by the Petitioner for the appointment of arbitrator and reinstate the arbitration proceedings and appoint the nominee arbitrator of the Respondents. The matter is presently pending.

3. A petition bearing A.P. number 26 of 2022 as been filed A.ES Engineers Private Limited ("**Petitioner**") on January 05, 2022 ("**Arbitration Petition**") before the Hon'ble High Court at New Delhi, under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("**Act**"), against our Company ("**Respondent 1**") and Kiran Udyog Private Limited ("**Respondent 2**", collectively referred to as "**Respondents**"). The matter relates to an alleged dispute between the Petitioner and the Respondent 1 regarding an amount of ₹ 1,97,27,033 as a liability on the Petitioner for payment of the goods supplied to the Respondent 2 pursuant to the Master Service Agreement dated February 20, 2019 executed between the Respondents ("**MSA**"). Our Company extended a facility to the Petitioner under the terms of the Facility Agreement

dated August 07, 2020 signed between the Petitioner and our Company ("**Facility Agreement**") for providing financial assistance to the suppliers of Respondent 2. Our Company sent a notice to the Petitioner dated April 20, 2021 claiming the amount as the liability of the Petitioner. Our Company sent the notice dated August 26, 2021 to the Petitioner for initiating arbitration, along with the letter of appointment of a sole arbitrator ("**Sole Arbitrator**"). Our Company, pursuant to the initiation of Arbitration proceedings, moved an application under section 17 of the Act dated August 31, 2021 so as to take possession of the movable/immovable property and goods of the Petitioner. The Petitioner objected the appointment of the Sole Arbitrator as well as invocation of the arbitration under the Facility Agreement, instead of the MSA, which forms as the main agreement for the transaction in question. Pursuant to the objection raised by the Petitioner, the Sole Arbitrator recused himself from the arbitration proceedings vide communication dated September 10, 2021. The present petition has been filed by the Petitioner for the appointment of a three-member arbitral tribunal and reinstate the arbitration proceedings. The matter is presently pending.

4. A petition bearing A.P. number 367 of 2022 has been filed by Travelone India Private Limited ("**Petitioner**") on June 06, 2022 ("**Arbitration Petition**") before the Hon'ble High Court at Calcutta, under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") against our Company ("**Respondent**"). The matter relates to an alleged dispute between the Petitioner and the Respondent regarding an amount of ₹ 29,18,989 as a liability on the Petitioner. Our Company extended a facility to the Petitioner under the terms of the Facility Agreement dated December 01, 2020 signed between the Petitioner and our Company ("**Facility Agreement**") for providing financial assistance. Our Company sent a notice to the Petitioner dated August 06, 2021 claiming the amount as the liability of the Petitioner and for initiating arbitration by a sole arbitrator ("**Sole Arbitrator**"). The present petition has been filed by the Petitioner challenging the appointment of the Sole Arbitrator. The matter is presently pending.

5. A petition bearing A.P. number 504 of 2022 has been filed by Ashwini S. A., sole proprietor of Sri Vinayaka Agencies ("**Petitioner**") on July 07, 2022 ("**Arbitration Petition**") before the Hon'ble High Court at Calcutta, under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") against our Company ("**Respondent**"). The matter relates to an alleged dispute between the Petitioner and the Respondent regarding an amount of ₹ 20,30,097 as a liability on the Petitioner. Our Company extended a facility to the Petitioner under the terms of the Facility Agreement dated July 31, 2019 signed between the Petitioner and our Company ("**Facility Agreement**") for providing financial assistance. Our Company sent a notice to the Petitioner dated September 06, 2021 claiming the amount as the liability of the Petitioner and subsequent notice dated October 05, 2021 for initiating arbitration by a sole arbitrator ("**Sole Arbitrator**"). The present petition has been filed by the Petitioner challenging the appointment of the Sole Arbitrator. The matter is presently pending.

- **By our Company**

**A. Criminal Proceedings**

1. A complaint bearing diary number D-909 dated March 05, 2020 ("**Complaint**") has been filed by our Company ("**Complainant**") against Bell Finvest (India) Limited, Mr. Bhupesh Rathod and Mr. Chirag Rathod ("**Accused Persons**") with Deputy Commissioner of Police, Economic Offence Wing, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to ₹ 5,00,00,000 in terms of the loan agreement dated April 04, 2019 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint under Section 406, 415, 418, 420, 506 and under Sections 467, 468, 471 along with Section 120B of the Indian Penal Code, 1860. The present Complaint has been transferred to the Economic Offence Wing, Mumbai, Mumbai Police, Maharashtra basis on an application dated November 13, 2020 vide number 1000/RACP/SECTION-II/EOW and subsequently transferred to Kurla Police Station, Mumbai, filed by the Complainant. The matter is presently pending.

2. A first information report bearing number 11191036210 dated May 07, 2020 ("**FIR**") has been filed by our Company ("**Complainant**") against Akash Domadiya, Ekta Domadiya, Bhanuben Domadiya, Sunil Patel, Hiral Patel, Jagat Shah, Nikhil Gajjar, Dipen Prajapati, Suchitra Patel, Narendra Patel, Harsh Patel, Mayur Bodhar, Vinod Patel, Ritaben Patel and Milan Sutariya ("**Accused Persons**") with Navrangpura Police Station, Navrangpura, Ahmedabad, Gujarat for the alleged offences punishable under Sections

406, 420, 465, 467, 468, 471 and 120B of the Indian Penal Code, 1860. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 4,99,77,412 in terms of the loan agreement dated March 25, 2019 executed between the Complainant and the Accused Persons. Under this arrangement, the Complainant remitted a total amount of ₹ 4,85,00,000 in favour of the Accused Persons. The Complainant has alleged that fake, forged and fabricated invoices were submitted by the Accused Persons to the Complainant and the documents submitted by the Accused Persons for availing this credit facility were inflated, overestimated and falsified for the purpose of obtaining wrongful gain from the Complainant. Aggrieved by the said action of the Accused Persons, the Complainant has filed the present FIR to conduct investigation against the Accused Persons under the relevant sections of the Indian Penal Code, 1860. The matter is presently pending.

3. A complaint number 2063/2021 bearing ICMS number 81650022100543, dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Vagbatt Remedies, Kishan Das and Sunita Devi ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 20,35,400 and outstanding amount of ₹ 21,57,958.22 /- in terms of the loan agreement dated October 29, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

4. A complaint number 2067/2021 dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Vashisht Pharmaceuticals, Praveen Sharma and Mamta Sharma ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 25,29,500 and outstanding amount of ₹ 22,17,667.93/- in terms of the loan agreement dated December 31, 2019 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

5. A complaint number 2066/2021 dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against A. ES Engineers Private Limited, Ashok Kumar Sethi, Amit Sethi, Sarita Sethi, Prithvi Raj Sethi, Sonia Sethi and other known persons ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 2,00,00,000 and outstanding amount of ₹ 1,97,27,033 in terms of the loan agreement dated August 7, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

6. A complaint number 2064/2021 dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Pearl Alloys Private Limited, Rajesh Behl, Rajat Behl, Aashima Behl and other known persons ("**Accused Persons**") before the Hon'ble Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 3,00,00,000 and outstanding amount of ₹ 2,95,98,808 in terms of the loan agreement dated August 07, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

7. A complaint number 2062/2021, dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Samyak Metals Private Limited, Ankit Jain, Ravi Kumar Jain, Ankur Jain, Anubhav Jain and other unknown persons ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 3,00,00,000 and outstanding amount of ₹ 2,59,31,269 in terms of the loan agreement dated January 28, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

8. A complaint number 2065/2021, dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Vallabh Metals Industries and Vikas Jain ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 1,66,29,707 and outstanding amount of ₹ 1,66,29,707 in terms of the loan agreement dated May 02, 2019 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

9. A complaint number 5/2022, dated January 02, 2022 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Dhruv Cables and Conductors, Siddharth Jain and Ramesh Chand ("**Accused Persons**") before the Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 4,00,00,000 and ₹ 78,02,346/- and outstanding amount of ₹ 3,80,08,862 in terms of the loan agreement dated March 30, 2019 and March 20, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

10. A complaint number CS/42164/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Ankita Trading Company ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,08,000 and outstanding amount of ₹ 5,27,892.40 in terms of the loan agreement dated August 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

11. A complaint number CS/42162/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Bittu Namkeen Co. ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 2,18,748 and outstanding amount of ₹ 2,29,692.67 in terms of the loan agreement dated August 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

12. A complaint number CS/42072/22, dated May 11, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against SSH Delicacies Private Limited ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for

alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 26,64,636 and outstanding amount of ₹ 26,40,502.23 in terms of the loan agreement dated December 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

13. A complaint number 11781/2022, dated July 07, 2022 under Sec 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Sri Byraveshwara Rice Traders ("**Accused Persons**") before the IV ACMM Court, Bangalore for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 15,35,400 and outstanding amount of ₹ 17,92,568 in terms of the loan agreement dated July 21, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

14. A complaint number CS/42165/22, dated May 12, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against S And S Enterprise ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 9,73,730 and outstanding amount of ₹ 12,66,065.6 in terms of the loan agreement dated February 03, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

15. A complaint number CS/42163/22, dated May 12, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Kunwar Agro Traders ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 15,26,950 and outstanding amount of ₹ 14,86,119.19 in terms of the loan agreement dated July 26, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

16. A complaint number CS/42074/22, dated May 11, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Mahaveer Agency ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 12,22,000 and outstanding amount of ₹ 10,90,401.36 in terms of the loan agreement dated April 29, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

17. A complaint number CS/42065/22, dated May 12, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Om Casual Dinning Restaurant ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 26,85,833 and outstanding amount of ₹ 29,66,856.62 in terms of the loan agreement dated December 28, 2020 executed between the Complainant and the Accused Persons.

Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

18. A complaint number CS/42161/22, dated May 12, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Biswas Medical Hall ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 51,20,000 and outstanding amount of ₹ 52,30,758.47 in terms of the loan agreement dated October 31, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

19. A complaint number CS/42068/22, dated May 11, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Raja Stores ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 13,75,655 and outstanding amount of ₹ 15,88,360.86 in terms of the loan agreement dated September 09, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

20. A complaint number C/42335/2022, dated May 19, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Pecon Engineering Enterprise ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,00,000 and outstanding amount of ₹ 3,16,717 in terms of the loan agreement dated August 30, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

21. A complaint number CS/58793/22, dated July 05, 2022 under Sec 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Redwood Infra Projects Private Ltd. ("**Accused Persons**") before the Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 1,78,12,108 and outstanding amount of ₹ 1,87,46,452 in terms of the loan agreement dated June 30, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

**B. Proceedings under Section 138 of Negotiable Instruments Act, 1881**

In addition to the above, our Company has filed 151 complaints under Section 138 of Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued in its favour which are currently, pending at different stages of adjudication before Court of Chief Metropolitan Magistrate at Calcutta. The aggregate amount involved in these matters, to the extent identifiable and determinable on basis of details available, is approx. ₹ 36,01,19,833, excluding interest. The status before the Hon'ble Court is still pending and, therefore, we have considered such cases as pending.

**C. Civil Proceedings**

- **Notices issued by the Company under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002**

Our Company has served 31 notices under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of classifying the outstanding debt as non-performing asset. Currently, the aggregate amount involved these matters is ₹25,30,12,440. Our Company has claimed the outstanding amount as stated along with the additional interest, considering such cases as pending.

- **Arbitration Proceedings initiated by our Company**

In addition to the above, our Company has initiated arbitration proceedings for the recovery of certain amounts arising in due course of business. Currently, 502 such arbitration proceedings are pending at different stages before the Arbitrator. The aggregate amount involved in these matters is approx. ₹ 95,80,21,571. We have considered such cases as pending, as in some cases, either the matters are pending before the Arbitrator or our Company is yet to file the execution petition in respect of the Award passed by the Arbitrator.

- **Insolvency Proceedings initiated by our Company**

Further, our Company has also initiated 4 insolvency proceedings against four corporate debtors under Section 7 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal, Delhi and National Company Law Tribunal, Chandigarh.

**D. Notices issued by the Company for recovery of loans**

NIL

**E. Material Tax proceedings**

NIL

**F. Regulatory and Statutory proceedings**

NIL

**G. Details of any inquiries, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the last three years immediately preceding the year of issue of offer document in the case of company and all of its subsidiaries; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of this Prospectus for the Company.**

NIL

**II. Involving our Promoter**

**A. Criminal proceedings**

NIL

**B. Material Civil proceedings**

NIL

**C. Material Tax proceedings**

NIL

**D. Statutory and Regulatory proceedings**

NIL

**III. Involving our Directors**

Except as disclosed below, there are no other proceedings against our Directors

**A. Criminal proceedings**

- **Against Mr. Rajeev Krishnamuralilal Agarwal**

The Central Bureau of Investigation, Economic Offence Wing, Mumbai has filed an FIR bearing no. RC.0682018E0001 dated March 01, 2018 against our Independent Director, Rajeev Krishnamurarilal Agarwal, in his capacity as the then member of the Forward Markets Commission ("**FMC**") and other officials of FMC (together, the "**Accused**") under Sections 120-B and 420 of the Indian Penal Code, 1860 and Section 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988 alleging that he along with the other Accused had been involved in providing undue favours to Multi Commodity Exchange of India Limited. However, no charge sheet has been filed in relation to this FIR. This matter is currently pending.

**B. Material Civil proceedings**

NIL

**C. Material Tax proceedings**

NIL

D. **Statutory and Regulatory proceedings**

NIL

## MATERIAL DEVELOPMENTS

No other material developments have taken place in our Company since March 31, 2022, i.e. the last audited financial statements, till the date of filing this Prospectus, except:

(a) The amount borrowed by our Company from the period since April 01, 2022 till June 30, 2022 has been disclosed under the chapter titled "Financial Indebtedness" on page 122 of this Prospectus. Further, our Company has borrowed / been sanctioned, in the ordinary course of business, the following amounts after June 30, 2022:

(i) Term Loans availed from Banks / Financial Institution / NBFC

(₹ in lakh)

| Sr. No. | Name of lender | Date of Sanction | Sanctioned Amount | Utilised Amount |
|---|---|---|---|---|
| 1 | HDFC Bank Limited | 22-06-2022 | 1,700 | 1,000 |
| 2 | Piramal Capital & Housing Finance Limited | 30-06-2022 | 3,000 | 3,000 |
| 3 | Suryoday SFB | 27-07-2022 | 2,500 | 2,500 |
| 4 | Nabsamruddhi Finance Limited | 04-08-2022 | 1,500 | 1,500 |
| | **Total** | | **8,700** | **8,000** |

(ii) Non-Convertible Debentures

(₹ in lakh)

| Sr. No. | ISIN | Date of Issue / Allotment | Maturity Date | Sanctioned Amount | Utilised Amount |
|---|---|---|---|---|---|
| 1 | Kangra Central Cooperative Bank | 15-07-2022 | 15-10-2023 | 2,500 | 2,500 |
| 2 | SK Finance Limited | 23-08-2022 | 23-01-2024 | 5,000 | - |
| | **Total** | | | **7,500** | 2,500 |

## ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in "Terms of the Issue" on page 174 of this Prospectus.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI LODR Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs are as follows:

| | |
|---|---|
| Security Name | Secured Redeemable Non-Convertible Debentures (NCD) |
| Issuer Company | UGRO Capital Limited |
| Lead Manager | Sundae Capital Advisors Private Limited<br>Tipsons Consultancy Services Private Limited |
| Debenture Trustee | IDBI Trusteeship Services Limited |
| Registrar to the Issue | Link Intime India Private Limited |
| Type of instrument/ Name of the security/ Seniority | Rated, senior, secured, listed, transferable, redeemable, non-convertible debentures |
| Nature of the instrument (Secured or Unsecured) | Secured |
| Seniority (Senior or Subordinated) | Senior |
| Mode of Issue | Public Issue |
| Mode of Allotment | In dematerialised form |
| Mode of Trading | NCDs will be traded in dematerialised form |
| Eligible investors | Eligible Investors The following categories of persons are eligible to apply:<br>**Category I Institutional Investors**<br>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;<br>• Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;<br>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;<br>• Mutual Funds registered with SEBI;<br>• Resident Venture Capital Fund registered with SEBI Insurance Companies registered with IRDA;<br>• Resident Venture Capital Funds registered with SEBI;<br>• Insurance Companies registered with IRDA;<br>• State industrial development corporations;<br>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;<br>• Insurance funds set up and managed by the Department of Posts, the Union of India;<br>• Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakhs as per the last audited financial statements;<br>• National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.<br><br>**Category II Non-Institutional Investors** |

| | |
|---|---|
| | • Companies within the meaning of Section 2(20) of the Companies Act, 2013<br>• Statutory Bodies/ Corporations and Societies registered under the applicable laws in India;<br>• Co-operative banks and regional rural banks;<br>• Public/private charitable/ religious trusts which as authorised to invest in the NCDs;<br>• Scientific and/or industrial research organisations which as authorised to invest in the NCDs;<br>• Partnership firms in the name of the partners;<br>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);<br>• Association of Persons;<br>• Any other incorporated or un-incorporated body of Persons.<br><br>**Category III High Networth Individual, ("HNIs"), Investors**<br>• Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue.<br><br>**Category IV Retail Individual Investors**<br>• Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.<br><br>Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected. |
| Listing (name of stock Exchange(s) where it will be listed and timeline for listing) | NSE & BSE;<br><br>NCDs will be listed within 6 (six) working days from the Issue Closure Date as per the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended. |
| Rating of the Instrument | "Acuite A+/Stable" by Acuite Ratings & Research Limited.<br>"CRISIL A-/Stable" by CRISIL Ratings Limited |
| Issue Size | ₹ 5,000 lakhs with an option to retain over-subscription up to ₹ 5,000 lakhs, aggregating to a total of ₹ 10,000 lakhs. |
| Minimum subscription | In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within 8 (Eight) Working Days from the Issue Closing Date or such time period as may be specified by SEBI.<br><br>The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by the Company in unblocking the aforesaid ASBA Account within the prescribed time limit, Company will pay interest at the rate of 15% (Fifteen percent) per annum for the period of delay. |
| Option to retain Oversubscription Amount | In accordance with Regulation 42 of the SEBI NCS Regulations and the corporate authorisations of the Company, the Company has the option to retain over-subscription up to ₹ 5,000 lakhs, such that the aggregate issue of the NCDs does not exceed ₹ 10,000 lakhs. |

<table>
<tr><td>Objects of the Issue / Purpose for which there is requirement of funds</td><td>Please refer the Section named "Objects of the Issue" (including for the allocation of funds towards each sub-purpose) of the Prospectus.</td></tr>
<tr><td>Details of utilisation of the proceeds</td><td>Please refer the Section named "Objects of the Issue" (including for the allocation of funds towards each sub-purpose) of the Prospectus.</td></tr>
<tr><td>Coupon / Interest Rate</td><td>The coupon / interest rate applicable on the NCDs is as follows:<table><tr><th>Series I</th><th>Series II</th><th>Series III</th></tr><tr><td>10.15% (Ten decimal One Five percent) per annum compounded Quarterly (10.52% (Ten decimal Five Three percent) XIRR)</td><td>10.35% (Ten decimal Three Five percent) per annum compounded Quarterly (10.74% (Ten decimal Seven Four percent) XIRR)</td><td>10.50% (Ten decimal Five Zero percent) per annum compounded monthly (11.01% (Eleven decimal Zero One percent) XIRR)</td></tr></table></td></tr>
<tr><td>Step Up/Step Down Coupon Rate</td><td>N.A.</td></tr>
<tr><td>Coupon/Interest Payment Frequency</td><td><table><tr><th>Series I</th><th>Series II</th><th>Series III</th></tr><tr><td>Quarterly</td><td>Quarterly</td><td>Monthly</td></tr></table></td></tr>
<tr><td>Coupon / Interest payment dates</td><td>The indicative interest payment dates shall be set out under Annexure I of the Prospectus.</td></tr>
<tr><td>(Cumulative / non cumulative, in case of dividend)</td><td>NA</td></tr>
<tr><td>Coupon Type (Fixed, floating or other structure)</td><td>Fixed</td></tr>
<tr><td>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</td><td>NA</td></tr>
<tr><td>Day Count Basis (Actual/Actual)</td><td>Interest and all other charges shall accrue based on an actual/actual basis.</td></tr>
<tr><td>Interest on application money</td><td>(a) Interest at 15% per annum, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 2 (two) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.<br>(b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.<br>(c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.</td></tr>
<tr><td>Default interest rate</td><td>(a) The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier).<br>(b) Notwithstanding any other provision of the Debenture Trust Deed and the other Transaction Documents, it is hereby clarified that where an Event of Default (other than a Payment Default) occurs, the Company shall pay interest on the Debentures at 2% (two percent) per annum on the</td></tr>
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| | Outstanding Principal Amounts, from the date of the occurrence of such Event of Default until such Event of Default is cured or the Secured Obligations are repaid. |
| Tenor | **Series I**: 18 (Eighteen) months from deemed date of allotment<br>**Series II**: 27 (Twenty Seven) months from deemed date of allotment<br>**Series III**: 36 (Thirty Six) months from deemed date of allotment |
| Redemption Date | **Series I**: The date occurring on expiry of 18 (Eighteen) months from the deemed date of allotment<br>**Series II**: The date occurring on expiry of 27 (Twenty Seven) months from deemed date of allotment<br>**Series III**: The date occurring on expiry of 36 (Thirty Six) months from deemed date of allotment |
| Redemption Amount | ₹ 1,000 (Indian Rupees One Thousand only) per Debenture |
| Redemption premium/ discount | NIL |
| Issue Price (in ₹/NCD) | ₹ 1,000 (Indian Rupees One Thousand only) per NCD |
| Discount at which security is issued and the effective yield as a result of such discount. | NIL |
| Put date | Not applicable |
| Put price | Not applicable |
| Call date | Not applicable |
| Call price | Not applicable |
| Put notification time (Timelines by which the investor need to intimate Issuer before exercising the put) | Not applicable |
| Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call) | Not applicable |
| Face value (in ₹ / NCD) | ₹ 1,000 (Indian Rupees One Thousand only) per NCD |
| Minimum Application size and in multiples of NCD thereafter | 10 (ten) NCDs (aggregating to ₹ 10,000 (Indian Rupees Ten Thousand)) and 1 (one) NCD thereafter |
| Issue Timing | |
| Issue opening date | Please refer the Section named "Issue Schedule" of the Prospectus. |
| Issue closing date** | Please refer the Section named "Issue Schedule" of the Prospectus. |
| Date of earliest closing of the issue, if any. | Please refer the Section named "Issue Schedule" of the Prospectus. |
| Pay-in date | Please refer the Section named "Issue Schedule" of the Prospectus. |
| Deemed date of Allotment | Please refer the Section named "Issue Schedule" of the Prospectus. |
| Settlement mode of the Instrument | All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. |
| Depositories | National Securities Depository Limited & Central Depository Services Limited |
| Disclosure of Interest/Dividend / redemption dates | Please refer Annexure I |
| Record date | The record date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (Fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors /Investment and |

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| | Borrowing Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.<br><br>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date. |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | **Financial Covenants**<br>• Capital Adequacy Ratio should not fall below 20%<br>• Minimum net worth should not fall below 75% of Net Worth at time of issuance.<br>• Leverage should not exceed 5 times<br>• Gross NPA should not exceed 5%.<br>• ALM to be managed as per RBI regulations<br>• No merger, demerger, consolidation, re-organisation, amalgamation, restructuring without prior permission from the investors.<br><br>**Other Covenants:**<br>(a) submit to the Debenture Trustee its duly audited annual accounts, within sixty days from the close of its financial year, and un-audited or audited quarterly and year to date standalone financial results on a quarterly basis in the format as specified by SEBI within forty- five days from the end of the quarter, other than last quarter, on the same day as they are submitted to the Stock Exchanges;<br>(b) obtain a review of the credit rating on an annual basis, by a credit rating agency registered with SEBI, or in such manner as provided under Applicable Law;<br>(c) furnish an annual report to the Debenture Trustee containing the following particulars:<br>(i) Updated list of the names and addresses of the Debenture Holder(s);<br>(ii) Details of the Payments to be made, but unpaid and reasons thereof;<br>(iii) The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company and those grievances not yet solved to the satisfaction of the Debenture Holder(s) and reasons for the same;<br>(iv) A statement that those assets of the Company which are available by way of security in terms of the Transaction Documents, as amended from time to time, is sufficient to discharge the claims of the Debenture Holders as and when they become due; and<br>(v) Such other information as may be required by the Debenture Trustee under or pursuant to Applicable Law.<br><br>(d) immediately, take all necessary steps to resolve grievances received from the Debenture Holders. At the request of the Majority Debenture Holders, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of the Majority Debenture Holders, call a meeting of the Debenture Holders;<br>(e) exercise due diligence and periodical monitoring as mentioned in the applicable provisions of the SEBI Circular dated November 12, 2020, as amended from time to time and ensure compliance by the Company, with the provisions of the Act, SEBI LODR and SEBI (Debenture Trustees) Regulations, 1993;<br>(f) promptly furnish to the Debenture Trustee the details of all the grievances received, including details pertaining to the following:<br>(i) Names of the complainants / Debenture Holder;<br>(ii) Nature of grievances / complaints; |

(iii) Time taken for redressal of complaint / grievances; and
(iv) The steps taken by the Issuer to redress the same;

(g) furnish the following information to the Debenture Trustee:(i) on a half-yearly basis, a certificate from the Managing Director/Chief Financial Officer/Company Secretary of the Company, certifying the amount of security; and (ii) on a yearly basis, a certificate from the statutory auditor of the Company giving the amount of security;
(h) if so required under Applicable Law and/or any direction or request by any authority, carry out subsequent valuation of the Hypothecated Assets, at the request of the Debenture Trustee, at the Company's cost;
(i) promptly inform the Debenture Trustee of any change in its name, any change in the major composition of its Board of Directors or change in the nature and conduct of its main objects prior to such change being effected, or any amalgamation, merger or reconstruction scheme proposed by the company;
(j) furnish the following:
(i) on a quarterly basis:
A. Such other information details / reports required by the Debenture Trustee, as per SEBI rules and regulations.
B. Relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:

| **Reports/ Certificates** | **Timelines for submission requirements by Company to Debenture Trustee** | **Timeline for submission of reports/ certifications by Debenture Trustee to Stock Exchange** |
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| Security cover certificate | Quarterly basis within45 (forty-five) days from end of each quarter or within such timelines as prescribed under Applicable Law | Quarterly basis within 60 (sixty) days from end of each quarter or within such timelines as prescribed under Applicable Law |

In addition to the above Clause, the Company shall on or before the 15th of every month, provide a Management certified Stock Statement.
(i) On Half-Yearly Basis:
A. In case where listed debt securities are secured by way of receivables/ book debts, it shall obtain a certificate from the statutory auditor on a half yearly basis giving the value of receivables/book debts including compliance with the covenants of the Offer Document
B. A certificate regarding maintenance of 100% security cover or security cover as per the terms of relevant Transaction Documents and/or this Deed, including compliance with all the covenants, by the statutory auditor, along with the financial results, in the manner and format as specified by SEBI.

(ii) on a yearly basis:
A. Certificate from the Issuer's statutory auditor, certifying the use of the proceeds raised through the issue of the Debentures towards the purposes mentioned in the Transaction Documents;
B. Certificate from the Issuer's statutory auditor, certifying the value of the Receivables and Security Cover;

(iii) promptly

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| | A. intimations regarding:<br>(i) failure to create charge on the assets;<br>(ii) at the same time as it has intimated to the stock exchange, all material events and/or information as disclosed under regulation 51 of the SEBI LODR Regulations in so far as it relates to the interest, principal, issue and terms of Debentures, rating, creation of charge on the assets, notices, resolutions and meetings of Debenture Holders.<br><br>(k) maintain, at all times, a minimum of one-time security cover throughout the life of the Debentures in respect of the outstanding Debentures and interest accrued thereon;<br>(l) not declare any dividend to the shareholders in any year until the Company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.<br>(m) not be entitled to any immunity or privilege (sovereign or otherwise) from any set- off, judgment, execution, attachment or other legal process;<br>(n) comply with all the provisions and disclosure requirements as mentioned in the SEBI (Debenture Trustees) Regulations, 1993, the SEBI NCS Regulations, the Act, the Issuance of Non-convertible Debentures (Reserve Bank) Directions, 2010 (1f applicable), as amended from time to time and/or any other notification circular, press release issued by the SEBI / RBI, from time to time and comply with all applicable directions/guidelines in relation to the issue of Debentures;<br>(o) send to the Stock Exchanges for dissemination, while submitting quarterly / annual financial results, under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia the following information (to the extent applicable to the Company) along with the financial results:<br>(i) debt-equity ratio;<br>(ii) net worth;<br>(iii) net profit after tax;<br>(iv) earnings per share;<br>(v) current ratio;<br>(vi) long term debt to working capital;<br>(vii) bad debts to account receivable ratio;<br>(viii) current liability ratio;<br>(ix) total debts to total assets;<br>(x) debtors' turnover; inventory turnover;<br>(xi) operation margin percentage<br>(xii) net profit margin percentage; and<br>(xiii) sector specific equivalent ratios, as applicable.<br><br>(p) Any further information which may be required to be submitted to the Stock Exchange pursuant to LODR Regulations and applicable laws, as amended from time to time.<br>Any other covenants as may be mentioned in the Debenture Trust Deed |
| Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture | I. **SECURITY**<br><br>(a) The Debentures shall be secured by way of:<br><br>(i) a first ranking exclusive and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over the receivables (both present and future) arising out of identified book debts/loan receivables of the Issuer and all rights under the relevant loan documents in respect of the aforementioned identified book debts/loan receivables, and as set |

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| holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document. | out in the Deed of Hypothecation ("**Hypothecated Assets**"); and<br><br>(ii) such other security interest/contractual comfort as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**").<br><br>(b) Security Cover<br><br>(i) "**Security Cover**" means from the Effective Date until the Final Settlement Date, on any date of determination, the ratio of the principal amounts outstanding in respect of the Hypothecated, and (ii) the Outstanding Amounts, multiplied by 100, and followed by the "%" symbol, being 120% (one hundred and twenty percent).<br><br>(ii) The value of the Hypothecated Assets for the purposes of this paragraph (b) (for both initial and subsequent valuations) shall be the amounts reflected as the value thereof in the books of accounts of the Issuer.<br><br>(c) The Issuer shall create the charge by way of hypothecation over the Hypothecated Assets on or prior to the Deemed Date of Allotment, and perfect such security by filing Form CHG-9 with the ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI, in respect thereof, each within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation.<br><br>II. **OTHER COVENANTS**<br><br>The Issuer hereby further agrees, declares and covenants as follows:<br>(a) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;<br><br>(b) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents within the timelines prescribed by the Debenture Holders by executing the duly stamped Deed of Hypothecation;<br><br>(c) the Issuer shall maintain the prescribed Security Cover; and<br><br>(d) add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents.<br><br>III. **SPECIFIC DISCLOSURES**<br><br>(a) **Type of security**: Receivables/book debts, rights in underlying contracts, accounts (i.e., movable assets).<br><br>(b) **Type of charge**: Hypothecation.<br><br>(c) **Date of creation of security/ likely date of creation of security**: On or prior to the Deemed Date of Allotment.<br><br>(d) **Minimum security cover**: Please refer paragraph I(b) above. |

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| | (e) **Revaluation**: N. A.<br><br>(f) **Replacement of security**:<br>The Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents.<br>To be set out in further detail in the Deed of Hypothecation.<br>**Interest over and above the coupon rate**: In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Issuer will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee. |
| Transaction Documents | means:<br>(a) the Debenture Trust Deed;<br><br>(b) the Debenture Trustee Agreement;<br><br>(c) the Deed of Hypothecation;<br><br>(d) the Debt Disclosure Documents;<br><br>(e) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar;<br><br>(f) tripartite agreement between the Company, the Registrar and the relevant Depository; and<br><br>(g) any other document that may be designated as a Transaction Document by the Debenture Trustee,<br><br>and "Transaction Document" means any of the above documents. |
| Conditions precedent to disbursement | The Issuer shall fulfil the following conditions precedent prior to the Deemed Date of Allotment:<br>(a) a copy of resolution of the Issuer's board of directors/committee of the Issuer authorised by the Issuer's board of directors authorising, inter alia, the execution, delivery and performance of the Transaction Documents;<br><br>(b) copies of the resolution of the shareholders of the Issuer under Sections 180(1)(c) and 180(1)(a) of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;<br><br>(c) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer;<br><br>(d) execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee;<br><br>(e) a copy of the rating letter and/or the rating rationale issued by the Rating Agency in relation to the Debentures;<br><br>(f) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue;<br><br>(g) a copy of the in-principle approval provided by the Stock Exchange(s) in respect of the listing of the Debentures; |

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| | (h) a copy of the tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depository;<br><br>(i) the audited financial statements of the Issuer for the Financial Year ended March 31, 2022, and to the extent required by the Debenture Holders and available with the Issuer, the most recently prepared unaudited financial statements of the Issuer; and<br><br>such other information, documents, certificates, opinions and instruments as the Debenture Trustee may reasonably request. |
| Conditions subsequent to disbursement | The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee:<br>(a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Operational Circular<br>(a)<br>(b) the Issuer shall in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of execution of the Deed of Hypothecation;<br><br>(c) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Operational Circular;<br><br>(d) the Issuer shall, within the timelines agreed with the Debenture Trustee, provide a legal opinion in a form and manner satisfactory to the Debenture Holders; and<br><br>(e) comply with such other condition and provide such other information and documents as the Debenture Holders may reasonably request or as may be required under Applicable Law. |
| Events of default (including manner of voting/conditions of joining Inter Creditor Agreement) | Each of the events or circumstances set out below is an Event of Default. The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents.<br>(a) ***Payment Default***<br>The Company does not make payment of any of the amounts due and payable by it in accordance with the Transaction Documents.<br>(b) ***Security Cover***<br>The Security Cover is not maintained in accordance with the terms of the Transaction Documents.<br>(c) ***Cross Default***<br>(i) The Company:<br>(A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or<br>(B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid by the holder or holders of such Financial Indebtedness. |

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| | (ii) Any Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof.<br>(d) ***Inability to Pay Debts***<br>The Company is unable or admits in writing its inability to pay its debts as they fall due, or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.<br>(e) ***Misrepresentation***<br>Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.<br>(f) ***Unlawfulness***<br>It is or becomes unlawful or illegal for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.<br>(g) ***Repudiation***<br>The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.<br>(h) ***Transaction Documents***<br>This Deed or any other Transaction Document (in whole or in part)<br>(i) is terminated or ceases to be effective or ceases to be in full force at any time prior to the Final Settlement Date; or<br>(ii) no longer constitutes valid, binding and enforceable obligations of the Company.<br>(i) ***Delisting***<br>The Debentures are, delisted or cease to be listed on any of the Stock Exchanges for any reason whatsoever (whether or not attributable to any action of the Company) at any time prior to the Final Settlement Date.<br>(j) ***Corporate governance; Data integrity***<br>Failure by the Company to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee and/or the Debenture Holders.<br>(k) ***Legal Proceedings***<br>If one or more legal or governmental proceedings are initiated against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect.<br>(l) ***Expropriation/Distress***<br>Any expropriation, attachment, garnishee, sequestration, distress or execution affects any assets of the Company (including the Hypothecated Assets) and which has a Material Adverse Effect on the ability of the Company to comply with its payment obligations under the Transaction Documents.<br>(m) ***Revocation of Licenses and Authorisations***<br>Any authorisations, licenses (including operating licenses), consents and approvals required by the Company under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents, and to enable it to carry on its business are revoked or suspended or cancelled in any manner.<br>(n) ***Insolvency*** |

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| | (i) Any resolution is passed resolving or to consider resolving that the Company be wound up voluntarily, or any order for winding up of the Company is made by any competent court or tribunal, other than for the purposes of any amalgamation or reconstruction of the Company entered into with the prior approval of the Debenture Trustee in accordance with the provisions of this Deed.<br>(ii) The Company commits any act or undertakes any action which may result in the insolvency/liquidation of the Company.<br>(iii) The Company being determined as insolvent under the Insolvency and Bankruptcy Code, 2016 (read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder from time to time).<br>(o) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator***<br>Any corporate action, legal proceedings or other procedure or step is taken in relation to:<br>(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;<br>(ii) a composition, compromise, assignment or arrangement with any creditor of the Company or its creditors generally;<br>(iii) the appointment of a liquidator, receiver, provisional liquidator, administrative receiver, administrator, compulsory manager, resolution professional, trustee, supervisor or other similar officer in respect of the Company or any of its assets or any part of the undertaking of the Company;<br>(iv) a petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed by the Company (voluntary or otherwise) or any other person, or such a petition has been admitted, and such proceedings are not dismissed within 15 (fifteen) days of filing;<br>(v) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Company Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework);<br>(vi) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company;<br>(vii) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; or<br>(viii) any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vii) above.<br>(p) ***Business***<br>(i) The Company without obtaining the prior consent of the Majority Debenture Holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so.<br>(ii) The passing of any order of a competent court or tribunal ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business.<br>(iii) The Company's organizational status or any licenses or franchise is revoked or suspended by any Governmental Authority, and the |

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| | Company has exhausted all remedies and appeals relating thereof.<br>(q) ***Creditors' Process***<br>All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of all or substantial part of the business or operations of the Company (including operations, properties and other assets), or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their members, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority.<br>(r) ***Judgment Defaults***<br>One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Company provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days.<br>(s) ***Authorisations***<br>The withdrawal, failure of renewal, or failure by the Company to obtain any Authorisation or any other statutory or regulatory approval in any relevant jurisdiction for the issuance of the Debentures or the providing of the Transaction Security.<br>(t) ***Security in Jeopardy***<br>In the opinion of the Debenture Trustee any of the Hypothecated Asset(s) are in jeopardy.<br>(u) ***Security***<br>(i) The Transaction Security is not created and/or perfected in accordance with the Transaction Documents.<br>(ii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.<br>(iii) The Company creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.<br>(iv) The Company fails to create and perfect the security over the Hypothecated Assets within the timelines prescribed by under the Transaction Documents.<br>(v) ***Breach of Other Covenants***<br>Any breach of any covenant or undertaking of the Company in the Transaction Documents (other than sub-Clauses (a) to (v) above) if such breach is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not remedied within 30 (thirty) days of occurrence, or such other time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion. |
| Creation of recovery expense fund | The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under the SEBI Recovery Expense Fund Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under the SEBI Recovery Expense Fund Circular |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | Please refer to section named "Default Interest Rate" above. The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents. |

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| Provisions related to Cross Default Clause | The following is an Event of Default.<br>The Company:<br>(a) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or<br>(b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid by the holder or holders of such Financial Indebtedness.<br>(c) Any Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof. |
| Roles and responsibilities of the Debenture Trustee | The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including:<br>(a) the Debenture Trustee may, in relation to the Debenture Trust Deed and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise;<br>(b) subject to the approval of the Debenture Holders by way of a Majority Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, wilful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the re-quest or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;<br>(c) with a view to facilitating any dealing under any provisions of the Debenture Trust Deed or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the Debenture Trust Deed;<br>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;<br>(e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the |

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| | Debenture Holders;<br>(f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;<br>(g) subject to the approval of the Debenture Holder(s) by way of a Majority Resolution passed at a meeting of Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, wilful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents;<br>(h) subject to the approval of the Debenture Holder(s) by way of Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, wilful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in per-forming or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or di-rection of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;<br>(i) notwithstanding anything contained to the contrary in the Debenture Trust Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; and<br>(j) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular.<br><br>PROVIDED THAT nothing contained in this section shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder. |
| Risk factors pertaining to the issue | Please refer the Section named "Risk Factors" of the Prospectus |
| Governing law and jurisdiction | The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai, India, and as more particularly provided for in the respective Transaction Documents. |
| Business Day Convention | As prescribed in the SEBI NCS Regulations. |

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| Delay in allotment of securities and refund of application money | If the NCDs are not allotted to the Applicants and/or the Application Money is not unblocked within the time period prescribed by the SEBI, the Company shall pay interest at the rate of 15% (fifteen percent) per annum to the Applicants. |
| Delay in execution of Transaction Documents | In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Company will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee. |
| Default in Payment | The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier). |
| Delay in Listing | In the event of failure to list the NCDs within such days from the date of closure of issue as may be specified by the Board (schedule listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the Company shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment. |
| Description of the Hypothecated Assets | Each loan constituting the Identified Assets shall meet each of the eligibility criteria listed below.<br>• Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Company<br>• Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI.<br>• Loans have not been terminated or prepaid. At the time of additional hypothecation, only those loans which don't meet the eligibility criteria can be replaced by the entity after transaction settlement<br>• No loans must have DPD>60.<br>• Charge on Hypothecated Assets should be registered in CERSAI and MCA by the Company. |

***Notes:***

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

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

(c) While debt securities are secured to the tune of 100% of the principal and interest amount or such higher amount as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that such security is maintained.

(d) The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for the "Object of the Issue". Further, the amount earmarked for "General Corporate Purposes", shall not exceed 25% of the amount raised by the issuer in the proposed issue.

***Notes:***

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

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(d) The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for the "Object of the Issue". Further, the amount

earmarked for "General Corporate Purposes", shall not exceed 25% of the amount raised by the issuer in the proposed issue.

(e) ** Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

** In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialised form.*

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Investment and Borrowing Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details, please see "General Information" on page* 31 *of this Prospectus.*

*While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained and the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

*Please see "Terms of the Issue" on page* 174 *for details of category wise eligibility and allotment in the Issue.*

**Specific Terms for NCDs**

| Series | I | II | III * |
|---|---|---|---|
| Frequency of Interest Payment | Quarterly | Quarterly | Monthly |
| Minimum Application | ₹ 10,000 (10 NCDs) across all Series | | |
| Face Value/ Issue Price of NCDs (₹/ NCD) | 1,000 | 1,000 | 1,000 |
| In Multiples of thereafter (₹) | ₹ 1000 (1 NCD) | | |
| Tenor | 18 Months | 27 Months | 36 Months |
| Coupon (% per annum) for NCD Holders in Category I, II, III | 10.15% | 10.35% | 10.50% |
| Effective Yield (per annum) for NCD Holders in Category I, II, III & IV | 10.52% | 10.74% | 11.01% |
| Mode of Interest Payment | Through various modes available | | |
| Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV | 1,000 | 1,000 | 1,000 |
| Maturity / Redemption Date (Months from the Deemed Date of Allotment) | Date occurring on expiry of 18 (Eighteen) months from the Deemed Date of Allotment | Date occurring on expiry of 27 (Twenty Seven) months from the Deemed Date of Allotment | Date occurring on expiry of 36 (Thirty Six) months from the Deemed Date of Allotment |
| Put and Call Option | NA | NA | NA |

** Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

**Day count convention**

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

**Terms of payment**

The entire amount of face value per NCDs will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specifies in "Terms of the Issue" on page 174 of this Prospectus.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialised form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please see "Issue Procedure" on page 189 of this Prospectus.

## TERMS OF THE ISSUE

**Authority for the Issue**

This Issue has been authorised by the Investment and Borrowing Committee of our Company pursuant to the resolution passed at their meeting held on July 27, 2022. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution approved at the annual general meeting dated August 12, 2022.

**Principal Terms and Conditions of this Issue**

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/the Stock Exchanges, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

**Ranking of NCDs**

The NCDs being offered through this Issue shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over the receivables (both present and future) arising out of identified book debts/loan receivables of the Issuer and all rights under the relevant loan documents in respect of the aforementioned identified book debts/loan receivables, and as set out in the Deed of Hypothecation ("**Hypothecated Assets**"); and such other security interest/contractual comfort as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**").

**Security**

Please refer to “Issue Structure” on page 156.

**Other confirmations by the Debenture Trustee**

The Debenture Trustee has agreed for a lumpsum fee amounting to ₹ 1,00,000 (plus the applicable GST) and annual charges of ₹ 1,50,000 (plus the applicable GST) for the services as agreed in terms of the letter dated August 10, 2022.

IDBI TRUSTEESHIP SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE SEBI CIRCULAR NO. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 DATED NOVEMBER 3, 2020 AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:

    a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the NCDs to be issued.
    b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
    c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of NCDs.
    d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in the offer document and all disclosures made in the offer document with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document.
f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the NCDs.

**Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Regulation 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

**Face Value**

The face value of each of the NCD shall be ₹ 1,000.

**Trustees for the NCD Holders**

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, before making the application for listing of NCDs, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

**Events of Default**

Please refer to "Issue Structure" on page 156.

**NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

**Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to receive notices or annual reports of, or to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders, for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialised Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation ("Register of NCD Holders") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialised form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialised Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders in accordance with Regulation 39 of the SEBI NCS Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus and the Debenture Trust Deed.

**Nomination facility to NCD Holder**

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rule 19") and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No.SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialised form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Since the allotment of NCDs will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, Maharashtra, India.

**Application in the Issue**

NCDs being issued through this Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

**Form of Allotment and Denomination of NCDs**

The trading of the NCDs on the Stock Exchange shall be in dematerialised form only in multiples of one 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("**Market Lot**").

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

**Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "Issue Structure" on page 156 of this Prospectus for the implications on the interest applicable to NCDs held by different category of Investors on the Record Date. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("SEBI LODR IV Amendment"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

**Title**

The NCD Holder for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

**Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognised as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose

of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

**Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

**Procedure for Re-materialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation**.

**Restriction on transfer of NCDs**

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

**Period of Subscription**

| **ISSUE PROGRAMME** | |
|---|---|
| **Issue Opens on** | Monday, September 05, 2022 |
| **Issue Closes on** | Thursday, September 22, 2022 |
| **Pay in date** | Application Date. The entire Application Amount is payable on Application |
| **Deemed date of Allotment** | The date on which the Board or the Investment and Borrowing Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Investment and Borrowing Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for the Issue under the Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment. |

The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Investment and Borrowing Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national and a daily regional newspaper with wide circulation at the place where the registered office of the Company is situated on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will

be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to "Terms of the Issue" on page 174 of this Prospectus.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Operational Circular. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

**Basis of payment of Interest**

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date. We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

**Taxation**

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹5,000 in any financial year. If interest exceeds the prescribed limit of ₹5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Any tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at

source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

**Day Count Convention**

Interest shall be computed on actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Operational Circular.

**Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "Effective Date"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Illustration for guidance in respect of the day count convention and effect of holidays on payments**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by the SEBI Operational Circular is disclosed as Annexure I.

**Application Size**
Each application should be for a minimum of 10 (ten) NCDs and in multiples of one (1) NCD thereafter. The minimum application size for each application for NCDs would be ₹ 10,000 (across all Options of NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all types of NCDs offered hereunder (any / all Option) provided the Applicant has applied for minimum application size using the same Application Form.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

**Maturity and Redemption**

Please refer to "Issue Structure" on page 156 of this Prospectus

**Put / Call Option**

Please refer to "Issue Structure" on page 156 of this Prospectus

**Terms of Payment**

The entire issue price per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Prospectus.

**Manner of Payment of Interest / Refund / Redemption**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

**For NCDs held in physical form on account of rematerialisation**

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be along with the rematerialisation request.

**For NCDs applied / held in electronic form**

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**
   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NACH**
   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**
   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**
   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**
   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

**Printing of Bank Particulars on Interest/ Redemption Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

**Loan against NCDs**

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

**Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

**Record Date**

15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the Prospectus or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding Working Day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date.

**Procedure for Redemption by NCD Holders**

**NCDs held in physical form pursuant to rematerialisation of NCDs**

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the

NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "Payment on Redemption" given below.

**NCDs held in electronic form**

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

**Payment on Redemption**

The manner of payment of redemption is set out below*.

**NCDs held in physical form on account of rematerialisation**

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards his/their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**NCDs held in electronic form**

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹1,838.*

**Recovery Expense Fund**

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed for taking appropriate legal action to enforce the security.

**Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

**Right to reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

**Sharing of Information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our Subsidiary, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

**Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

**Future Borrowings**

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and subject to the stipulated minimum security cover being maintained, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection. However, if consent and/or intimation is required under applicable law, then the Company shall obtain such consents and/ or intimation in accordance with such law.

**Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013"

**Pre-closure**

Our Company, in consultation with the Lead Managers reserve the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

**Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

**Utilisation of Application Amount**

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and on receipt of listing and trading approval we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

**Utilisation of Issue Proceeds**

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

3. Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

4. Details of all unutilised monies out of issue of NCDs, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our Balance Sheet till the time any part of the proceeds of the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;

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

6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Prospectus in "Issue Structure" on page 156;

7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

**Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

**Arrangers to the Issue**

There are no arrangers to the Issue.

**Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to applicable laws.

**Lien or Pledge of NCDs**

Subject to applicable laws, our Company, at its discretion, may note a lien or pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

**Monitoring and Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

**Procedure for Rematerialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

**Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

**Events of Default**

Please refer to “Issue Structure” on page 156 of this Prospectus

**Filing of the Prospectus with the RoC**

A copy of the Prospectus will be filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations.

## ISSUE PROCEDURE

*This section applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.*

*In addition, specific attention is invited to SEBI Operational Circular, whereby investor may use the Unified Payment Interface ("UPI") to participate in the public issue for an amount up to ₹ 5,00,000.*

*ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTA at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.*

*Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.*

*The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular. The Direct Online Application facility will be available for this Issue.*

*Retail Individual Investors should note that they may use the UPI Mechanism to block funds for application value upto ₹ 2,00,000 submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*Specific attention is drawn to the SEBI Operational Circular, which provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.*

**PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE DRAFT PROSPECTUS, THE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

**THE LEAD MANAGERS, LEAD BROKER AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.**

*For purposes of the Issue, the term "Working Day" shall mean, all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.*

The information below is given for the benefit of the investors. Our Company, the Lead Managers and the Lead Broker are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

**PROCEDURE FOR APPLICATION**

**Availability of this Prospectus, Abridged Prospectus, and Application Forms**
**Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.**

**Please note that there is a single Application Form for Applicants who are Persons Resident in India.**

Physical copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms may be obtained from:
1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers;
3. Offices of the Lead Broker;
4. Registrar to the Issue
5. Designated RTA Locations for RTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

**Who can apply?**

The following categories of persons are eligible to apply in the Issue:

| **Category I Institutional Investors** | **Category II Non-Institutional Investors** | **Category III High Net-worth Individual, ("HNIs"), Investors** | **Category IV Retail Individual Investors** |
|---|---|---|---|
| • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;<br>• Provident funds, pension funds with a minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;<br>• Alternative Investment Funds, subject to investment conditions applicable | • Companies within the meaning of section 2(20) of the Companies Act, 2013;<br>• Statutory Bodies/ Corporations and Societies registered under the applicable laws in India and authorised to invest in the NCDs;<br>• Co-operative banks and regional rural banks<br>• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;<br>• Scientific and/or industrial research | • Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 lakhs across all series of NCDs in Issue | • Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10 lakhs across all series of NCDs in Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism. |

| Category I Institutional Investors | Category II Non-Institutional Investors | Category III High Net-worth Individual, ("HNIs"), Investors | Category IV Retail Individual Investors |
|---|---|---|---|
| to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;<br>• Mutual Funds registered with SEBI<br>• Resident Venture Capital Funds registered with SEBI;<br>• Insurance Companies registered with IRDA;<br>• State industrial development corporations;<br>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;<br>• Insurance funds set up and managed by the Department of Posts, the Union of India;<br>• Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakhs on as per the last audited financial statements;<br>• National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India. | organisations, which are authorised to invest in the NCDs;<br>• Partnership firms in the name of the partners;<br>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);<br>• Association of Persons; and<br>• Any other incorporated and/ or unincorporated body of persons. | | |

**Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.**

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

The Lead Managers and its respective associates and affiliates are permitted to subscribe in the Issue.

**Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to "Issue Procedure - Rejection of Applications" on page 210 of this Prospectus for information on rejection of Applications.

**Method of Applications**

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("Direct Online Application Mechanism"). In this regard, SEBI has, through the SEBI Operational Circular, directed recognised Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Operational Circular.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Neither the Issuer

or any Lead Manager will be responsible for verifying the source of funds.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

    a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
    c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5 lakhs or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchanges**

    a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.

    b. The Stock Exchanges have extended their web-based platforms i.e. 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 lakh. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.

c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.

d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications.

e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchanges have issued operational guidelines and circulars available at BSE and NSE:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61;

NSE:https://www1.nseindia.com/content/circulars/IPO46907.zip; https://www1.nseindia.com/content/circulars/IPO46867.zip

**APPLICATIONS FOR ALLOTMENT OF NCDs**

Details for Applications by certain categories of Applicants including documents to be submitted are summarised below.

**Applications by Mutual Funds**

Pursuant to the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20 % of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Application by Commercial Banks, Co-operative Banks and Regional Rural Banks**

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Pursuant to SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

**Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

**Application by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.**

**Application by Indian Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "SEBI AIF Regulations") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

**Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory **and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by National Investment Fund**

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Indian scientific and/or industrial research organisations, which are authorised to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)**

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorising investment and containing operating instructions; (iv) Specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may**

**deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

**APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM**

***Submission of Applications***

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Broker, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange**. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

2. Physically through the Lead Broker, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Lead Broker or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Broker or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Upon receipt of the Application Form by the Lead Broker or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Lead Broker or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Broker and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.

2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Cities can accept Applications from the Lead Broker or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "General Information" on page 31 of this Prospectus.

3. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

**Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialised form only.**

**Submission of Direct Online Applications**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.*

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

**As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the**

**aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.**

**INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

**General Instructions**

**A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only.
- Application Forms must be completed in block letters in English, as per the instructions contained in this Prospectus, the Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (TRS). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

  The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

**Our Company would allot the series of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

**B. Applicant's Beneficiary Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (in case applying through UPI Mechanism) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (in case applying through UPI Mechanism) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID, Client ID and UPI ID provided by the Applicant in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

**Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members**

**of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.** In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialised form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

**C. Unified Payments Interface (UPI)**

Pursuant to the SEBI Operational Circular, the UPI Mechanism is applicable for public debt issues as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

**D. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

**E. Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person

whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

**F. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹10 lakhs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

**Process for investor application submitted with UPI as mode of payment**

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

h. The Sponsor Bank shall initiate a mandate request on the investor

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of debt securities shall be done as SEBI Operational Circular.

t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval.

x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

   i. Investor shall check the Issue details before placing desired bids;
   ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
   iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
   iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
   v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
   vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds

for the completion of the transaction; and vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

y. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 the investor shall also be responsible for the following:

   i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
   ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
   iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
   iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
   v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
   vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

z. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange(s).

**Do's and Don'ts**

Applicants are advised to take note of the following while filling and submitting the Application Form:

**Do's**

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialised form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form.
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder.
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
8. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be.
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date

priority for allotment purposes.

12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "General Information" on page 31 of this Prospectus.
16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
17. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form and Tick the series of NCDs in the Application Form that you wish to apply for.
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 5,00,000.
20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form.
21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface.
22. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
23. Ensure that you have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Application Form.
24. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
25. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

**In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.**

**SEBI Operational Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.**

**Don'ts:**

1. Do not apply for lower than the minimum application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit an Application Form using UPI ID, if the Application is for an amount more than ₹ 5,00,000.
10. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.
11. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account.
12. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
13. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
14. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI.
15. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
16. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
17. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
18. Do not make an application of the NCD on multiple copies taken of a single form.
19. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
20. Do not submit more than five Application Forms per ASBA Account.
21. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.

**Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at 337 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)).**

**Please refer to "Issue Procedure" on page 189 of this Prospectus for information on rejection of Applications.**

**TERMS OF PAYMENT**

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

An Applicant may submit the Application Form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

**Payment mechanism for Direct Online Applicants**

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

**Additional Instructions for Retail Individual Investors using the UPI mechanism:**

a. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

b. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/Web interface.

c. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send

response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

g. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

h. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

k. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

l. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm.

n. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

r. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

**SUBMISSION OF COMPLETED APPLICATION FORMS**

| **Mode of Submission of Application Forms** | **To whom the Application Form has to be submitted** |
|---|---|
| ASBA Applications | (i) If using physical Application Form, (a) to the Lead Broker or Trading Members of the Stock Exchanges only at the Specified Cities ("Syndicate ASBA"), or (b) to the Designated Branches of the SCSBs where the |

| | |
|---|---|
| | ASBA Account is maintained; or<br>(ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available. |

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.*

**No separate receipts will be issued for the Application Amount payable on submission of Application Form.**

However, Lead Broker/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

**Electronic Registration of Applications**

(a) The Lead Broker, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Lead Broker, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Lead Brokers Trading Members of the Stock Exchange, or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Broker, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Lead Broker, Trading Members of the Stock Exchanges and the SCSBs during the Issue Period. The Lead Broker and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "General Information" on page 31 of this Prospectus.

(c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number

• Application amount

(d) With respect to ASBA Applications submitted to the Lead Broker, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

• Application Form number
• PAN (of the first Applicant, in case of more than one Applicant)
• Investor category and sub-category
• DP ID
• Client ID
• Series of NCDs applied for
• Number of NCDs Applied for in each series of NCD
• Price per NCD
• Bank code for the SCSB where the ASBA Account is maintained
• Location of Specified City
• Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) Applications can be rejected on the technical grounds listed on page 210 of this Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

**REJECTION OF APPLICATIONS**

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Investment and Borrowing Committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants.
ii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant.

iii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned.
iv. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size.
v. Applications where a registered address in India is not provided for the Applicant.
vi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s).
vii. DP ID and Client ID not mentioned in the Application Form;
viii. GIR number furnished instead of PAN.
ix. Applications by OCBs.
x. Applications for an amount below the minimum application size.
xi. Submission of more than five ASBA Forms per ASBA Account.
xii. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals.
xiii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
xiv. Applications accompanied by Stock invest/cheque/ money order/ postal order/ cash.
xv. If an authorisation to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
xvi. Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository).
xvii. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
xviii. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
xix. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
xx. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained.
xxi. Application Forms submitted to the Lead Broker or Trading Members of the Stock Exchanges or Designated Branches of the SCSBs does not bear the stamp of the relevant Lead Broker or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be.
xxii. Applications not having details of the ASBA Account to be blocked.
xxiii. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
xxiv. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
xxv. SCSB making an application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues.
xxvi. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law.
xxvii. Authorisation to the SCSB for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has been not provided.
xxviii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority.
xxix. Applications by any person outside India.
xxx. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements.
xxxi. Applications not uploaded on the online platform of the Stock Exchange.
xxxii. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable.
xxxiii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form.

xxxiv. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
xxxv. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories.
xxxvi. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number.
xxxvii. Applications submitted to the Lead Broker, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained.
xxxviii. Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form.
xxxix. Investor Category not ticked.
xl. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
xli. The UPI Mandate Request is not approved by the Retail Individual Investor.
xlii. Forms not uploaded on the electronic software of the Stock Exchange.

**Kindly note that Applications submitted to the Lead Broker, or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Broker, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalisation of the basis of allotment, please refer to "Issue Procedure" on page 189 of this Prospectus.

**BASIS OF ALLOTMENT**

**Basis of Allotment for NCDs**

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the basis of allocation.

**Allocation Ratio**

**The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:**

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

(a) Applications received from Category I applicants: Applications received from Category I, shall be grouped together, ("**Institutional Portion**");

(b) Applications received from Category II applicants: Applications received from Category II, shall be grouped together, ("**Non-Institutional Portion**");

(c) Applications received from Category III applicants: Applications received from Category III, shall be grouped together, ("**High Net-worth Individual**" / **("HNIs")**;

(d) Applications received from Category IV applicants: Applications received from Category IV, shall be grouped together, ("**Retail Individual Portion**").

For removal of doubt, "Institutional Portion", "Non-Institutional Portion", "HNIs" and "Retail Individual Portion" are individually referred to as "Portion" and collectively referred to as "Portions".

**Basis of Allotment for NCDs**

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 25% of overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Lead Managers and their respective affiliates/SCSB (Designated Branch or online acknowledgement));
(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 25% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));
(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 25% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));
(iv) Applicants belonging to the Category IV, in the first instance, will be allocated NCDs up to 25% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e., a first-come first-serve basis, based on the date of upload of each Application in to the electronic book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

(a) Under Subscription:
Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:

i. Resident Indian individuals
ii. Hindu undivided families through the Karta
iii. Institutional Portion
iv. Non-Institutional Portion
v. on a first come first serve basis.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

For each Portion, all Applications uploaded into the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion, respectively.

Minimum allotment of 10 NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

(b) Allotments in case of oversubscription:

In case of an oversubscription, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchanges website at www.bseindia.com and www.nseindia.com for details in respect of subscription.

(c) Proportionate Allotments: For each Portion, on the date of oversubscription:

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;
iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner; and

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue Size shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of the Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

**Retention of oversubscription**

Our Company shall have an option to retain over-subscription up to of up to ₹ 5,000 lakhs.

**Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications**

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

**ISSUANCE OF ALLOTMENT ADVICE**

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date; provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

**OTHER INFORMATION**

**Withdrawal of Applications during the Issue Period**

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite. In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

**Withdrawal of Applications after the Issue Period**

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

**Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Broker / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Broker, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

**Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

i. Tripartite agreement dated March 20, 2019 among our Company, the Registrar and CDSL and tripartite agreement dated March 20, 2019 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
vii. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
viii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialised form only.

Please also refer to "Issue Procedure" on page 189 of this Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

**Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Managers, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, or credit of NCDs in the respective beneficiary accounts, as the case may be.

**Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

**Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

**Undertaking by the Issuer**

Statement by the Board:

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilised and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilised indicating the purpose for which such monies have been utilised, and the securities or other forms of financial assets in which such unutilised monies have been invested;
(e) Undertaking by our Company for execution of Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deeds within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;
(f) We shall utilise the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Prospectus, on receipt of the minimum subscription of 75% of the Base Issue Size and receipt of listing and trading approval from the Stock Exchange.
(g) The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other

acquisition, inter alia by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.

(h) Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Other Undertakings by our Company

Our Company undertakes that:

a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;
b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
d) Funds required for dispatch of refund orders/Allotment Advice will be made available by our Company to the Registrar to the Issue;
e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Prospectus and the Prospectus.
g) Our Company shall make necessary disclosures/reporting under any other legal and regulatory requirement as may be required by our Company from time to time.
h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.
i) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;
j) We shall create a recovery expense fund in the manner as maybe specified by SEBI from time to time and inform the Debenture Trustee about the same;
k) We undertake that the assets on which charge is created, are free from any encumbrances.

**Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*"Any person who:*
*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

**Listing**

The NCDs offered through this Prospectus are proposed to be listed on NSE and BSE. Our Company has received an 'in-principle' approval from NSE by way of its letter bearing reference number NSE/LIST/D/2022/0109 dated August 23, 2022 and BSE by way of its letter bearing reference number DCS/BM/PI-BOND/010/22-23 dated August 23, 2022. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the stock exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days of the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

**Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Company has in the meeting of the Investment and Borrowing Committee of our Company held on July 27, 2022 approved the public issue of rated, secured, senior, listed, transferable, redeemable NCDs of face value of ₹ 1,000 each for an amount up to ₹ 5,000 lakhs with an option to retain over-subscription of up to ₹ 5,000 lakhs, aggregating up to ₹ 10,000 lakhs

Pursuant to the resolution passed by the shareholders of our Company under Section 180(1)(c) of the Companies Act, 2013, at the AGM held on August 12, 2022, the Board has been authorised to borrow any sum or sums of money, from time to time, as it may deem necessary, provided that the total monies borrowed and outstanding at any time for the principal amounts of the loans borrowed (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 6,00,000 lakhs.

### Prohibition by SEBI / Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which is has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months.

Our Company, as on date of this Prospectus, has not defaulted in:
a. the repayment of deposits or interest payable thereon;
b. redemption of preference shares; or
c. redemption of debt securities and interest payable thereon;
d. payment of dividend to any shareholder; or
e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Prospectus.

### Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government / regulatory authority and/or by any bank or financial institution. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

### Disclaimer Clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED AND TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES)**

**REGULATIONS, 2021. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED AND TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 26, 2022, WHICH READS AS FOLLOWS:**

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

5. **WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS HOSTED ON THE WEBSITE OF BSE AND NSE (DESIGNATED STOCK EXCHANGE).**

**Disclaimer Clause of NSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/D/2022/0109 DATED AUGUST 23, 2022 GIVEN PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.**

**EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.**

**Disclaimer Clause of BSE**

**BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED AUGUST 23, 2022 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

B. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

C. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

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website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité 's rating scale and its definitions.

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**Disclaimer statement from the Issuer**

**THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

**Disclaimer statement from the Lead Managers**

**THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

**Disclaimer in Respect of Jurisdiction**

**THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS**.

**Undertaking by the Issuer**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 13 OF THE PROSPECTUS.**

**OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES. OUR COMPANY DECLARES THAT NOTHING IN THE PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER**.

**Disclosures in accordance with the SEBI Due Diligence Circular**

**Debenture Trustee Agreement**

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

a) The Debenture Trustee has agreed for a lumpsum fee amounting to ₹ 1,00,000 (plus the applicable GST) and annual charges of ₹ 1,50,000 (plus the applicable GST) for the services as agreed in terms of the letter dated August 10, 2022.

b) The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee;

c) Our Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by our Company or any other person, are registered / disclosed;

d) The Debenture Trustee shall have the power to either independently appoint, or direct our Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company;

e) Our Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;

f) Our Company has agreed that the Issue proceeds shall be kept in the public issue account with a scheduled commercial bank and shall not be utilised by the Company until the Debenture Trust Deed and the relevant security documents are executed and until the listing and trading approval in respect of the NCDs is obtained by our Company; and

g) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

**Terms of carrying out due diligence**

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our Company has consented to.

a) The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, have been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors / valuers / consultants / lawyers / technical experts / management consultants appointed by the Debenture Trustee.

b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

e) The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

**Process of Due Diligence to be carried out by the Debenture Trustee**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

**Other confirmations**

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i)

"Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

**IDBI TRUSTEESHIP SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED AUGUST 12, 2022, AS PER THE FORMAT SPECIFIED IN ANNEXURE A OF SEBI DUE DILIGENCE CIRCULAR WHICH READS AS FOLLOWS:**

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**
   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

   C. **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**

   D. **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

   E. **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM.**

   F. **ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

   G. **ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

**WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.**

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the SEBI Due Diligence Circular.

Our Company and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Company, as per SEBI NCS Regulations applicable for the proposed NCD Issue.

**Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites of the Lead Managers:

| Name of Merchant Banker | Website / URL |
|---|---|
| Sundae Capital Advisors Private Limited | https://www.sundaecapital.com/track-record/ |
| Tipsons Consultancy Services Private Limited | www.tipsons.com |

**Listing**

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE and NSE. An application will be made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 6 Working Days from the date of closure of the Issue. For the avoidance of doubt, it is hereby clarified that in the event of under subscription such NCDs shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

**Consents**

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Bankers to the Issue, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) Chief Financial Officer, (j) Public Issue Account Bank and/or Sponsor Bank, (k) Refund Bank, Lead Broker, and (l) lenders have been or will be duly obtained from them and the same will be filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus with the Stock Exchanges.

Our Company has received written consent dated August 12, 2022 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with the SEBI NCS Regulations, in this Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors, and in respect of their in respect of their auditors' reports, dated August 12, 2022 on our Reformatted Financial Information and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee under Regulation 8 of the SEBI NCS Regulations. The Debenture Trustee has given its consent to our Company for its appointment as Debenture Trustee to the Issue, pursuant to the SEBI NCS Regulations and for its name to be included in this Prospectus, and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed as Annexure IV.

**Expert Opinion**

Except the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Our Company has received written consent from Acuite Ratings & Research Limited, to include the credit rating and rationale letter, dated May 19, 2022, and CRISIL Ratings Limited dated May 26, 2022, in respect of the credit ratings issued for the NCDs to be issued pursuant to this Issue which furnishes the rationale for its ratings.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of the Prospectus with the Registrar of Companies.

**Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

**Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight working days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

**Filing of the Draft Prospectus**

The Draft Prospectus was filed with the Stock Exchanges in terms of SEBI NCS Regulations for dissemination on their website. The Draft Prospectus was displayed on the website of the Company and the Lead Managers.

**Filing of the Prospectus with the RoC**

Our Company is eligible to file the Prospectus as per requirements of Regulation 41(1)(c) of SEBI NCS Regulations. A copy of the Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

**Debenture Redemption Reserve**

In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, any non banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;

2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

**Recovery Expense Fund**

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at the International Securities Identification Number level assigned to the NCDs issued under the Issue.

**Underwriting**

This Issue shall not be underwritten.

**Change in Auditors of our Company during the last three years**

| Name of the Auditor | Address | Date of Appointment | Date of cessation, if applicable | Date of Resignation, if applicable |
|---|---|---|---|---|
| M/s M S K A & Associates, Chartered Accountants | 602, Floor 6, Raheja Titanium Western Express Highway, Geetanjali Railway Colony, Ram Nagar Goregaon (East), Mumbai - 400 063 | August 12, 2020 | - | - |
| M/s Deloitte Haskins & Sells LLP | One International Centre, Tower 3, 27th -32nd Floor, Senapati Bapat Marg, Elphinstone Mills Compound, Elphinstone (W), Mumbai – 400 013 | July 03, 2018 | - | August 12, 2020 |
| B. M. Gattani & Co. Chartered Accountants | B/702, Om Sai Shravan, New Link Road, Borivali West, Mumbai - 400 092 | - | - | July 03, 2018 |

**Issue Related Expenses**

The expenses of this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Lead Broker, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. The estimated break-up of the total expenses shall be as specified in the Prospectus. For further details see, "Objects of the Issue" on page 47 of this Prospectus.

**Revaluation of Assets**

Our Company has not revalued its loan assets in the last five Financial Years.

**Reservation**

No portion of this Issue has been reserved.

**Utilisation of Proceeds**

Our Board of Directors certifies that:

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

3. Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

4. Details of all unutilised monies out of issue of NCDs, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our Balance Sheet till the time any part of the proceeds of the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;

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

6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Prospectus in "Issue Structure" on page 156 of this Prospectus;

7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

**Public issue of Equity Shares**

Our Company has not made any public issue of Equity Shares in the last five years.

**Previous Issue(s)**

Pursuant to the Prospectus dated October 29, 2021, our Company issued 5,00,000 rated, secured, senior, listed, transferable, redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 5,000 lakhs by way of public issue which opened on November 08, 2021 and closed on November 10, 2021.

Further, pursuant to the Prospectus dated March 30, 2022, our Company issued 7,22,155 rated, secured, senior, listed, transferable, redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 7,221.55 lakhs by way of public issue which opened on April 07, 2022 and closed on April 28, 2022.

**Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue**

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

**Details regarding the Company, its Subsidiaries and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years**

There are no Subsidiaries and/or other listed companies under the same management or associate companies as described under the Companies Act, 2013, which have made any capital issuances during the previous three years from the date of this Prospectus.

**Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years**

Nil

**Utilisation of proceeds by our Group Companies**

Our Company does not have any Group Companies.

**Details regarding lending out of Issue proceeds of Previous Issues**

**A. Lending Policy**

Please see "Our Business" at page 73 of this Prospectus.

**B. Utilisation of Issue Proceeds of the previous issue by our Company**

| Sr. No. | Particulars | Amount utilised (₹ in lakhs) |
|---|---|---|
| | **Issue Proceeds (for public issue of NCD which closed on April 28, 2022)** | 7,221.55 |
| | **Utilisation of Issue Proceeds** | |
| 1. | Onward Lending and for repayment of interest and principal of existing borrowings | 7,221.55 |
| 2. | Balance with Bank | Nil |
| | **Total** | 7,221.55 |

C. **Loans/advances to associates, entities/persons relating to Board, senior management or Promoter or group entities out of the proceeds of previous issues**:

Company has not provided any loans or advances to associates, entities or persons relating to the Board, senior management or Promoters out of the proceeds of the previous issue of debt securities.

D. **Types of loans**

Types of loans given by our Company as on March 31, 2022 are as follows:

| S. No. | Particulars | Amount (₹ in lakhs) | Percentage of AUM |
|---|---|---|---|
| 1 | Secured | 1,35,903.38 | 45.78% |
| 2 | Unsecured | 78,757.55 | 26.53% |
| 3 | Quasi Secured | 82,229.67 | 27.70% |
| | **Total** | **2,96,890.60** | **100.00%** |

Types of loans according to sectoral exposure as on March 31, 2022 is as follows:

| Particulars | Percentage of AUM |
|---|---|
| Auto Components | 3.33% |
| Chemicals | 5.70% |
| Education | 4.68% |
| Electrical Equipment | 7.72% |
| Food Processing | 12.08% |
| Healthcare | 5.50% |
| Hospitality | 3.59% |
| Light Engineering | 22.64% |
| Micro Enterprises | 20.27% |
| Others | 14.49% |
| **Total** | **100.00%** |

Denomination of loans outstanding by ticket size as on March 31, 2022 are as follows:

| S. No. | Ticket Size | Percentage of AUM |
|---|---|---|
| 1 | Up to INR 2 lakh | 1.17% |
| 2 | INR 2-5 Lakh | 5.55% |
| 3 | INR 5-10 Lakh | 8.09% |
| 4 | INR 10-25 Lakh | 22.32% |
| 5 | INR 25-50 Lakh | 21.04% |
| 6 | INR 50 Lakh - 1 crore | 9.98% |
| 7 | INR 1-5 crore | 28.57% |
| 8 | INR 5-25 crore | 3.27% |
| | Total | 100.00% |

Denomination of loans outstanding by LTV* as on March 31, 2022 are as follows:

| S. No. | LTV | Percentage of AUM |
|---|---|---|
| 1 | 0-40% | 19.94% |
| 2 | 40-50% | 14.31% |
| 3 | 50-60% | 18.63% |
| 4 | 60-70% | 23.67% |
| 5 | 70-80% | 17.96% |
| 6 | 80-90% | 4.29% |
| 7 | 90%+ | 1.19% |
| | Total | 100.00% |

** LTV at the time of origination.*

**Geographical classification of top 5 borrowers as on March 31, 2022 is as follows:**

| S. No. | Region | Percentage of AUM |
|---|---|---|
| 1 | Maharashtra | 15.40% |
| 2 | Tamil Nadu | 12.78% |
| 3 | Telangana | 11.46% |
| 4 | Karnataka | 11.44% |
| 5 | Delhi | 9.38% |
| 6 | Others | 39.54% |
| | Total | 100.00% |

**Residual Maturity Profile of Assets and Liabilities as on March 31, 2022 is as follows Amount**

**(₹ in lakhs)**

| Particulars | Upto 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 |
|---|---|---|---|---|---|---|---|---|---|
| **Advances** | 14,627.32 | 7,960.65 | 10,993.05 | 20,880.96 | 25,998.58 | 89,597.59 | 30,686.00 | 48,368.60 | 2,49,112.74 |
| **Investment** | | | | | 2,648.11 | - | 4,296.72 | - | 6,944.83 |
| **Borrowings** | 8,521.06 | 5,614.44 | 10,674.75 | 18,929.61 | 31,323.76 | 76,659.26 | 14,405.07 | 10,946.91 | 1,77,074.86 |
| **Foreign Currency Assets** | - | - | - | - | - | - | - | - | - |
| **Foreign Currency Liabilities** | - | - | - | - | - | 3,109.00 | - | - | 3,109.00 |

E. **Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2022**

| | Amount (₹ in lakhs) |
|---|---|
| Total Advances to twenty largest borrowers | 12,099.18 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 4.98% |

F. **Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022**

| | Amount (₹ in lakhs) |
|---|---|
| Total Exposures to twenty largest borrowers/Customers | 12,099.18 |
| Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers | 4.98% |

G. **Details of loans overdue and classified as non – performing assets in accordance with the RBI guidelines as at March 31, 2022**

| Movement of Gross NPA | Amount (₹ in lakhs) |
|---|---|
| Opening balance | 3,647.71 |
| Additions during the year | 4,671.57 |
| Reductions during the year | 2,678.13 |
| Closing balance | 5,641.15 |

| Movement of Net NPA | Amount (₹ in lakhs) |
|---|---|
| Opening balance | 2,297.45 |
| Additions during the year | 3,364.96 |
| Reductions during the year | 1,510.09 |
| Closing balance | 4,152.32 |

| Movement of provisions for NPA | Amount (₹ in lakhs) |
|---|---|
| Opening balance | 1,350.25 |
| Provisions made during the year | 242.63 |
| Write-off / write-back of excess provisions | 104.05 |
| Closing balance | 1,488.83 |

H. Segment –wise gross NPA as on March 31, 2022

| Sr. No. | Segment wise break up of Gross NPA | Gross NPA (%) |
|---|---|---|
| 1 | MSME | 2.11% |
| 2 | Corporate borrowers | 87.07% |

I. Concentration of Exposure and NPA as of March 31, 2022

| | | | Amount (₹ in lakhs) |
|---|---|---|---|
| **Particulars** | **FY 2022** | **FY 2021** | **FY 2020** |
| Exposure | 2,48,804.45 | 1,34,175.64 | 85,604.51 |
| Gross NPA | 5,641.15 | 3,647.69 | 817.76 |

J. Promoter Shareholding

Please refer to the chapter "Capital Structure" on page 40 of this Prospectus for details with respect to changes in Promoter shareholding in our Company during the last financial year beyond the threshold as specified by RBI.

**Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding**

As on June 30, 2022 our Company has listed rated/unrated, secured/unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details, please see "Financial Indebtedness" on page 122.

**Dividend**

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has not declared any dividend during the last three financial years.

**Mechanism for redressal of investor grievances**

The Registrar Agreement dated August 10, 2022, between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted.

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

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

The contact details of Registrar to the Issue are as follows:

**Link Intime India Private Limited**
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368
C-101, 247 Park, First Floor
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083, Maharashtra, India
Tel No: +91 22 4918 6200
Fax No +91 22 4918 6060
Email: ugrocapital.ncd3@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of this Issue are set out below:

**Ms. Namrata Sajnani**
**Company Secretary and Compliance Officer**
Equinox Business Park,
Tower 3, 4th Floor, LBS Road,
Kurla (W), Mumbai - 400 070
Maharashtra, India
Tel No: +91 -22 4182 1600
Email: cs@ugrocapital.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

**Reservations / Qualifications / Adverse Remarks or Emphasis of Matter by Auditors**

There are no reservations or qualifications or adverse remarks or emphasis of matter by the Statutory Auditors in the financial statements of our Company in the last three financial years immediately preceding this Prospectus.

**Pre-Issue Advertisement**
Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

**Caution**
Attention of the applicants is specifically drawn to the provision of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*
*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013*

**Name(s) of the stock exchange(s) where the debt securities or non- convertible redeemable preference shares are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s)**:

The NCDs offered through this Prospectus are proposed to be listed on the NSE and BSE. Our Company has obtained an 'in-principle' approval for the Issue from the NSE vide their letter bearing reference no. NSE/LIST/D/2022/0109 dated August 23, 2022 and BSE vide their letter bearing reference no. DCS/BM/PI-BOND/010/22-23 dated August 23, 2022. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

**If debt securities or non- convertible redeemable preference shares are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund, where applicable, is being/has been created as specified by the Board**:

For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed for taking appropriate legal action to enforce the security.

**The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued**: Nil

**Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:** Except as disclosed under Note No. 38 (a) of the Reformatted Financial Information, there are no contingent liabilities.

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

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

**Except as mentioned under the chapter "Capital Structure" on page 40 of this Prospectus, our Promoter and Promoter Group or Directors of our Company has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.**

## MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

**1.** Save as reproduced herein the regulations contained in "Table F" in the First Schedule to the Act shall not apply to the Company. Matters for which there is no provision in these Articles but is contained in Table F, the provisions of Table F shall apply only to that extent.

### INTERPRETATION

**2.** Unless the context otherwise requires words and expressions contained in these Articles shall bear the same meaning as in the Act as defined below in force at the date at which the Articles become binding on the Company.

(i) "The Company" or this Company means **U GRO Capital Limited.**

(ii) "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(iii) "AGM" means annual general meeting of the shareholders of the Company.

(iv) "Articles" means the articles of association of the Company from time to time.

(v) "Asset-Liability Committee" means the asset liability committee of the Board, constituted in accordance with this Articles.

(vi) "Audit Committee" means the audit committee of the Board, constituted in accordance with this Articles.

(vii) "Board" means the board of directors of the Company from time to time comprising each person appointed as a Director.

(viii) "Board Committees" means each committee of the Board constituted from time to time, including but not limited to, the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Asset - Liability Committee and any other such committee as may be constituted from time to time.

(ix) "Business day" means a day when the banks are open for business in Mumbai (India), but excluding Saturdays and Sundays.

(x) "Business plan" means the latest business plan adopted by the Board in accordance with this Articles from time to time.

(xi) "CEO" means Chief Executive Officer of the Company.

(xii) "CFO" means Chief Financial Officer of the Company.

(xiii) "CRO" means Chief Risk Officer of the Company.

(xiv) "Chairman of the Board" a person appointed pursuant to Paragraph 3.8 from time to time whose responsibilities are to conduct meetings of the Board and to oversee the functioning of the Board.

(xv) "Code" means the Corporate Governance Code adopted by the Board of Directors in the meeting of the Board held on December 31st , 2017.

(xvi) "Company Secretary" means the Company secretary of the Company.

(xvii) "Director" means each member of the Board, appointed as a director and holding such office, from time to time.

(xviii) "EGM" means extraordinary general meeting of the shareholders of the Company.

(xix) "Employees" means employees of the Company.

(xx) "Financial year" means period commencing from April 1 each year and ending on March 31 the next year or, subject to applicable law, such other period as may be determined by the Board to be the financial year for the Company.

(xxi) "Fully diluted basis" the total number of Shares of the Company assuming that all options, warrants and other securities convertible into or exercisable or exchangeable for Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged.

(xxii) "General meeting" an AGM or EGM held in accordance with this Articles, the Act and the Listing Regulations.

(xxiii) "Independent Director" means shall have the meaning ascribed to it under the Act.

*Adopted new set of Articles of Association of the Company in line with the Companies Act, 2013 and Corporate Governance Code vide special resolution passed on 07th May, 2018 through Postal Ballot.

(xxiv) "Internal auditor" means Internal Auditor of the Company, appointed in accordance with the Paragraph 7.2 of this Articles and Act.

(xxv) "Key Managerial Personnel" means key managerial personnel of the Company appointed in accordance with Paragraph 5 of this Articles.

(xxvi) "Large Shareholder" any shareholder of the Company holding at least 10% (ten percent) of the paid-up share capital of the Company on a Fully Diluted Basis, which securities were either subscribed by that shareholder consequent to an issuance of securities by way of a preferential allotment by the Company or were issued to such shareholder by the Company as consideration under a scheme of demerger approved by the National Company Law Tribunal directly involving the Company, (whether by itself or together with a "person acting in concert" with it as defined in the Takeover Regulations).

(xxvii) "Listing Regulation" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xxviii) "Management Team" means the Managing Director and the Key Managerial Personnel collectively

(xxix) "Managing Director" means the Managing Director of the Company.

(xxx) "Manual of Authority" means the manual of authority to be adopted in accordance with Paragraph 18 of this Articles.

(xxxi) "NBFC" non-banking financial company.

(xxxii) "Nomination and Remuneration Committee" nomination and remuneration committee of the Board, constituted in accordance with this Articles.

(xxxiii) "Promoters" means Promoters of the Company in accordance with the Act and the Listing Regulations.

(xxxiv) "Related Party" means shall have the meaning ascribed to it under the Act.

(xxxv) "Risk Management Committee" risk management committee of the Board, constituted in accordance with this Articles and under the Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 or any other direction which may be issued from time to time.

(xxxvi) "SEBI" Securities and Exchange Board of India.

(xxxvii) "Senior Employees" means any Employee having an annual compensation exceeding Rs. 1,00,00,000 (Rupees One Crore only).

(xxxviii) "Shares" equity shares of the Company having a face value of Rs. 10 (Rupees Ten only) per equity share.

(xxxix) "Stakeholders Relationship Committee" means stakeholder relationship committee of the Board, constituted in accordance with this Articles.

(xl) "Statutory Auditor" means the statutory auditor of the Company, appointed in accordance with Paragraph 7.1 of this Articles and the Act.

(xli) "Takeover Regulations" means SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (v) "Month" means Calendar month.

(xlii) "Votes" means all of the votes which are exercisable (by any person) in connection with the Shares at a General Meeting.

(xliii) "Whole time director" means a Director, other than the Managing Director, in the whole-time employment of the Company.

(xliv) Subject as aforesaid and except where the subject or context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Companies Act as in force at the date on which these regulations become binding on the Company.

## 3. BOARD OF DIRECTORS

3.1 Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do. The property, business and affairs of the Company shall be managed by the Board. The Board shall act in accordance with the Code, the Articles, provisions of the Act and applicable law.

3.2 The Board shall comprise of a maximum of 15 (fifteen) Directors, which would consist of majority of Independent Directors. All the Directors shall be appointed by the shareholders in a manner contemplated under Section 152 and other applicable provisions of the Act.

3.3 The Promoter shall have the right to appoint a nominee director on the Board.

3.4 Each Large Shareholder shall have the right to nominate a representative as nonexecutive director on the Board.

3.5 The CEO of the Company (if any) shall be appointed as a Whole-Time Director on a case by case basis.

3.6 There shall be at least 1 (one) woman Director on the Board.

3.7 At least 1 (one) of the Directors on the Board shall be an Indian national.

3.8 The Chairman of the Board shall be appointed on a case by case basis and shall not have a casting vote.

3.9 Each of the nominee directors appointed by the Large Shareholder shall have the right to be a member of any committees that may be constituted by the Board including but not limited to the Audit Committee, the Nomination and Remuneration Committee and the Asset-Liability Committee.

3.10 The First directors of the company shall be:
Mr. Ramakant R Chokhani
Mrs. Neelam R Chokhani

## 4. APPOINTMENT OF INDEPENDENT DIRECTORS

4.1 The Nomination and Remuneration Committee shall recommend 1 (one) candidate for each vacancy or anticipated vacancy for the position of an Independent Director on the Board. The Board shall resolve, subject to the procedures required under the Articles, whether to approve an appointment pursuant to such recommendation.

4.2 Further, an Independent Director who resigns or is removed from the Board shall be replaced by a new Independent Director by the Company at the earliest but not later than the immediate next meeting of the Board or 3 (three) months from the date of such vacancy, whichever is later.

4.3 An Independent Director shall not hold office for more than 2 (two) consecutive 5 (five) year terms. However, an Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director.

4.4 The Independent Directors shall hold at least 1 (one) meeting in a year, without the presence of non-Independent Directors and the Management Team, and all the Independent Directors shall strive to be present at such meeting.

4.5 The Independent Directors in the meeting referred in Paragraph 5.4 above shall, *inter alia:*
a) review the performance of non-Independent Directors and the Board as a whole;
b) review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive Directors;
c) assess the quality, quantity and timeliness of flow of information between the Management team and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4.6 The Independent Directors shall not be entitled to any stock option.

## 5. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

5.1 It shall be mandatory for the Company to have the following whole-time Key Managerial Personnel: (i) Managing Director; (ii) Company Secretary; (iii) CFO; and (iv) CRO, subject to the provisions of this Articles and the approval of the Board.

5.2 The Company may appoint a CEO, subject to the provisions of this Articles and approval of the Board, who shall also be a Key Managerial Personnel.

5.3 The Managing Director, CEO and the CFO shall provide a compliance certificate to the Board on a quarterly basis, certifying that:
a) They have reviewed financial statements and the cash flow statement for the year/ year till date and that to the best of their knowledge and belief:
(I) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
(II) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year/ year till date which are fraudulent, illegal or violative of the Company's code of conduct;

c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or

operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;

d) They have indicated to the auditors and the Audit Committee:
   (I) significant changes in internal control over financial reporting during the year/ year till date;
   (II) significant changes in accounting policies during the year/ year till date and that the same have been disclosed in the notes to the financial statements;
   (III) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and
   (IV) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

5.4 The Company shall not appoint or re-appoint any person as its Managing Director, Whole-time Director or CEO for a term exceeding 5 (five) years at a time. Additionally, no re-appointment shall be made earlier than 1 (one) year before the expiry of the term of such Managing Director, Whole-time Director or CEO.

5.5 The appointment and replacement of, the terms and conditions for the appointment of, and the remuneration payable to, the Managing Director and CEO shall be subject to approval by the Board and the shareholders at the next General Meeting in accordance with this Articles.

5.6 The Company Secretary shall act as the secretary to all the Board Committees.

## 6. APPOINTMENT OF COMPLIANCE OFFICER

6.1 The Board shall appoint the Company Secretary or any other suitably qualified Employee as the Compliance Officer of the Company.

6.2 Additionally, the Board shall appoint a suitably qualified Senior Employee of the Company as an Additional Compliance Officer of the Company.

6.3 The Compliance Officer of the Company shall be responsible for:

a) ensuring conformity with the regulatory provisions applicable to the Company in letter and spirit and periodically notifying the shareholders of the Company if any lapse is identified (whether internally or by the Statutory Auditor of the Company);
b) co-ordination with and reporting to SEBI, recognized stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in a manner as specified from time to time;
c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under applicable SEBI regulations; and
d) monitoring the email address of the grievance redressal division as designated by the Company for the purpose of registering complaints by investors.

6.4 The Additional Compliance Officer of the Company shall be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank of India and other concerned statutory and governmental authorities.

## 7. APPOINTMENT OF STATUTORY AUDITOR AND INTERNAL AUDITOR

7.1 The Board shall appoint a Statutory Auditor having with good reputation, and as per requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time. Pursuant to approval of the Board, the appointment of the Statutory Auditor will need be approved by the shareholders in accordance with provisions of the Companies Act, 2013 and rules made thereunder.

7.2 In the event internal audit department needs assistance in conducting and carrying out the internal audit, an external firm will be appointed with appropriate skills and reputation by the Board of Directors to support the internal audit department. Any such appointment shall be in line with the requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time.

7.3 The term of the Statutory Auditor and the Internal Auditor shall be as per provisions of Companies Act, 2013 and rules made thereunder, and/or as per the requirements laid down by the Reserve Bank of India, from time to time.

7.4 The Company shall procure the rotation of the partners of the audit firm appointed as the Statutory Auditor or the Internal Auditor as may be prescribed by Reserve Bank of India or Ministry of Corporate Affairs from time to time.

7.5 The Company shall procure the rotation of the partners of the audit firm appointed as the Statutory Auditor or the internal auditor every 3 (three) years so that the same partner shall not conduct the audit of the Company continuously for more than a period of 3 (three) years.

## 8. NOMINATION AND REMUNERATION COMMITTEE

8.1 Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee shall include the following:

a) formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;
b) formulation of criteria for evaluation of the performance of Independent Directors and the Board;
c) devising a policy on diversity of the Board;

* Altered and substituted vide special resolution in the Annual General Meeting of the Company on 18th September 2019

d) identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee, and recommending to the Board their appointment and removal;
e) whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
f) formulating any employee stock option plan or sweat equity plan.

**8.2 Constitution of the Nomination and Remuneration Committee**

8.2.1 The Board shall constitute the Nomination and Remuneration Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members shall be Independent Directors. In addition to the requirements specified under the Act and the Articles, matters relating to appointment of Independent Directors and remuneration of Key Managerial Personnel would require the positive vote of a majority of non-Independent Directors.

8.2.2 The chairman of the Nomination and Remuneration Committee shall be an Independent Director elected by the members of the Nomination and Remuneration Committee present at a duly convened committee meeting.

8.2.3 The quorum for a meeting of the Nomination and Remuneration Committee shall require the presence of three-fourths of the members of the Nomination and Remuneration Committee. Every resolution of this committee shall require the vote of at least three-fourths of the members of the Nomination and Remuneration Committee present and voting.

8.2.4 The Chairman of the Nomination and Remuneration Committee may be present at the AGM to answer any questions raised by the shareholders; however, it shall be up to the Chairman to decide who shall answer the questions raised by shareholders.

## 9. STAKEHOLDERS RELATIONSHIP COMMITTEE

9.1 Role of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

9.2 Constitution of the Stakeholders Relationship Committee

9.2.1 The Board shall constitute a Stakeholders Relationship Committee to consider and resolve the matters specified in Paragraph 9.1 above.

9.2.2 The chairman of this Stakeholders Relationship Committee shall be a nonexecutive Director and will be elected by the members of the Stakeholders Relationship Committee present at the meeting; and

9.2.3 The Board shall decide other members of the Stakeholders Relationship Committee in a manner contemplated under the Articles.

## 10. RISK MANAGEMENT COMMITTEE

**10.1 Role of the Risk Management Committee**

The Board shall define the role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/ amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

10.2 Constitution of the Risk Management Committee

10.2.1 The Board shall constitute a Risk Management Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members of such committee shall be Independent Directors. If a CEO and/ or any Whole-time Director has been appointed, then the Risk Management Committee may choose to include such CEO and/ or Whole-time Director as additional members of the Risk Management Committee, on a case by case basis.

10.2.2 The chairman of the Risk Management Committee shall be an Independent Director who will be elected by the members of the Risk Management Committee present at a duly convened committee meeting. The Risk Management Committee may invite the CRO to its meetings and otherwise consult with the CRO as it sees appropriate. The Risk Management Committee may invite other members of the Management Team of the Company and shall invite each of the Directors appointed by the Large Shareholders, to participate in discussions of the Risk Management Committee.

10.2.3 The quorum for a meeting of the Risk Management Committee shall require the presence of three-fourths of the members of the Risk Management Committee. Every resolution of this committee shall be passed with a vote of at least three- fourths of the members of the Risk Management Committee present and voting.

## 11. ASSET - LIABILITY COMMITTEE

11.1 Role of the Asset - Liability Committee:

11.1.1 The Asset - Liability Committee shall be a decision-making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Board shall have to decide on the role of the Asset - Liability Committee, its responsibilities as also the decisions to be taken by it. The business and risk management strategy of the Company shall ensure that the Company operates within the limits/ parameters prescribed by SEBI and the Reserve Bank of India.

11.1.2 Successful implementation of the risk management process shall require strong commitment on the part of the senior management in the Company, to integrate basic operations and strategic decision making with risk management. The Board shall have overall responsibility for management of risks and shall decide the risk management policy of the Company and set limits for liquidity, interest rate and equity price risks.

11.1.3 The Asset - Liability Committee shall be responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

11.1.4 Within 3 (three) months from the approval of this Articles, the Asset - Liability Committee shall formulate a policy for disbursal of loans including clear and identified guidelines and thresholds for granting of loans, disbursal of such loans (single asset, group exposure, guidelines for acceptance and rejection of proposals), and/or granting of commission to direct sales agents of the Company.

11.1.5 The business issues that the Asset - Liability Committee shall consider, *inter alia,* shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/ products, etc.

11.1.6 Any loan disbursed by the Company (i) exceeding 1% (one percent) of the net worth of the Company (or such enhanced threshold as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement); or (ii) to a Related Party of the Company or any of the Key Managerial Personnel, shall require the unanimous approval of the Asset - Liability Committee and be subject to the approval of the Board.

11.1.7 In addition to monitoring the risk levels of the Company, the Asset - Liability Committee shall review the results of and progress in implementation of the decisions made in the previous meetings of the committee.

11.1.8 The Asset - Liability Committee shall also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view.

11.1.9 In respect of the funding policy, for instance, its responsibility shall be to decide on source and mix of liabilities or sale of assets. Towards this end, it will have to develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s floating rate funds, wholesale v/s retail deposits, money market v/s capital market funding, domestic v/s foreign currency funding, etc.

11.2 Constitution of the Asset - Liability Committee:

11.2.1 The Board shall constitute the Asset-Liability Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members shall be Independent Directors. To ensure commitment of the Management Team and timely response to market dynamics, the Managing Director shall be the chairman of the Asset - Liability Committee and the CRO shall be a permanent invitee to the meetings of the Asset-Liability Committee.

11.2.2 The Asset-Liability Committee may invite other members of the Management Team to attend and participate in discussions of the Asset-Liability Committee.

11.2.3 The number of members of the Asset - Liability Committee shall depend on the size of the Company, the business mix and the organizational complexity.

11.2.4 The Asset-Liability Committee may have sub-committees and support groups which shall be constituted by the Asset-Liability Committee.

11.3 Meetings of the Asset - Liability Committee

The Board shall have to decide the frequency of holding meetings of the Asset - Liability Committee. The quorum for a meeting of the Asset - Liability Committee shall require the presence of three-fourths of the members of the Asset - Liability Committee. Every resolution of this committee shall be passed with a vote of at least three-fourths of the members of the Asset - Liability Committee in attendance. The chairman of the Asset - Liability Committee will be elected by the members of the Asset - Liability Committee present at a duly convened committee meeting.

## 12. AUDIT COMMITTEE

12.1 Role of the Audit Committee

12.1.1 to ensure that an information system audit of the internal systems and processes of the Company is conducted at least once in 2 (two) years to assess the operational risks faced by the Company;

12.1.2 oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

12.1.3 recommendation for appointment, remuneration and terms of appointment of auditors of

12.1.4 approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the Statutory Auditor and Internal Auditor, respectively;

12.1.5 reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) matters required to be included in the director's responsibility statement to be included in the Board's report;
b) changes, if any, in accounting policies and practices and reasons for the same;
c) major accounting entries involving estimates based on the exercise of judgment by the Management Team;

d) significant adjustments made in the financial statements arising out of audit findings;
e) compliance with listing and other legal requirements relating to financial statements;
f) disclosure of any Related Party transactions; and
g) modified opinion(s) in the draft audit report.

12.1.6 reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approva

12.1.7 reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the

utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

12.1.8 reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

12.1.9 approval or any subsequent modification of transactions of the Company with Related Parties;

12.1.10 scrutiny of inter-corporate loans and investments;

12.1.11 valuation of undertakings or assets of the Company, wherever it is necessary;

12.1.12 evaluation of internal financial controls and risk management systems;

12.1.13 reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12.1.14 reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

12.1.15 discussion with internal auditors of any significant findings and following up there on;

12.1.16 reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

12.1.17 discussion with the Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

12.1.18 to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

12.1.19 to review the functioning of the whistle blower mechanism;

12.1.20 approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

12.1.21 to review the IT security/ data integrity/ data security policies and processes of the Company;

12.1.22 carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

12.1.23 the Audit Committee shall mandatorily review the following information:

a) management discussion and analysis of financial condition and results of operations;
b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;
c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;
d) internal audit reports relating to internal control weaknesses;
e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
f) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
g) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

12.1.24 The Company shall establish a vigil mechanism for Directors and Employees to report genuine concerns. If any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the other members on the Audit Committee shall deal with the matter in hand.

12.1.25 The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or

exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

12.2 **Constitution of the Audit Committee**

12.2.1 The Board shall constitute a qualified and independent Audit Committee which shall have a minimum of 3 (three) Directors with at least two-thirds of the members of the Audit Committee being Independent Directors.

12.2.2 All members of the Audit Committee shall be financially literate1 and at least 2 (two) members shall have accounting or related financial management expertise.

12.2.3 The chairman of the Audit Committee shall be an Independent Director who will be elected by the members of the Audit Committee present at the committee meeting. The chairman of the Audit Committee shall be present at the AGM to answer queries from the shareholders of the Company.

12.3 **Powers of the Audit Committee**

12.3.1 The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any Employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

12.3.2 The Statutory Auditor and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

12.4 **Meetings of the Audit Committee**

12.4.1 The Audit Committee shall meet at least 4 (four) times in a year and not more than 120 (one hundred and twenty) days shall elapse between 2 (two) meetings.

12.4.2 The quorum for an Audit Committee meeting shall either be 3 (three) members or three-fourths of the members of the Audit Committee, whichever is greater, with at least 2 (two) Independent Directors. Every resolution of the Audit Committee shall be passed with a vote of at least three-fourths of the members of the Audit Committee in attendance.

## 13. GRIEVANCE REDRESSAL MECHANISM

13.1 The Company shall ensure that adequate steps are taken for expeditious redressal of investor complaints.

13.2 The Company shall ensure that it is registered on the SCORES platform or such other electronic platform or system of SEBI as shall be mandated from time to time, in order to handle investor complaints electronically in the manner specified by SEBI.

13.3 The Company shall file with the recognized stock exchange(s) on a quarterly basis, within 21 (twenty one) days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The said statement shall be placed, on a quarterly basis, before the Board.

## 14. MEETINGS OF THE BOARD

14.1 The Board shall hold regular meetings at the registered office of the Company, or such other location as is agreed by a majority of the Board, at least once in every 3 (three) months, and at least 4 (four) such meetings shall be held in every calendar year. The date of the next Board meeting shall be confirmed at the previous Board meeting. A meeting of the Board may be called by any Director, and the Company Secretary shall, upon requisition by a Director convene the same in accordance with this Paragraph 14.

14.2 The notice for any Board meeting and meeting of any Board Committees shall be sent to the Directors at least 15 (fifteen) Business Days prior to the meeting together with the agenda; provided however, that any Board meeting may be held by providing shorter notice if consent to such Board Meeting is given in writing or by electronic mode by all the Directors entitled to vote at such meeting. Such notice shall also contain all the relevant documents and supporting information for the same.

14.3 A Board meeting may be called at shorter notice to transact urgent business subject to the condition that at least 1 (one) Independent Director shall be present at the meeting and that the decisions taken at such a meeting shall be circulated to all the Directors and shall be final only upon ratification by at least by 2 (two) Large Shareholder nominee Directors. Further, no business shall be transacted at any Board meeting duly convened and held other than that specified in the agenda.

14.4 The quorum for a meeting of the Board shall require the presence of at least 9 (nine) Directors, or a higher number of Directors, as prescribed under the Act, including the presence of at least half of the total nominee directors appointed by the Large Shareholders.

14.5 Each Director (an **"Original Director")** shall be entitled to nominate an alternate director **("Alternate Director")** in his/ her place and such Alternate Director shall serve in the absence of the Original Director in accordance with the provisions of the Act. No person shall be appointed as an Alternate Director for an Independent Director unless such a person is qualified to be appointed as an Independent Director.

14.6 Any appointment of an individual as an Alternate Director shall be done in accordance with Section 161 of the Act and shall take place as the first item of business at the Board meeting following receipt by the Company of such nomination. Upon the appointment of an Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director (including in relation to meetings of Board Committees) and generally to perform all functions of the Original Director in his absence.

14.7 Subject to the provisions of Paragraph 14.10 below and provisions of the Act, a decision made and/ or a resolution passed at a meeting of the Board shall be valid, only if passed at a validly constituted meeting, and such decisions/ resolutions are approved of by the majority of the Directors present and voting at such meeting of the Board.

14.8 A Director may attend a Board meeting through video conferencing or other audio visual means in accordance with the provisions under the Act and rules, circulars, notifications, guidelines, clarifications etc. issued thereunder.

14.9 A written resolution circulated in draft along with the necessary papers to all the Directors by email who are then members of the Board or a Board Committee shall be valid and effective only if approved by the requisite majority as prescribed for such matters under the Articles, as if decision on such matters were taken at a duly convened meeting of the Board or Board Committee.

14.10 Notwithstanding anything to the contrary in this Articles, the Board shall not make decisions or undertake any actions in relation to the following matters, unless at least three-fourths of the Directors (present and voting at a duly convened Board meeting) vote in favour of such matter:

a) authorize or make any change in the issued, subscribed or paid-up share capital of the Company;
b) issue any Shares or other securities having structural or legal or preference over or ranking senior to (or *pari passu* with) the Shares with respect to any matter, including without limitation, dividend rights, voting rights or liquidation preference, either as a public offering or private sale or issue of any Shares or other securities of the Company;
c) reorganize the share capital of the Company, by way of fresh issuance of Shares or any securities or by redemption, retirement or repurchase/ buyback of any shares or securities;
d) issue of employee stock options or granting of similar benefits;
e) issue convertible debentures or warrants or grant any options over its shares or any stock splits or consolidation of its share capital;
f) make any changes (directly or indirectly) in class rights for Shares or share equivalents;
g) directly or indirectly declare, authorize or pay any dividend or make any distribution in relation to any Shares or share equivalents of the Company;
h) adopt, approve any new business plan in relation to the Company or any part of it or amend the Business Plan, in any material manner;
i) adopt or approve the annual budget in relation to the Company or any part of it or amend the annual budget of the Company;
j) adopt, amend or repeal any provision in the Company's constitutional documents;
k) amend or repeal or authorize any amendment or other action in respect of this Articles and/ or the Manual of Authority;
l) amend or repeal or authorize any amendment or other action in relation to the powers of the members of the Management Team, the terms of the appointment letter of the members of the Management Team, or the appointment or removal of members of the Management Team;
m) enter into derivative contracts of any kind;

n) mergers, demergers, spin-offs, amalgamations, consolidations or any other similar form of corporate restructuring of the Company and/or its subsidiary;
o) authorize or incur any financial indebtedness of the Company which is in excess of the limits set from time to time by the Asset Liability Committee with the approval of the Board;
p) authorize or incur any financial indebtedness of the Company which results in the debt/ equity of the Company exceeding 5x levels or such other limit as may be approved by the Board in its review every 2 (two) years, with at least two-thirds of the Directors present voting in favour of such enhancement;
q) incur any single item of capital or revenue expenditure by the Company (including acquiring a business or asset) greater than Rs. 10,00,00,000 (Rupees Ten Crores only);
r) authorize or undertake any arrangement for the disposal by the Company of any assets not in the ordinary course of business;
s) approve the agenda for the General Meeting;
t) give or renew security for, or the guaranteeing of financial indebtedness of the Company or any third parties, or creating any encumbrance on the assets of the Company and/ or the subsidiary;
u) divest or sell capital assets (including but not limited to a transfer, surrender, lease or exchange) by the Company, other than inter-se transfers between the Company and its subsidiary, acquisition of assets under business transfer/ slump sale agreements or businesses, creation of joint ventures/ partnerships/ subsidiaries, or any other investments or entering into any such combination with any Person;
v) appoint, remove or replace any Statutory Auditor;
w) amend, extend or add to any Key Management Personnel and Senior Employees incentive arrangements;
x) enter into an agreement or arrangement between the Company and (i) any member of the Company, (ii) Key Managerial Personnel and (iii) any Related Party to any such member or Key Managerial Personnel;
y) incorporate any subsidiary or close down, wind up or liquidate the Company or any subsidiary of the Company;
z) acquire the whole or any part of any other business or undertaking (other than the purchase of supplies and stock in the ordinary course of business) or acquire any shares or any option over shares in the capital of any company;
(aa) constitute a Board Committee and finalizing the role and responsibilities of such Board Committee including the committees constituted under this Articles;
(bb) formulate, adopt or amend the terms of the Manual of Authority or any policy constituted under this Articles including, but not limited to, the policies referred to in Paragraphs 20.8 and 20.9;
(cc) approve any expense (i) of Key Managerial Personnel and Senior Employees (above an agreed threshold); (ii) of an amount exceeding Rs. 10,00,00,000 (Rupees Ten Crores Only); (iii) resulting in a deviation from the annual budget of the Company by more than 10% (ten percent) (or such enhanced deviation as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement);
(dd) make any treasury or other investments by the Company;
(ee) withdrawal of authority to members of the Management Team;
(ff) make any material change in the nature of the Company's business;
(gg) disposal of all or substantially all of the assets of the Company; and
(hh) any change to the listing status of the Company's Shares.

However, no Director shall vote on matters specified above, in which such a Director is interested. An interested Director shall mean a Director who in any way, whether by himself or through any of his relatives or any firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, is interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company.

## 15. SHAREHOLDER MEETING

15.1 The Company shall hold at least 1 (one) General Meeting in any given calendar year. The AGM shall be held in each calendar year within 6 (six) months following the end of the previous Financial Year of the Company. All General Meetings other than the AGM shall be EGMs. All General Meetings shall be governed by the Act and the Articles.

15.2 The prior written notice of at least 21 (twenty one) Business Days for a General Meeting shall be given to all shareholders of the Company either in writing or through electronic mode; provided however, that any General Meeting may be held on shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety five percent) of the members entitled to vote at such meeting. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such General Meeting. Every notice shall specify the place, date and hour of the General Meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereat and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section

102 (statement to be annexed to notice) of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice.

15.3 The following matters shall require the approval of two-thirds of the Votes cast in a General Meeting:
(a) all matters in relation to a takeover of a company or acquiring a controlling or substantial stake in another company or purchase of the whole or substantially the whole of the undertaking of another company;
(b) appointment or removal of Independent Directors; and
(c) any matter referred to in Paragraph 15.10 and such other matters as the Board may resolve from time to time that requires the approval of two- thirds of the Votes cast at a General Meeting.

15.4 All special resolution items as per the Act shall require the approval of three- fourths of the Votes cast in a General Meeting.

## 16. FLOW OF AUTHORITY AND MANAGEMENT TEAM

16.1 In accordance with the Articles and this Articles, the Board may delegate certain powers of management to the Management Team led by the Managing Director.

16.2 The members of the Management Team (other than the Managing Director) shall be appointed and removed by the Managing Director, provided always that the Managing Director shall not appoint any candidate to the role of CFO unless such candidate shall have been approved by the Audit Committee.

16.3 The Nomination and Remuneration Committee shall have oversight over the Management Team.

16.4 The flow of authority with respect to the operations of the Company is set out in Paragraph 18 below.

16.5 The Managing Director shall report to the Board, and all officers of the Company including the other members of the Management Team shall report to the Managing Director.

16.6 The powers of the Managing Director shall be as set out in this Articles (approved by the Board in accordance with the Articles). The Managing Director shall also be held accountable for due compliance of the provisions of this Articles. He shall be held responsible and accountable for any deviations from the provisions of this Articles and the Manual of Authority and any such breaches shall result in the termination of his appointment as Managing Director.

## 17. ROLES AND RESPONSIBILITY OF THE MANAGEMENT TEAM

17.1 **Managing Director**
The Managing Director will have primary responsibility for day to day operation of the Company's business and shall report to the Board.

17.2 **The CEO (if appointed) shall be responsible for running the day to day functioning of the Company, under the supervision of the Managing Director and the Board.**

17.3 **The CFO is responsible for all financial functions of the Company including:**
(a) treasury, which includes banking, investment, hedging activity, cash management etc. within the limits defined by the Manual of Authority (once adopted);
(b) financial accounting and reporting;
(c) financial planning and control;
(d) property (i.e. fixed assets of the Company); and
(e) investor relations.
However, in case the Company appoints a separate designated official(s) to discharge any of the above duties then such official shall be responsible to manage the said function under the directions of the Managing Director.

17.4 **The CRO is responsible for the following functions in relation to the Company and shall report to the Board:**
(a) manage the implementation of all aspects of the risk function, including implementation of processes, tools and systems to identify, assess, measure, manage, monitor and report risks;
(b) provide an annual compliance certificate to the Board regarding the risk management practices, write off policies, credit disbursal mechanisms of the Company;
(c) assist in the development of and manage processes to identify and evaluate business areas' risks and risk and control self-assessments;

(d) manage the process for developing risk policies and procedures, risk limits and approval authorities;
(e) monitor major and critical risk issues;
(f) manage the process for elevating control risks to more senior levels when appropriate;
(g) manage the corporate risk and control assessment reporting process as well as manage and maintain infrastructure elements (e.g. management reporting, including reporting to senior management); and
(h) Conduct compliance & risk assessments.

## 18. AUTHORITY LIMITS OF THE MEMBERS OF THE MANAGEMENT TEAM

The Board will, within 3 (three) months of first adoption of this Articles, seek to finalize and adopt a Manual of Authority which will specify in detail the matters in relation to which relevant categories of Employees may be authorized to approve routine decisions in connection with the Company's business. Until such policy and other required policies are approved by the Board, funds of the Company can only be invested with the approval of the Board and into government securities or AAA rated instruments. Until such policy is formulated and approved by the Board, the Company shall only use existing cash in its books for meeting expenses of the Company.

## 19. GENERAL GUIDELINES AND PRINCIPLES

19.1 The overall financial limits in this Articles and the Manual of Authority will apply in respect to the powers delegated to the Management Team.

19.2 In the event of a contradiction between this Articles and various other internal policies/ manuals/ standard operating procedures, this Articles shall prevail.

19.3 A position holder delegated with authority shall not approve any expenditure or disbursement of loan for his own personal benefit or for the benefit of any Related Party of the Company. If there is any requirement to approve expenses for personal expenditure in connection with the Company's business, such approval should be obtained from higher authority only.

19.4 Authority limits contained in the Manual of Authority are determined in Indian Rupees. Expenditures in any other currency should be converted into Indian Rupees at the appropriate exchange rate as published by the Reserve Bank of India **("RBI")** on its official website to ensure that the correct level of authority is applied to each transaction.

19.5 Any deviation from the approval requirements as set out in this Articles and the Manual of Authority is considered abuse of this Articles and is prohibited. Only the Managing Director can approve deviations up to his authority limit and deviations in excess of such authority limit will have to be approved by the Board.

19.6 A series of transactions that should be reasonably connected with each other because of the nature of the transactions shall be considered as a single transaction for the purpose of determining the approval and authority limits envisaged in this Articles. It is prohibited to split a commitment or transaction into 2 (two) or more parts to fit within the authority limit.

19.7 It is also prohibited to receive services or goods from a supplier, direct selling agents, recruitment agencies or advisors on behalf of the Company or provide such services or goods to a person on behalf of the Company without having the proper authority to do so or complying with the applicable procedures.

19.8 The Board will, within 3 (three) months of first adoption of this Articles, seek to finalize and adopt a Gift and Entertainment Policy which will specify in detail the gifts and entertainment that are prohibited and those that can be given or received, and other record keeping requirements for the Company.

19.9 The Board will, within 1 (one) month of first adoption of this Articles, seek to finalize and adopt a Treasury Operations and Surplus Cash Deployment Policy which will specify in detail the guidelines and policies for the treasury operations and surplus cash deployment of the Company.

19.10 Notwithstanding anything to the contrary in this Articles, the Articles shall be subject to applicable law; and in the event any provision, clause or Paragraph of this Articles is inconsistent with or contravenes applicable law (from time to time), the Board shall take necessary steps to modify or amend the Articles in order to make such provision, clause or Paragraph consistent with applicable law.

## 20. TEMPORARY DELEGATION OF AUTHORITY

Temporary delegation of authority shall be allowed in circumstances where the delegator is not physically present to sign documentation due to an extended period of absence (for instance duty travel or leave). Notwithstanding the delegation of authority, the delegator will not be absolved from his responsibility. Each delegation of authority must be evidenced in writing. The signatory signing on behalf of others must sign "pp" (post of original signatory). The delegate shall not have the authority to further delegate to a third person (e.g. signatories to whom powers have been delegated cannot delegate such powers to their subordinate staff). In the absence of such signatories, these powers move upward to the superiors of the original signatory.

## 21. WITHDRAWAL OF AUTHORITY

The Board may withdraw the authority granted to the Managing Director and other members of the Management Team only with the approval of the three- fourth majority of the Board in accordance with this Articles.

## 22. COMPLIANCE MONITORING

22.1 The Audit Committee shall verify the compliance of this Articles as a part of its regular compliance audits.

22.2 In the event of any occurrence or arising of any matter which is likely to have a material impact on the business or the financial position of the Company, or the Company's ability to perform its obligations under this Articles, such information shall be communicated to all Directors without delay in writing, and no later than 48 (forty eight) hours of the Company becoming aware of its occurrence. Any Director or the Large Shareholders have the right to appoint an advisor to conduct an audit of the Company thereafter, at the cost of the Company. The Company shall support such advisor in its audit.

## 23. CHANGE MANAGEMENT PROCESS

23.1 This Articles may be updated from time to time in line with the Company's requirements. The Board will be responsible for the maintenance of this Articles. Any request for a change of a particular paragraph of this Articles shall be submitted to the Board and no amendment shall be effective unless approved by the Board in accordance with this Articles.

23.2 The Managing Director will approve any change to the authority matrix set out in this Articles, as long as it is within the authorized limits of the Managing Director to do so. Any further deviations and/ or amendments will require the approval of the Board in the manner set out in this Articles.

Subject to Paragraph 14.10(cc), changes that do not affect the Managing Director's authority but impacts Employees below the level of the Managing Director are effective once approved by the Managing Director. However, such changes need to be notified to the Board. Changes to the authority of the Managing Director, Board and Board Committees will require the approval of the Board in the manner set out in the Articles.

## 24. THE COMMON SEAL

The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of the Managing Director or of a director and of the secretary or such other person as the Board or of a committee of the Board may appoint for the purpose; and such Managing Director or a director and the secretary or such other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 4th Floor, Tower 3, Equinox Business Park, Off BKC, LBS Road, Kurla (West), Mumbai - 400 070, Maharashtra, India between 10 am to 5 pm on any Working Day from the date of the filing of this Prospectus with Stock Exchange.

### MATERIAL CONTRACTS

1. Issue Agreement dated August 10, 2022 between our Company and the Lead Managers.

2. Registrar Agreement dated August 10, 2022 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated August 10, 2022 between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Public Issue Account and the Sponsor Bank Agreement dated August 24, 2022, executed among our Company, the Lead Managers, the Public Issue Account Bank, Sponsor Bank and the Registrar to the Issue.

6. Lead Broker Agreement dated August 24, 2022 among our Company, the Lead Managers and the Lead Broker.

7. Tripartite Agreement dated March 20, 2019 between our Company, the Registrar to the Issue and CDSL.

8. Tripartite Agreement dated March 20, 2019 between our Company, the Registrar to the Issue and NSDL.

### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Original Certificate of Incorporation dated February 10, 1993, issued by Registrar of Companies, Mumbai.

3. Revised Certificate of Incorporation dated September 26, 2018 on change of name from “Chokhani Securities Limited” to “U GRO Capital Limited”.

4. The revised Certificate of Registration No. number 13.00325 dated October 26, 2018 issued by RBI under Section 45-IA of the RBI Act upon change of name of the Company.

5. Copy of Shareholders Resolution passed at the Annual General Meeting held on August 12, 2022 approving the overall borrowing limits of the Board of Directors of our Company.

6. Copy of the Resolution passed by the Investment and Borrowing Committee dated July 27, 2022 for approving the Issue Size.

7. Copy of the resolution passed by the Investment and Borrowing Committee on August 12, 2022 approving the Draft Prospectus.

8. Copy of the resolution passed by the Investment and Borrowing Committee on August 26, 2022 approving this Prospectus.

9. Rating Letter dated May 19, 2022 and revalidation letter as on July 27, 2022 by Acuité Ratings and Research Limited assigning a rating of assigning a rating of “ACUITE A+ (read as ACUITE A Plus) (Outlook: Stable)” for the Issue with rating rationale and press release dated May 19, 2022.

10. Rating Letter dated May 26, 2022by CRISIL Ratings Limited assigning a rating of “CRISIL A-/Stable (pronounced as CRISIL A minus rating with stable outlook)” for the Issue with rating rationale.

11. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers, Legal Advisor to the Issue, Credit Rating Agency, Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs, Public Issue Account Bank, Refund Bank and Sponsor Bank and the Lead Broker to include their names in this Prospectus, in their respective capacities.

12. The consent of the Statutory Auditors, namely M/s. M S K A & Associates, Chartered Accountants dated August 12, 2022, for inclusion of their names as the Statutory Auditors and experts in respect of the Reformatted Financial Information dated August 12, 2022, included in this Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Prospectus.

13. The Statement of Tax Benefits issued by M/s Shubham Kaushik & Co., Chartered Accountants dated July 31, 2022.

14. Annual Reports of our Company for the last three financial years ended March 31, 2022, 2021 and 2020.

15. Reformatted Financial Information of our Company for the year ending March 31, 2022, 2021 and 2020.

16. The limited review report dated July 22, 2022 in relation to the three months period ended June 30, 2022 on the Unaudited Financial Information of our Company.

17. In-principle listing approval from NSE by its letter no. NSE/LIST/D/2022/0109 dated August 23, 2022.

18. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/010/22-23 dated August 23, 2022.

19. Due Diligence Certificate dated August 12, 2022 from Debenture Trustee to the Issue.

20. Due Diligence Certificate dated August 26, 2022 filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the applicants, subject to compliance of the provisions contained in the provisions of the Companies Act, 2013 and other relevant statutes.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that:

a. all applicable legal requirements in connection with the Issue and our Company, including relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable as on this date, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended, and rules, regulations, guidelines and circulars issued by the Government of India, the rules, regulations, guidelines and circulars issued by the Reserve Bank of India, and the rules, regulations, guidelines and circulars issued by Securities and Exchange Board of India including, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be, have been complied with;
b. no statement made in this Prospectus is contrary to the relevant provisions of any rules, regulations, guidelines and circulars as applicable to this Prospectus.
c. compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of debt securities, is guaranteed by the Central Government;
d. the monies received under the Issue shall be used only for the purposes and objects indicated in this Prospectus;
e. all the disclosures and statements in this Prospectus and in the attachments thereto are true, accurate, correct and complete and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading
f. this Prospectus does not contain any misstatements; and
g. no information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

**Signed by the Board of Directors of the Company**

**Shachindra Nath**
Executive Chairman & Managing Director
DIN: 00510618

**Abhijit Sen**
Independent Director
DIN: 00002593

**Satyananda Mishra**
Independent Director
DIN: 01807198

**Karuppasamy Singam**
Independent Director
DIN: 03632212

**Rajeev Krishnamuralilal Agarwal**
Independent Director
DIN: 07984221

**Manoj Kumar Sehrawat**
Non-Executive Director
DIN: 02224299

**Amit Gupta**
Non-Executive Director
DIN: 02282600

**Chetan Kulbhushan Gupta**
Non-Executive Director
DIN: 07704601

**Hemant Bhargava**
Independent Director
DIN: 01922717

**Sekar Karnam**
Independent Director
DIN: 07400094

**Smita Aggrawal**
Independent Director
DIN: 01478327

Date: August 26, 2022
Place: Mumbai

## ANNEXURE I - DAY COUNT CONVENTION

**ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS**

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue

| | **Series I** | **Series II** | **Series III** |
|---|---|---|---|
| Face Value per NCD (in ₹) | 1,000 | 1,000 | 1,000 |
| Day and Date of Allotment (tentative) | Wednesday, September 28, 2022 | Wednesday, September 28, 2022 | Wednesday, September 28, 2022 |
| Tenure | 18 Months | 27 Months | 36 Months |
| Maturity / Redemption Date (Months from the Deemed Date of Allotment) | Date occurring on expiry of 18 (Eighteen) months from the Deemed Date of Allotment | Date occurring on expiry of 27 (Twenty Seven) months from the Deemed Date of Allotment | Date occurring on expiry of 36 (Thirty Six) months from the Deemed Date of Allotment |
| Coupon (%) p.a. for NCD Holders | 10.15% | 10.35% | 10.50% |
| Effective Yield (%) p.a. for NCD Holders | 10.52% | 10.74% | 11.01% |
| Frequency of the coupon payment with specified dates starting from date of allotment | Quarterly | Quarterly | Monthly |
| Day Count Convention | Actual / Actual | Actual / Actual | Actual / Actual |

**Series I**

**(Amount in ₹)**

| **Cash Flows** | **Due Date** | **Date of payment** | **No. of days in coupon period** | **Amount** |
|---|---|---|---|---|
| Deemed date of allotment | September 28, 2022 | | | |
| Coupon / Interest payment | December 28, 2022 | December 28, 2022 | 91 | 25.31 |
| Coupon / Interest payment | March 28, 2023 | March 28, 2023 | 90 | 25.03 |
| Coupon / Interest payment | June 28, 2023 | June 28, 2023 | 92 | 25.51 |
| Coupon / Interest payment | September 28, 2023 | September 28, 2023 | 92 | 25.51 |
| Coupon / Interest payment | December 28, 2023 | December 28, 2023 | 91 | 25.24 |
| Coupon / Interest payment | March 28, 2024 | March 28, 2024 | 91 | 25.24 |
| Principal / Maturity Value | March 28, 2024 | March 28, 2024 | | 1,000.00 |

**Series II**

**(Amount in ₹)**

| **Cash Flows** | **Due Date** | **Date of payment** | **No. of days in coupon period** | **Amount** |
|---|---|---|---|---|
| Deemed date of allotment | September 28, 2022 | | | |
| Coupon / Interest payment | December 28, 2022 | December 28, 2022 | 91 | 25.80 |
| Coupon / Interest payment | March 28, 2023 | March 28, 2023 | 90 | 25.52 |
| Coupon / Interest payment | June 28, 2023 | June 28, 2023 | 92 | 26.02 |
| Coupon / Interest payment | September 28, 2023 | September 28, 2023 | 92 | 26.02 |
| Coupon / Interest payment | December 28, 2023 | December 28, 2023 | 91 | 25.73 |
| Coupon / Interest payment | March 28, 2024 | March 28, 2024 | 91 | 25.73 |
| Coupon / Interest payment | June 28, 2024 | June 28, 2024 | 92 | 26.09 |
| Coupon / Interest payment | September 28, 2024 | September 28, 2024 | 92 | 26.09 |
| Coupon / Interest payment | December 28, 2024 | December 27, 2024 | 91 | 25.80 |
| Principal / Maturity Value | December 28, 2024 | December 27, 2024 | | 1,000.00 |

**Series III**

**(Amount in ₹)**

| Cash Flows | Due Date | Date of payment | No. of days in coupon period | Amount |
|---|---|---|---|---|
| Deemed date of allotment | September 28, 2022 | | | |
| Coupon / Interest payment | October 28, 2022 | October 28, 2022 | 30 | 8.63 |
| Coupon / Interest payment | November 28, 2022 | November 28, 2022 | 31 | 8.92 |
| Coupon / Interest payment | December 28, 2022 | December 28, 2022 | 30 | 8.63 |
| Coupon / Interest payment | January 28, 2023 | January 30, 2023 | 31 | 8.92 |
| Coupon / Interest payment | February 28, 2023 | February 28, 2023 | 31 | 8.92 |
| Coupon / Interest payment | March 28, 2023 | March 28, 2023 | 28 | 8.05 |
| Coupon / Interest payment | April 28, 2023 | April 28, 2023 | 31 | 8.89 |
| Coupon / Interest payment | May 28, 2023 | May 29, 2023 | 30 | 8.61 |
| Coupon / Interest payment | June 28, 2023 | June 28, 2023 | 31 | 8.89 |
| Coupon / Interest payment | July 28, 2023 | July 28, 2023 | 30 | 8.61 |
| Coupon / Interest payment | August 28, 2023 | August 28, 2023 | 31 | 8.89 |
| Coupon / Interest payment | September 28, 2023 | September 28, 2023 | 31 | 8.89 |
| Coupon / Interest payment | October 28, 2023 | October 30, 2023 | 30 | 8.61 |
| Coupon / Interest payment | November 28, 2023 | November 28, 2023 | 31 | 8.89 |
| Coupon / Interest payment | December 28, 2023 | December 28, 2023 | 30 | 8.61 |
| Coupon / Interest payment | January 28, 2024 | January 29, 2024 | 31 | 8.89 |
| Coupon / Interest payment | February 28, 2024 | February 28, 2024 | 31 | 8.89 |
| Coupon / Interest payment | March 28, 2024 | March 28, 2024 | 29 | 8.32 |
| Coupon / Interest payment | April 28, 2024 | April 29, 2024 | 31 | 8.92 |
| Coupon / Interest payment | May 28, 2024 | May 28, 2024 | 30 | 8.63 |
| Coupon / Interest payment | June 28, 2024 | June 28, 2024 | 31 | 8.92 |
| Coupon / Interest payment | July 28, 2024 | July 29, 2024 | 30 | 8.63 |
| Coupon / Interest payment | August 28, 2024 | August 28, 2024 | 31 | 8.92 |
| Coupon / Interest payment | September 28, 2024 | September 30, 2024 | 31 | 8.92 |
| Coupon / Interest payment | October 28, 2024 | October 28, 2024 | 30 | 8.63 |
| Coupon / Interest payment | November 28, 2024 | November 28, 2024 | 31 | 8.92 |
| Coupon / Interest payment | December 28, 2024 | December 30, 2024 | 30 | 8.63 |
| Coupon / Interest payment | January 28, 2025 | January 28, 2025 | 31 | 8.92 |
| Coupon / Interest payment | February 28, 2025 | February 28, 2025 | 31 | 8.92 |
| Coupon / Interest payment | March 28, 2025 | March 28, 2025 | 28 | 8.05 |
| Coupon / Interest payment | April 28, 2025 | April 28, 2025 | 31 | 8.92 |
| Coupon / Interest payment | May 28, 2025 | May 28, 2025 | 30 | 8.63 |
| Coupon / Interest payment | June 28, 2025 | June 30, 2025 | 31 | 8.92 |
| Coupon / Interest payment | July 28, 2025 | July 28, 2025 | 30 | 8.63 |
| Coupon / Interest payment | August 28, 2025 | August 28, 2025 | 31 | 8.92 |
| Coupon / Interest payment | September 28, 2025 | September 26, 2025 | 31 | 8.92 |
| Principal / Maturity Value | September 28, 2025 | September 26, 2025 | | 1,000.00 |

Notes:

1. Effect of public holidays has been ignored as these are difficult to ascertain for future period except January 26, April 1, May 1, August 15, October 2, day have been taken into consideration.
2. As per SEBI Operational Circular, in order to ensure uniformity for payment of interest / redemption on debt securities, the interest/redemption payment shall be made only on a Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.
3. Deemed Date of Allotment has been assumed to be September 28, 2022.
4. The last coupon payment will be paid along with maturity amount at the redemption date

Rating Letter - Intimation of Rating Action

Letter Issued on: May 19, 2022
Letter Expires on: February 21, 2023
Annual Fee valid till: February 21, 2023

Scan this QR Code to verify authenticity of this rating

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

Kind Attn.: Mr. Rishi Bandi, Lead-Treasury (Tel. No. 9833859659)

Dear Mr. Bandi,

Sub.: Rating(s) Reaffirmed - Non Convertible Debentures of Ugro Capital Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

| | Long Term Instruments | Short Term Instruments |
|---|---|---|
| Total Rated Quantum (Rs. Cr.) | 200.00 | Not applicable |
| Quantum of Enhancement (Rs. Cr.) | Not applicable | Not applicable |
| Rating | ACUITE A+ | Not applicable |
| Outlook | Stable | Not applicable |
| Most recent Rating Action | Reaffirmed | Not applicable |
| Date of most recent Rating Action | May 19, 2022 | Not applicable |
| Rating Watch | Not applicable | Not applicable |

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité 's policies.

This letter will expire on February 21, 2023 or on the day when Acuité takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating.

Acuité will re-issue this rating letter on February 22, 2023 subject to receipt of surveillance fee as applicable. If the rating is reviewed before February 21, 2023 issue a new rating letter.

Suman Chowdhury
Chief Analytical Officer

Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Annexure A. Details of the rated instrument

| Bank | Facilities | Scale | Amt. (Rs. Cr) | Ratings | Rating Action |
|---|---|---|---|---|---|
| Fund Based Facilities | | | | | |
| Proposed Non Convertible Debentures | | Long Term | 145.00 | ACUITE A+/ Stable | Reaffirmed |
| Secured Non-Convertible Debentures | | Long Term | 35.00 | ACUITE A+/ Stable | Reaffirmed |
| Secured Non-Convertible Debentures | | Long Term | 20.00 | ACUITE A+/ Stable | Reaffirmed |
| Total Fund Based Facilities | | | 20.00 | | |
| | | | | | |
| Total Facilities | | | 20.00 | | |

Annexure B. Details of the rating prior to the above rating action

| | Long Term Instruments | Short Term Instruments |
|---|---|---|
| Previous Rated Quantum | 20.00 Cr | Not applicable |
| Rating | ACUITE A+ | Not applicable |
| Outlook | Stable | Not applicable |

*DISCLAIMER*

*An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy , sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité , in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings.Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité , Acuité 's rating scale and its definitions.*

Rating Revalidation Letter

*Private and Confidential*

July 27, 2022

Scan this QR Code to verify authenticity of this rating

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

Kind Attn.: Mr. Rishi Bandi, Lead-Treasury (Tel. No. 9833859659)

Dear Mr. Bandi,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Ugro Capital Limited Aggregating Rs. 200 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE A+' read as [ACUITE A plus] with a 'Stable' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

| Type of Instrument | ISIN | Issue Size (Rs. cr.) | Date of issue | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Names of top 10 investors |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

*DISCLAIMER*

*An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité 's rating scale and its definitions.*

Rating Revalidation Letter

ANNEXURE - I

| Instrument | Scale | Amount (Rs. Cr) | Ratings |
|---|---|---|---|
| Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A+/ Stable |
| Secured Non-Convertible Debentures | Long Term | 35.00 | ACUITE A+/ Stable |
| Secured Non-Convertible Debentures | Long Term | 20.00 | ACUITE A+/ Stable |
| Total Debt | | 200.00 | |

Rating Revalidation Letter

*Private and Confidential*

July 11, 2022

Scan this QR Code to verify authenticity of this rating

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

Kind Attn.: Mr. Rishi Bandi, Lead-Treasury (Tel. No. 9833859659)

Dear Mr. Bandi,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Ugro Capital Limited Aggregating Rs. 200 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE A+' read as [ACUITE A plus] with a 'Stable' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

| Type of Instrument | ISIN | Issue Size (Rs. cr.) | Date of issue | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Names of top 10 investors |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

*DISCLAIMER*

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Rating Revalidation Letter

ANNEXURE - I

| Instrument | Scale | Amount (Rs. Cr) | Ratings |
|---|---|---|---|
| Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A+/ Stable |
| Secured Non-Convertible Debentures | Long Term | 35.00 | ACUITE A+/ Stable |
| Secured Non-Convertible Debentures | Long Term | 20.00 | ACUITE A+/ Stable |
| Total Debt | | 200.00 | |

Press Release

Ugro Capital Limited

May 19, 2022

Rating Reaffirmed

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---|---|---|
| Bank Loan Ratings | 1250.00 | ACUITE A+ \| Stable \| Reaffirmed | - |
| Commercial Paper (CP) | 275.00 | - | ACUITE A1+ \| Reaffirmed |
| Non Convertible Debentures (NCD) | 139.70 | PP-MLD \| ACUITE AA+ \| CE \| Stable \| Reaffirmed | - |
| Non Convertible Debentures (NCD) | 75.00 | PP-MLD \| ACUITE A+ \| Stable \| Reaffirmed | - |
| Non Convertible Debentures (NCD) | 757.85 | ACUITE A+ \| Stable \| Reaffirmed | - |
| Total Outstanding Quantum (Rs. Cr) | 2497.55 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

## Rating Rationale

Acuité has reaffirmed the long-term rating **'ACUITE A+' (read as** ACUITE A Plus) to the Rs.1250.00 Cr. bank loan facilities (including proposed bank loan facilities) of UGRO CAPITAL LIMITED (UGRO). The outlook is **'Stable'.**

Acuité has reaffirmed the short-term rating **'ACUITE A1+'** (read as ACUITE A One Plus) to the Rs.275.00 Cr. commercial paper program (including proposed commercial paper program) of UGRO CAPITAL LIMITED (UGRO).

Acuité has reaffirmed the long-term rating 'ACUITE **A+'** (read as ACUITE A Plus) to the Rs. 757.85 Cr. non-convertible debentures (including proposed non-convertible debentures) of UGRO CAPITAL LIMITED (UGRO). The outlook is '**Stable'.**

Acuité has reaffirmed the long-term rating **'ACUITE** PP-MLD **A+' (read as** ACUITE Principal Protected Market Linked Debentures A Plus) on the Rs.75.00 Cr. proposed principal protected market linked debentures of UGRO CAPITAL LIMITED (UGRO). The outlook is **'Stable'.**

Acuité has reaffirmed the long-term rating of **'ACUITE** PP-MLD **AA+(CE)'** (read as ACUITE Principal Protected Market Linked Debentures double A Plus Credit Enhancement) on the Rs. 139.70 Cr principal protected market linked debentures of UGRO CAPITAL LIMITED (UGRO). The outlook is **'Stable'.**

The rating takes into consideration sustained and calibrated growth in AUM with diversified (product and geography) asset mix and continued focus to expand across all channels viz.

branch-led, ecosystem and partnership & alliances, demonstrated resource raising ability with granular liability franchise to cushion finance cost and support; the NIM and profitability, though modest, are expected to improve, augmented by business growth.
The rating continues to takes into account the governance framework of UGRO wherein the majority of the Board comprises of Independent Directors and nominee directors (three Private Equity Investors) coupled with an experienced management team. The rating also actors in the high capitalization levels and low gearing levels. The capital adequacy ratio stood at 36% as on December 31, 2021 and 65.02 % as on March 31, 2021 (March 31, 2020: 88.25%) coupled with moderate gearing of 1.84 times as on December 31, 2021 and 0.80 times as on March 31, 2021 (March 31, 2020: 0.28 times). The company has demonstrated its ability to raise funds of Rs.705.40 Cr. by way of Term Loans, Non-Convertible Debentures, Commercial Paper in FY2021 from a diversified base of around 50 lenders including large Public and Private Sectors Banks as of December 31, 2021. The company has also diversified its borrowing profile by way of direct assignment transactions of ~Rs. 14 Cr. in FY2021. The rating also derives comfort from the business model which is based on technology adoption at each and every stage, right from initial screening of the borrower to monitoring of the exposures at the post disbursal stage.

The rating is constrained by high operating costs at ~69% of UGRO's total income (i.e. net interest income and other operating income) during 9MFY22, though improvement from ~71% during FY2021, as UGRO continues to invest into its distribution channel to diversify its asset profile within MSME from 1 Lac loan to 5 Crores loan segment. This has in return led to subdued Return on Average Assets (RoAA) of 0.52% (annualized) as on December 31, 2021 compared to 1.98% as on March 31, 2021. Though the company has registered significant growth in outstanding portfolio to Rs. 2,589 Cr as on December 31, 2021 from Rs. 1,317 Cr. as on March 31, 2021, its ability to sustain this growth momentum while containing its asset quality given the likelihood of resurgence of the COVID19 and its consequent impact on the recovery of the MSME focused NBFCs like UGRO will be key monitorable.

Rating rationale for the ACUITE PP-MLD AA+(CE) rated principal protected market linked debentures:
The rating takes into account the comfort of dual recourse to the investors. The debt servicing to the investors is supported by regular cash flows of UGRO and the presence of a cover pool to support the servicing of the NCDs in the event of non-payment by UGRO.

## About the company

UGRO was originally incorporated as Chokhani Securities Limited in 1993. It is a systemically important non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). In 2018, pursuant to a change in control and management, the company was renamed as UGRO Capital Limited. UGRO's equity shares, commercial paper and non-convertible debentures are listed on the Bombay Stock Exchange (BSE). The company's equity is also listed on the National Stock Exchange (NSE).

UGRO is headed by Mr. Shachindra Nath, a seasoned finance professional, with more than two decades of experience in the financial services sector. He is the Promoter, Executive Chairman and Managing Director of the company. UGRO is a Mumbai based company (registered office). It has more than 75 branches across the country as on December 31, 2021. UGRO lends to the MSME segment in nine specifically identified sectors i.e. Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment's and Components, Auto Components, Light Engineering and Micro-Enterprise segment. UGRO has built diversified distribution channels which consist of Branch led channel, Ecosystem consisting of Supply Chain & Machinery Finance, Partnership & Alliances for Co-lending with smaller NBFCs & FinTechs & Digital Channel.

## Analytical Approach

Acuité has considered the standalone financial and business risk profile of UGRO to arrive at the rating.
Standalone rating considered for the Rs. 139.70 Cr PP-MLDs: ACUITE A+

## Key Rating Drivers

### Strength

**Experienced management team supported by marquee investors**

UGRO commenced lending operations in 2019 with a focus on lending towards the Micro Small and Medium Enterprises (MSME) segment. The company is headed by Chairman and Managing Director, Mr. Shachindra Nath. Mr. Nath has over two decades of experience in BFSI across insurance, asset management, lending and capital markets sectors. The company is supervised by a majority Independent Board consisting of experienced professional drawn from different background. The other members of the senior management team have experience of around two decades in BFSI sector.

UGRO's management team is supported by marquee investors. UGRO's investors includes private equity players, insurance companies and family offices. The institutional investors include ADV Partners, NewQuest Asia Investments III Limited, PAG (PE firm with focus on the AsiaPacific region), Samena Capital (a MENA focused PE investment group). In addition to the Private Equity Investors UGRO through QIP and Private Placement also raised money from domestic AIFs, Insurances Companies, Family Offices. These investors have infused capital of ~Rs. 650 Cr in FY2019 and ~Rs. 240 Cr in FY2020. The ability to attract capital from a diverse set of investors in its initial stage of operations points to the credibility of the top management team. It also reflects the confidence in the business model and strategy. UGRO's net worth stood at Rs. 959 Cr as on Dec 31, 2021 as compared to Rs. 952 Cr. as on March 31, 2021. The company's capital adequacy ratio stood at 65.02% as on March 31, 2021 as compared to 88.25 %as on March 31, 2020. The capital adequacy ratio stood at 36% as on December 31, 2021 and 65% as on March 31, 2021 (March 31, 2020: 88%). The high capital adequacy (i.e. moderate gearing, 1.84x as on December 31, 2021 and 0.80x as on March 31, 2021) provides UGRO adequate headroom to raise additional borrowings to support its future growth trajectory.

Acuité believes, that the experienced management team, presence of marquee investors and healthy capitalisation levels will support UGRO's fund raising plans over the near to medium term.

**Business model based on high level of digitization and adherence to predefined policies**

UGRO's business model is based on technology adoption at each and every stage, right from initial screening of the borrower to monitoring of the exposures, at the post disbursal stage. UGRO's average ticket size is Rs. 15 lacs with maximum single party exposure of ~Rs. 5 Cr. Hence, the portfolio is expected to be granular in nature and with high degree of technological support for effective monitoring of the portfolio. UGRO's target clientele are MSME units from nine identified sectors, which are Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment's and Components, Auto Components, Light Engineering and Micro Enterprise Segment. UGRO has identified these sectors from an indepth study and recommendations from external advisory agencies. UGRO divides these sectors into multiple sub – sectors and approach them with concept of eco system around them.

The credit underwriting process and platforms are designed to ensure quick turnaround, without compromising on quality of the loan appraised. The company has put in place credit tools such as scorecards, which help in arriving at the credit decision. The management has developed detailed questionnaires for each sub segment, which help in identifying the key credit issues and sharpening the quality of credit decision.

The systems and process are evaluated and reviewed from time to time to improve their efficacy to the credit process. The company has put in place safeguards to minimize the possibility of dilution of these processes. These include clauses in the Article of Association such as the right of appointment/termination of key managerial personnel directly to the board and ensuring granularity of the portfolio with loan of more than 1 per cent of its Net Worth or to any related party requiring majority board approval and a unanimous consent of its Asset Liability Committee.

Acuité believes that while adherence to stringent underwriting standards may impact the pace of growth of UGRO, it will aid UGRO to maintain its asset quality in a steady operating

environment.

Strong and sustained business growth

UGRO commenced its lending operations in January 2019 with a focus on lending towards MSME segment across eight identified sectors. The company has been gradually building a granular loan portfolio with a maximum single borrower exposure restricted to ~Rs. 5 Cr. The company witnessed strong and sustained traction in its business in FY2022 with outstanding portfolio growing to about Rs. 2,589 Cr. as on December 31,2021 (March 31,2021: Rs. 1,317 Cr.). In terms of distribution channel wise, though disbursals picked up across all the channels viz. branch-led, partnership and alliances (including co-origination arrangements with NBFCs and loans to NBFCs for onward lending), ecosystem channel (machinery loans and supply chain finance) and pools buyout out from other NBFCs., healthy disbursals momentum was seen particularly in branch-led and machinery loan channels, together constituting about 72% of total disbursals of Rs. 2175 Cr. during 9MFY2022 (FY2021: Rs. 1147 Cr.).

Acuite believes that the ability of the company to sustain the business growth will be key monitorable.

Well diversified resource profile with demonstrated resource raising ability

UGRO has a fairly well diversified funding profile with resources raised from various sources such as private sector banks, public banks, NCDs, funding via direct assignment and securitization transactions and term loans from other financial institutions. Demonstrated ability to secure equity funding from a diverse base of marquee investors, comprising private equity funds, insurance companies and family offices. The lender base witnessed substantial increase to 50 lenders as of December 31, 2021 as against 29 lenders as of March 31, 2021.

Furthermore, borrowing costs have steadily declined underlying growing acceptance among the bankers. On the co-lending front, the company has Bank of Baroda, SBI, IDBI Bank and most recently Central Bank of India as its partners.

UGRO is a listed entity, hence raising additional equity/debt should be relatively easy, subject to operational performance. The high disclosure norms associated with listed companies will help in raising debt funding since lenders will prefer high level of disclosures.

The company's gearing stood at 1.84 times as on Dec 31, 2021 leaving adequate headroom for raising additional debt. The company has sanctions amount to about Rs 1,115 Cr in the pipeline till March 2022.

The company has a strong investor base with comfortable liquidity position.

## Weakness

Moderate improvement in asset quality

UGRO's 90+dpd has improved to 1.91% as on December 31, 2021 from 2.28% as on March 31, 2021. Also, the company's 30+dpd has improved to 3.31% as on December 31, 2021 from 5.10% as on March 31, 2021. The company's restructured portfolio constitutes Rs.136.4 Cr. (5.3% of the AUM) as on December 31, 2021 (7.2% of the portfolio as on Sep 30, 2021). The company has made no additional restructuring during Q3FY2022 and the decline in the restructured book percentage is on account of growth in AUM. Majority of the restructuring was done in the Branch Led Portfolio within the Education & Hospitality sector.

UGRO's asset quality has not witnessed material deterioration with GNPA at 2.4% as of December'21, where the impact of change in IRAC asset classification norms have already been taken into consideration. This has been extended till September 30, 2022. Excluding the impact of change in IRAC asset classification norms, the GNPA stood at 1.9% as of December'21. The company's restructured portfolio steadily increased since December 2020 under the Covid19 restructuring window provided by the RBI, and it accounts for 5.3% of the overall book as of Dec'21. However, the company has no plans of significant additional restructuring going forward.

UGRO's credit profile, hitherto, has been underpinned by its track record in raising resources both debt and equity from various investors/lenders. It has also demonstrated the ability to raise funds through avenues like securitisation deals to diversify its sources of funding. Hence the resource raising ability has been adequately demonstrated in the past. Besides continued resource raising ability, Acuité takes cognisance of UGRO's strategy of diversifying distribution channel with recent co-lending partnerships with Bank of Baroda (BoB), State Bank of India (SBI), Industrial Development Bank of India (IDBI), and Central Bank of India (CBI), and

proposed partnerships in the pipeline, which, coupled with focus on building branch network, is expected to drive the outstanding portfolio growth.

Moderate, albeit improving earnings profile

The company posted muted profits (PAT) of Rs.3.39 Cr. for Q3FY2022 as compared to Rs. 3.38 Cr for Q2FY2022 despite noticeable improvement in pre-provisioning operating profit of Rs. 14.44 Cr for Q3FY2022 as compared to Rs. 10.64 Cr for Q2FY2022 as it booked higher provisioning costs. The PAT was Rs. 28.73 Cr for FY2021 as compared to Rs. 19.52 Cr for FY2020. The company made management overlay of Rs.2.7 Cr. during Q3FY2022. The operational costs continue to benefit from growing scale of operations with operations expenses as gauged from cost to income ratio (%) witnessing downward trend to 69% during Q3FY2022 (Q2FY2022: 69% and Q3FY2021: 74%).
The company witnessed a subdued Return on Average Assets (RoAA) of 0.52% (annualized) as on December 31, 2021 compared to 1.98% as on March 31, 2021.

## Assessment of Adequacy of Credit Enhancement

The ACUITE PP-MLD AA+(CE) debentures shall be backed by an unconditional and irrevocable guarantee provided by the Trust. Further, the servicing of the debentures is supported by the internal accruals of UGRO and the guarantee provided by the Trust to which UGRO shall assign the pool with minimum cover of more than 1x of the MLD amount outstanding (including accrued unpaid interest). The guarantee shall be invoked on the occurrence of predefined trigger events.

## ESG Factors Relevant for Rating

UGRO belongs to the NBFC sector which complements bank lending in India. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and social development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks.
UGRO primarily lends to small businesses where access to funds is a challenge. The company proposes to facilitate financial inclusion and growth for MSMEs through secured or unsecured loans as well as supply chain finance. It is important for UGRO to assess the sustainability factors mainly related to environment, social and corporate governance practices for its lending portfolio. It has a well-articulated CSR policy and Smile Foundation, working under the ambit of UGRO, monitors the CSR activities of the company.
The company has adequate corporate governance policies on whistle blower programme and related party transactions; it has made adequate disclosures related to board and management compensation and outlines the policies related to diversity and ethical business practices in its code of conduct. UGRO's board comprises of 6 Independent Directors, which is more than 50% of the total board members.

## Rating Sensitivity

- Sustainable growth in AUM
- Movement in profitability and asset quality
- Maintaining granularity in the portfolio
- Maintenance of adequate liquidity

## Material Covenants

UGRO is subject to covenants stipulated by its lenders/investors in respect of various parameters like capital structure, asset quality, among others.

## Liquidity Position: Adequate

For ACUITE PP-MLD AA+(CE): Adequate
The principal and interest on the PP-MLD are to be paid by the issuer on the final legal maturity date. The cash flows from the pool shall be utilised in case of occurrence of the trigger events.

For unsupported Rating ACUITE A+: Adequate

The company is adequately capitalised with networth of Rs. 959.1 Cr. as on December 31,2021 coupled with moderate gearing of 1.84 times as on December 31, 2021. The company's high capitalisation levels provides high flexibility to raise additional borrowings. It also has the flexibility to raise funds through securitisation transactions.

As per the asset liability management (ALM) statement dated December 31, 2021, UGRO has no negative cumulative mismatches in upto 1 year bucket. The company has unencumbered cash and cash equivalents of about Rs. 298 Cr as on December 31, 2021. The cumulative fixed obligations (debt and operating expenses) are projected at about Rs. 492 Cr. for the next three months ended March 2022 while collections are projected at about Rs. 355 Cr. in the same period. Further, the collection efficiency (current month basis) trended over 90% since June 2021 and for November 2021, December 2021 and January 2022 stood at 93.5%, 93.8% and 94.0% respectively.

## Outlook : Stable

Acuité expects UGRO to maintain 'Stable' outlook over the near to medium term on account of experienced management team supported by marquee investors, well diversified resource profile. The outlook may be revised to 'Positive' in case UGRO is able to contain asset quality risks within reasonable levels and sustain improving profitability parameters while scaling up its operations. Conversely, the outlook may be revised to 'Negative' in case of any challenges in scaling up of AUM or in case of any sharp deterioration in asset quality and profitability levels.

## Other Factors affecting Rating

Not Applicable

## Key Financials - Standalone / Originator

| Particulars | Unit | FY21 (Actual) | FY20 (Actual) |
|---|---|---|---|
| Total Assets | Rs. Cr. | 1707.96 | 1190.90 |
| Total Income (Net of Interest Expense) | Rs. Cr. | 108.78 | 91.47 |
| PAT | Rs. Cr. | 28.73 | 19.52 |
| Net Worth | Rs. Cr. | 952.44 | 921.52 |
| Return on Average Assets (RoAA) | (%) | 1.98 | 1.90 |
| Return on Average Net Worth (RoNW) | (%) | 3.07 | 2.23 |
| Debt/Equity | Times | 0.80 | 0.28 |
| Gross NPA (Owned Portfolio) | (%) | 2.72 | 0.95 |
| Net NPA (Owned Portfolio) | (%) | 1.75 | 0.57 |

## Status of non-cooperation with previous CRA (if applicable):

Not Applicable

## Any other information

Not Applicable

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Commercial Paper: https://www.acuite.in/view-rating-criteria-54.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Explicit Credit Enhancements: https://www.acuite.in/view-rating-criteria-49.htm
- Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

## Note on complexity levels of the rated instrument

https://www.acuite.in/view-rating-criteria-55.htm

## Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|---|---|---|---|---|
| | Proposed Term Loan | Long Term | 35.15 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 20.95 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 5.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 25.00 | ACUITE PP-MLD A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1+ (Reaffirmed) |
| | Proposed Term Loan | Long Term | 22.86 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 30.00 | ACUITE A1+ (Reaffirmed) |
| | Proposed Term Loan | Long Term | 45.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 4.58 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1+ (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 50.00 | ACUITE A1+ (Assigned) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 8.75 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 6.03 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 15.00 | ACUITE A1+ (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 200.00 | ACUITE A+ \| Stable (Assigned) |
| | Commercial Paper | Short | | |

| | | | | |
|---|---|---|---|---|
| | Program | Term | 25.00 | ACUITE A1+ (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1+ (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| 04 Mar 2022 | Secured Overdraft | Long Term | 1.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 20.00 | ACUITE A1+ (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 43.34 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 150.00 | ACUITE A+ \| Stable (Assigned) |
| | Term Loan | Long Term | 90.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 107.85 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 22.03 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 20.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 24.83 | ACUITE A+ \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 45.00 | ACUITE A1+ (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A+ \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A+ \| Stable (Reaffirmed) |

| | | | | |
|---|---|---|---|---|
| | Proposed Term Loan | Long Term | 18.89 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A+ \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 30.00 | ACUITE A1+ (Reaffirmed) |
| | Proposed Term Loan | Long Term | 16.67 | ACUITE A+ \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 6.03 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 8.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 90.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 8.75 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 22.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 18.89 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Non Convertible Debentures | Long Term | 25.00 | ACUITE PP-MLD A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Commercial Paper Program | Short Term | 20.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Proposed Non Convertible Debentures | Long Term | 107.85 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 16.67 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Cash Credit | Long Term | 10.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 20.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 3.33 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 40.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Cash Credit | Long Term | 10.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long | 25.00 | ACUITE A+ \| Stable (Upgraded from |

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|---|---|---|---|---|
| | | Term | | ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 45.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Term Loan | Long Term | 10.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 4.58 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| 24 Feb 2022 | Proposed Term Loan | Long Term | 22.86 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Proposed Term Loan | Long Term | 35.15 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 22.03 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 8.75 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 30.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Term Loan | Long Term | 25.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Term Loan | Long Term | 46.87 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 43.34 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Proposed Term Loan | Long Term | 24.83 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 20.95 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
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|---|---|---|---|---|
| | Commercial Paper Program | Short Term | 30.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Proposed Term Loan | Long Term | 5.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Proposed Term Loan | Long Term | 45.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A+ \| Stable (Upgraded from ACUITE A \| Positive) |
| | Commercial Paper Program | Short Term | 15.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 20.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Proposed Non | Long | 25.00 | ACUITE A \| Positive (Reaffirmed) |

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|---|---|---|---|
| Convertible Debentures | Term | | |
| Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Term Loan | Short Term | 8.75 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 20.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Term Loan | Long Term | 90.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Commercial Paper Program | Long Term | 45.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 30.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Term Loan | Long Term | 40.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 24.83 | ACUITE A1 \| Positive (Reaffirmed) |
| Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Long Term | 30.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 107.85 | ACUITE A \| Positive (Assigned) |
| Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A1 \| Positive (Reaffirmed) |
| Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 22.03 | ACUITE A1 \| Positive (Reaffirmed) |
| Commercial Paper Program | Long Term | 15.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 35.15 | ACUITE A1 \| Positive (Reaffirmed) |
| | | | |

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|---|---|---|---|---|
| | Non Convertible | Long | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Debentures Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| 09 Dec 2021 | Term Loan | Long Term | 4.58 | ACUITE A1 \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 30.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 15.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 45.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper | Short | | |

| | | | |
|---|---|---|---|
| Program | Term | 30.00 | ACUITE A1 (Reaffirmed) |
| Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 107.85 | ACUITE A \| Positive (Assigned) |
| Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |

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|---|---|---|---|---|
| | Commercial Paper Program | Short Term | 20.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Commercial Paper Program | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 75.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 50.00 | ACUITE A1 (Assigned) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |

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|---|---|---|---|---|
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 90.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 25.00 | ACUITE PP-MLD A \| Positive (Assigned) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A1 \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A1 \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A1 \| Positive (Reaffirmed) |
| | Term Loan | Short Term | 22.03 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| 30 Nov 2021 | | Long | | |

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|---|---|---|---|
| Term Loan | Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| Commercial Paper Program | Short Term | 50.00 | ACUITE A1 (Assigned) |
| Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| Term Loan | Long Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |

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|---|---|---|---|---|
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 25.00 | ACUITE PP-MLD A \| Positive (Assigned) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 75.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Commercial Paper Program | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | | Long | | |

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|---|---|---|---|---|
| | Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 65.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| 28 Oct 2021 | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Short Term | 75.00 | ACUITE A1 (Assigned) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | | | | |

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|---|---|---|---|---|
| | Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Assigned) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper | Long | 25.00 | ACUITE A1 (Reaffirmed) |

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|---|---|---|---|---|
| | Program | Term | | |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 65.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| 11 Oct 2021 | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
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|---|---|---|---|---|
| | Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 150.00 | ACUITE A (Withdrawn) |
| | Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 21.00 | ACUITE A1 (Withdrawn) |
| | Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | | Long | | |

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|---|---|---|---|---|
| | Term Loan | Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| 24 Sep 2021 | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 150.00 | ACUITE A \| Positive (Assigned) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 65.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |

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|---|---|---|---|---|
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| 21 Sep 2021 | Term Loan | Long Term | 20.95 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 22.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 90.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |

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|---|---|---|---|---|
| | Term Loan | Long Term | 8.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Positive (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 455.77 | ACUITE A \| Positive (Reaffirmed) |
| | Commercial Paper Program | Long Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Positive (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Positive (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 592.77 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Stable (Reaffirmed) |
| | | Long | | |

| | | | | |
|---|---|---|---|---|
| | Term Loan | Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| 02 Sep 2021 | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Stable (Reaffirmed) |

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|---|---|---|---|---|
| | Term Loan | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Assigned) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 18.89 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 4.58 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 24.83 | ACUITE A \| Stable (Assigned) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 16.67 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 35.15 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 8.75 | ACUITE A \| Stable (Assigned) |
| | Proposed Term Loan | Long Term | 592.77 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 43.34 | ACUITE A \| Stable (Assigned) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | | Long | | |

| | | | | |
|---|---|---|---|---|
| | Term Loan | Term | 8.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 46.87 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 22.86 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 45.00 | ACUITE A \| Stable (Assigned) |
| 26 Aug 2021 | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 22.03 | ACUITE A \| Stable (Assigned) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 3.33 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 0.20 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 6.03 | ACUITE A \| Stable (Assigned) |
| | Proposed Non Convertible Debentures | Long Term | 20.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 20.95 | ACUITE A \| Stable (Assigned) |
| | Term Loan | Long Term | 20.00 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Stable (Assigned) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 25.00 | ACUITE A \| Stable (Assigned) |
| | | | | |

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|---|---|---|---|---|
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| 11 Aug 2021 | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE PP-MLD AA+(CE) \| Stable (Assigned) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Non | Long | | |

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|---|---|---|---|---|
| | Convertible Debentures | Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE PP-MLD AA+(CE) (Withdrawn) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| 05 Aug 2021 | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |

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|---|---|---|---|---|
| 22 Jul 2021 | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 30.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible | Long | | |

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|---|---|---|---|---|
| | Debentures | Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| 09 Jul 2021 | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 0.30 | ACUITE Provisional PP-MLD AA+(CE) (Withdrawn) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| 28 May 2021 | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |

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|---|---|---|---|---|
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE PP-MLD AA+(CE) \| Stable (Assigned) |
| 21 May 2021 | Proposed Commercial Paper Program | Short Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 0.30 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 20.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible | Long | 50.00 | ACUITE A \| Stable (Reaffirmed) |

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|---|---|---|---|---|
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| 05 May 2021 | Commercial Paper Program | Long Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 29.70 | ACUITE PP-MLD AA+(CE) \| Stable (Assigned) |
| | Proposed Non Convertible Debentures | Long Term | 0.30 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Long Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | | | | |

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|---|---|---|---|---|
| | Commercial Paper Program | Long Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 6.38 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Long Term | 44.00 | ACUITE A1 (Reaffirmed) |
| | Commercial Paper Program | Long Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 8.50 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 65.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 25.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 30.00 | ACUITE Provisional PP-MLD AA+(CE) \| Stable (Assigned) |
| | Term Loan | Long Term | 5.24 | ACUITE A \| Stable (Reaffirmed) |
| 28 Apr 2021 | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 13.63 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Long Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.25 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 145.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 40.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 9.50 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 10.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 150.00 | ACUITE A \| Stable (Assigned) |
| | Non Convertible Debentures | Long Term | 20.00 | ACUITE A \| Stable (Reaffirmed) |

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|---|---|---|---|---|
| 24 Dec 2020 | Term Loan | Long Term | 7.14 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 7.76 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Commercial Paper Program | Short Term | 69.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 35.00 | ACUITE A \| Stable (Reaffirmed) |
| | Commercial Paper Program | Short Term | 21.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 7.68 | ACUITE A \| Stable (Reaffirmed) |
| | Non Convertible Debentures | Long Term | 50.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 7.92 | ACUITE A \| Stable (Reaffirmed) |
| 08 May 2020 | Term Loan | Long Term | 4.83 | ACUITE A \| Stable (Assigned) |
| | Proposed Non Convertible Debentures | Long Term | 200.00 | ACUITE A \| Stable (Assigned) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 100.00 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 15.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 10.00 | ACUITE A \| Stable (Assigned) |
| | Proposed Bank Facility | Long Term | 50.17 | ACUITE A \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 10.00 | ACUITE A \| Stable (Assigned) |
| | Proposed Commercial Paper Program | Short Term | 100.00 | ACUITE A1 (Reaffirmed) |
| 25 Sep 2019 | Term Loan | Long Term | 15.00 | ACUITE A \| Stable (Reaffirmed) |
| | Proposed Non Convertible Debentures | Long Term | 100.00 | ACUITE A \| Stable (Assigned) |
| | Proposed Commercial Paper Program | Short Term | 100.00 | ACUITE A1 (Reaffirmed) |
| | Proposed Term Loan | Long Term | 75.00 | ACUITE A \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Reaffirmed) |
| 06 Aug 2019 | Term Loan | Long Term | 15.00 | ACUITE A \| Stable (Assigned) |
| | Proposed Term Loan | Long Term | 75.00 | ACUITE A \| Stable (Assigned) |
| | Cash Credit | Long Term | 10.00 | ACUITE A \| Stable (Assigned) |
| | Proposed Commercial Paper Program | Short Term | 100.00 | ACUITE A1 (Assigned) |

## Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|---|---|---|---|---|---|---|---|
| A U Small Finance Bank | Not Applicable | Cash Credit | 30-03-2019 | 10.65 | Not Applicable | 10.00 | ACUITE A+ \| Stable \| Reaffirmed |
| IDFC First Bank Limited | Not Applicable | Cash Credit | 11-09-2020 | 13.00 | Not Applicable | 10.00 | ACUITE A+ \| Stable \| Reaffirmed |
| The Kangra Central Cooperative Bank Ltd | INE583D14014 | Commercial Paper Program | 15-07-2020 | 7.95 | 15-07-2021 | 10.00 | ACUITE A1+ \| Reaffirmed |
| The Kangra Central Cooperative Bank Ltd | INE583D14048 | Commercial Paper Program | 13-07-2021 | 7.1 | 13-07-2022 | 20.00 | ACUITE A1+ \| Reaffirmed |
| The Kangra Central Cooperative Bank Ltd | INE583D14055 | Commercial Paper Program | 28-09-2021 | Not Applicable | 28-09-2022 | 30.00 | ACUITE A1+ \| Reaffirmed |
| The Kangra Central Cooperative Bank Ltd | INE583D14030 | Commercial Paper Program | 05-03-2021 | 7.10 | 04-03-2022 | 25.00 | ACUITE A1+ \| Reaffirmed |
| Incred Capital Finacial Services Private Ltd. | INE583D14063 | Commercial Paper Program | 27-10-2021 | Not Applicable | 07-02-2022 | 25.00 | ACUITE A1+ \| Reaffirmed |
| Incred Capital Finacial Services Private Ltd. | INE583D14063 | Commercial Paper Program | 03-11-2021 | Not Applicable | 07-02-2022 | 25.00 | ACUITE A1+ \| Reaffirmed |
| Not Applicable | INE583D14071 | Commercial Paper Program | 03-11-2021 | Not Applicable | 01-02-2022 | 15.00 | ACUITE A1+ \| Reaffirmed |
| Not Applicable | INE583D14089 | Commercial Paper Program | 03-11-2021 | Not Applicable | 29-04-2022 | 30.00 | ACUITE A1+ \| Reaffirmed |
| Not Applicable | INE583D08024 | Non-Covertible Debentures (NCD) | 17-03-2022 | 11.50 | 31-12-2024 | 10.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07232 | Non-Covertible Debentures (NCD) | 29-03-2022 | 11.70 | 29-05-2025 | 50.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07240 | Non-Covertible Debentures (NCD) | 05-05-2022 | 10.00 | 04-11-2023 | 20.40 | ACUITE A+ \| Stable \| Reaffirmed |

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|---|---|---|---|---|---|---|---|
| Not Applicable | INE583D07257 | Non-Covertible Debentures (NCD) | 05-05-2022 | 10.15 | 05-08-2024 | 7.80 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07265 | Non-Covertible Debentures (NCD) | 05-05-2022 | 10.40 | 05-05-2025 | 44.01 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07042 | Non-Covertible Debentures (NCD) | 26-06-2020 | 10.00 | 26-12-2021 | 50.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07059 | Non-Covertible Debentures (NCD) | 11-09-2020 | 10.25 | 09-03-2021 | 35.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07067 | Non-Covertible Debentures (NCD) | 21-10-2020 | 9.88 | 21-04-2022 | 20.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07026 | Non-Covertible Debentures (NCD) | 08-06-2020 | 10.00 | 08-06-2023 | 50.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07083 | Non-Covertible Debentures (NCD) | 31-12-2020 | 10.25 | 30-06-2022 | 10.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07091 | Non-Covertible Debentures (NCD) | 31-12-2020 | 10.50 | 30-06-2022 | 50.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07109 | Non-Covertible Debentures (NCD) | 26-03-2021 | 11.55 | 31-12-2024 | 25.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Federal Bank | Not Applicable | Overdraft | 29-04-2021 | Not Applicable | Not Applicable | 1.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | INE583D07125 | Principal protected market linked debentures | 25-05-2021 | Not Applicable | 25-05-2029 | 20.00 | PP-MLD \| ACUITE AA+ \| CE \| Stable \| Reaffirmed |
| Not Applicable | INE583D07133 | Principal protected market linked debentures | 20-07-2021 | Not Applicable | 20-07-2029 | 20.00 | PP-MLD \| ACUITE AA+ \| CE \| Stable \| Reaffirmed |
| Not Applicable | INE583D07141 | Principal protected market linked debentures | 06-08-2021 | Not Applicable | 06-08-2029 | 50.00 | PP-MLD \| ACUITE AA+ \| CE \| Stable \| Reaffirmed |
| | | Principal protected | | | | | PP-MLD \| ACUITE |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Not Applicable | INE583D07117 | market linked debentures | 30-04-2021 | Not Applicable | 04-11-2022 | 29.70 | AA+ \| CE \| Stable \| Reaffirmed |
| Not Applicable | INE583D07158 | Principal protected market linked debentures | 31-08-2021 | 9.10 | 05-09-2023 | 20.00 | PP-MLD \| ACUITE AA+ \| CE \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Commercial Paper Program | Not Applicable | Not Applicable | Not Applicable | 45.00 | ACUITE A1+ \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Commercial Paper Program | Not Applicable | Not Applicable | Not Applicable | 50.00 | ACUITE A1+ \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | 150.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.20 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | 455.77 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Market Linked Debentures | Not Applicable | Not Applicable | Not Applicable | 25.00 | PP-MLD \| ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Market Linked Debentures | Not Applicable | Not Applicable | Not Applicable | 50.00 | PP-MLD \| ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Non Convertible Debentures | Not Applicable | Not Applicable | Not Applicable | 50.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Non Convertible Debentures | Not Applicable | Not Applicable | Not Applicable | 107.85 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Non Convertible Debentures | Not Applicable | Not Applicable | Not Applicable | 17.79 | ACUITE A+ \| Stable \| Reaffirmed |
| Not Applicable | Not Applicable | Proposed Non Convertible Debentures | Not Applicable | Not Applicable | Not Applicable | 145.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Not | Not | Proposed Non | Not | Not | Not | | ACUITE A+ \| |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Applicable | Applicable | Convertible Debentures | Applicable | Applicable | Applicable | 65.00 | Stable \| Reaffirmed |
| ESAF Small Finance Bank | Not Applicable | Term Loan | 16-01-2020 | 11.75 | 10-12-2022 | 5.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Canara Bank | Not Applicable | Term Loan | 15-06-2020 | 10.05 | 15-06-2025 | 8.00 | ACUITE A+ \| Stable \| Reaffirmed |
| State Bank of Mauritius Ltd | Not Applicable | Term Loan | 25-02-2020 | 12.00 | 28-02-2022 | 3.33 | ACUITE A+ \| Stable \| Reaffirmed |
| IDFC First Bank Limited | Not Applicable | Term Loan | 11-09-2020 | 12.00 | 31-08-2024 | 40.00 | ACUITE A+ \| Stable \| Reaffirmed |
| A U Small Finance Bank | Not Applicable | Term Loan | 30-03-2019 | 9.20 | 03-06-2022 | 4.58 | ACUITE A+ \| Stable \| Reaffirmed |
| MAS Financials Services Limited | Not Applicable | Term Loan | 26-03-2021 | Not available | Not available | 18.89 | ACUITE A+ \| Stable \| Reaffirmed |
| A U Small Finance Bank | Not Applicable | Term Loan | 30-12-2020 | 11.00 | 03-01-2024 | 16.67 | ACUITE A+ \| Stable \| Reaffirmed |
| Capri Global Capital Ltd. | Not Applicable | Term Loan | 25-03-2021 | 12.00 | 15-04-2023 | 8.75 | ACUITE A+ \| Stable \| Reaffirmed |
| ESAF Small Finance Bank | Not Applicable | Term Loan | 02-07-2020 | 11.35 | 10-12-2022 | 22.86 | ACUITE A+ \| Stable \| Reaffirmed |
| Federal Bank | Not Applicable | Term Loan | 28-06-2021 | Not available | Not available | 10.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Hinduja Leyland Finance Ltd. | Not Applicable | Term Loan | 29-08-2019 | 11.75 | 29-08-2022 | 6.03 | ACUITE A+ \| Stable \| Reaffirmed |
| Hinduja Leyland Finance Ltd. | Not Applicable | Term Loan | 19-03-2020 | 11.75 | 19-03-2023 | 20.95 | ACUITE A+ \| Stable \| Reaffirmed |
| Indian Bank | Not Applicable | Term Loan | 31-12-2020 | 9.70 | 30-12-2023 | 25.00 | ACUITE A+ \| Stable \| Reaffirmed |
| KISETSU SAISON FINANCE | | | | | | | ACUITE A+ \| |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| (INDIA) PRIVATE LIMITED | Not Applicable | Term Loan | 30-06-2021 | Not available | 25-12-2023 | 25.00 | Stable \| Reaffirmed |
| Manaveeya Financial Services Ltd. (OIKO) | Not Applicable | Term Loan | 16-03-2021 | 12.00 | 30-12-2023 | 35.15 | ACUITE A+ \| Stable \| Reaffirmed |
| MAS Financial Service Ltd. | Not Applicable | Term Loan | Not available | 12.75 | 23-09-2022 | 8.75 | ACUITE A+ \| Stable \| Reaffirmed |
| MAS Financials Services Limited | Not Applicable | Term Loan | 30-03-2021 | 11.50 | 05-10-2023 | 45.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Northern Arc Capital (formerly IFMR Capital | Not Applicable | Term Loan | 26-02-2021 | 11.50 | 15-09-2023 | 43.34 | ACUITE A+ \| Stable \| Reaffirmed |
| State Bank of India | Not Applicable | Term Loan | 30-03-2021 | 9.75 | 29-05-2025 | 46.87 | ACUITE A+ \| Stable \| Reaffirmed |
| Sundaram Finance Ltd. | Not Applicable | Term Loan | 31-03-2021 | 12.00 | 22-09-2023 | 22.03 | ACUITE A+ \| Stable \| Reaffirmed |
| Vivrit Capital Private Ltd. | Not Applicable | Term Loan | Not available | 11.20 | Not available | 24.83 | ACUITE A+ \| Stable \| Reaffirmed |
| South Indian Bank | Not Applicable | Term Loan | Not available | Not available | Not available | 20.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Canara Bank | Not Applicable | Term Loan | Not available | Not available | Not available | 25.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Small Industries Development Bank of India | Not Applicable | Term Loan | 14-09-2021 | 6 | 13-09-2022 | 90.00 | ACUITE A+ \| Stable \| Reaffirmed |
| KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED | Not Applicable | Term Loan | 16-09-2021 | 11 | 16-03-2024 | 25.00 | ACUITE A+ \| Stable \| Reaffirmed |
| Hinduja Leyland Finance Ltd. | Not Applicable | Term Loan | 31-08-2021 | 11 | 30-08-2024 | 22.00 | ACUITE A+ \| Stable \| Reaffirmed |

## Contacts

| Analytical | Rating Desk |
|---|---|
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## About Acuité Ratings & Research

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**CONFIDENTIAL**

RL/CHOSEC/294682/NCD/0522/34719/108402990
May 26, 2022

**Mr. Nirav Shah**
Chief Strategy Officer and Head of Investor Relations
**Ugro Capital Limited**
4th Floor, Tower 3, Equinox Business Park,
Lal Bahadur Shastri Rd, Kurla,
Mumbai City - 400070

Dear Mr. Nirav Shah,

**Re: CRISIL Rating on the Rs. 250 Crore Non Convertible Debentures of Ugro Capital Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL A-/Stable (pronounced as CRISIL A minus rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer***: *A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

**Details of the Rs.250 Crore Non Convertible Debentures of Ugro Capital Limited**

| | *1st tranche* | | *2nd tranche* | | *3rd tranche* | |
|---|---|---|---|---|---|---|
| *Instrument Series:* | | | | | | |
| *Amount Placed:* | | | | | | |
| *Maturity Period:* | | | | | | |
| *Put or Call Options (if any):* | | | | | | |
| *Coupon Rate:* | | | | | | |
| *Interest Payment Dates:* | | | | | | |
| *Principal Repayment Details:* | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | |
| *Investors:* | | | | | | |
| *Trustees:* | | | | | | |

***In case there is an offer document for the captioned Debt issue, please send us a copy of it.***

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

# Rating Rationale

May 26, 2022 | Mumbai

# Ugro Capital Limited

*'CRISIL A- / Stable' assigned to Bank Debt; 'CRISIL PPMLD A- r / CRISIL A- / Stable' assigned to Debt instruments*

**Rating Action**

| | |
|---|---|
| **Total Bank Loan Facilities Rated** | **Rs.1500 Crore** |
| **Long Term Rating** | **CRISIL A-/Stable (Assigned)** |

| | |
|---|---|
| **Rs.250 Crore Long Term Principal Protected Market Linked Debentures** | **CRISIL PPMLD A- r /Stable (Assigned)** |
| **Rs.250 Crore Non Convertible Debentures** | **CRISIL A-/Stable (Assigned)** |
| **Rs.200 Crore Commercial Paper** | **CRISIL A1 (Reaffirmed)** |

*1 crore = 10 million*
*Refer to Annexure for Details of Instruments & Bank Facilities*

## Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL A-/Stable'** rating to the bank loans facilities and non-convertible debentures; **'CRISIL PPMLD A-r/Stable'** rating to the long term principal protected market linked debentures and reaffirmed its 'CRISIL A1' rating to the Rs 200 crore commercial paper programme of UGRO Capital Ltd (UGRO).

The rating reflects the company's comfortable capitalisation metrics and its diversified and customised product offerings across the MSME segment. These strengths are partially offset by modest earnings due to high operating expenses, and limited track-record of operations.

UGRO is a non-banking finance company (NBFC) focusing on meeting the credit needs of the micro, small and medium enterprises (MSME) segment. It had assets under management (AUM) of Rs 2,969 crore as on March 31, 2022, of which Rs 2,491 crore was on-balance sheet lending as per INDAS. The company aims to provide a complete financing suite to its MSME borrowers for their various needs including financing for machinery and raw materials, loan against property for business expansion, working capital requirements, etc. The company has identified four channels for the sourcing of loans: Branch led model (both own and direct-sales-agent sourced; 58% of AUM as on March 2022), ecosystem channel (21% of AUM), partnerships and alliances channel (21% of AUM), and direct digital (in a nascent stage).

Out of the total AUM of Rs 2,969 crore as on March 31, 2022, ~16% was off-book mainly in the form of co-lending partnerships and direct assignment transactions. The company has identified this partnership model as a central growth driver of business over the medium term and is targeting a significantly higher proportion of its AUM by way of such partnerships. Currently, the company has 8 co-lending / co-origination partnerships with banks and NBFCs and is in advanced stages of increasing the same to more than 12-15 over the next few months. For raising resources, the company has relationships with a number of banks and financial institutions. For the fiscal 2022, the company has been able to raise resources worth ~Rs 2036 crore of which the bank loan facilities were mainly within the interest rate range of 9.3%-11%. The company's ability to form strong co-lending partnerships with other lenders and raise on-balance sheet funding at competitive interest rates will remain monitorable.

UGRO has made significant investments in putting in place systems and processes for underwriting, collections and risk management of loans. Many of these processes have a high degree of digitization.

From an asset quality perspective, UGRO has seen impact of the challenging macro-environment on their core borrower segment MSMEs. While 90+ days-past-due (dpd)[1] decreased to 1.7% as on March 31, 2022 from 2.3% as on March 31, 2021, this has been supported by Rs 44 core (1.8% of of the book) of sale to asset reconstruction companies (ARCs). Further, as part of the one-time restructuring as allowed by the Reserve Bank of India, the company has restructured 4.6% of the AUM as on March 31, 2022. The company's ability to maintain asset quality as the portfolio scales up will be a monitorable.

[1] *Delinquencies mentioned in the rationale are based on the on-book AUM*

## Analytical Approach

For arriving at the rating, CRISIL Ratings has analysed the standalone business and financial risk profiles of UGRO.

## Key Rating Drivers & Detailed Description

**Strengths:**

- **Comfortable capitalization**

  Capitalisation metrics are comfortable, supported by the initial large capital infusion. The company has, since 2018, raised a total equity capital of ~Rs 900 crore, from investors such Newquest Asia Investments, Clearsky Investment holdings (ADV Partners), Samena Capital and DBZ Cyprus (PAG), most of which was raised upfront, before the commencement of operations in 2019.

  As on March 31, 2022, reported net worth of the company stood at Rs 967 crore with an adjusted gearing of 2.1 times as against Rs 952 crore and 0.9 times, respectively, as on March 31, 2021. The company is expected to follow an asset light model over time with a significant proportion of the AUM being off-balance sheet in the form of co-lending or direct assignment transactions, which should reduce the capital requirement for the business. Further, the company is also in a process to raise ~Rs 500 crore of capital over the next few quarters, which should support the capitalization for the planned growth. While gearing is expected to increase from current levels, on-balance sheet gearing is expected to remain below 3.8 times on a steady-state basis.

- **Diversified product offerings across the MSME segment with presence across multiple geographies**

  The company started its operations in January 2019 with a prime product offering for the MSME segment and has over a period of time, diversified into other product offerings catering to the overall MSME ecosystem. UGRO has a presence across secured and unsecured segments. It has products with average ticket sizes ranging from Rs 3 lakh to Rs 1.5 crore, with interest rates varying from ~9% to ~25%. The company offers financing solutions to MSME borrowers to cater to their various needs. Additionally, the company has independent verticals and product teams to manage their different product lines. The company has, as on March 31, 2022, a presence across 11 states with 91 branches, 345 active direct selling agents (DSAs), 1,111 employees (including 620+ sales staff). Further, the company has also partnered with new age technology companies for the sourcing of loans via a co-lending model, wherein it does not have a physical presence. For the machinery loans, the company has built partnership with 22 original equipment manufacturers (OEMs) and for supply chain finance, the company has built relationships with 45 anchors as on March 31, 2022. UGRO has also attempted to customize its product offerings to meet the demands of its borrower segments and has built in a high degree of digitization into its business processes.

**Weaknesses**

- **Modest earnings on account of high operating expenses**

  On account of the company still being in a build-out stage, its operating expenses have remained high due to large investments in setting up branch network, technology infrastructure, and hiring of employees at senior management level. Consequently, operating expenses as a percentage of average managed assets remained high at 5.0% for the fiscal 2022 as against 5.1% for fiscal 2021 and 7.4% for fiscal 2020. Hence, the pre-provisioning operating profits has remained muted at 2.1% of average managed assets for the fiscal 2022 as against 2.1% of average managed assets for fiscal 2021 and 1.3% of average managed assets for fiscal 2020. However, with the scale-up of operations, the operating efficiencies are expected to kick in and improve the pre-provisioning operating profits.

  While UGRO has been profitable since the commencement of operations, some of this has been contributed by the tax write-back in fiscal 2021 and fiscal 2020. The company reported a PAT of Rs 14.6 crore with a return of managed assets of 0.6% for the fiscal 2022 as against Rs 28.7 crore and 1.9%, respectively, for fiscal 2021 (Rs 20 crore and 1.3%, respectively, for fiscal 2020). Profit before tax (as a percentage of average managed assets) was at 0.8% for the fiscal 2022 as against 0.8% for in fiscal 2021. The company did not benefit from tax write-backs in fiscal 2022.

  While the company's credit costs have remained range-bound at 1.1% of average managed assets for fiscal 2022 as against 1.3% for fiscal 2021 and 1.0% for fiscal 2020, the loan book is not yet fully seasoned. Therefore, ability of the company to scale up the book profitably while maintaining adequate performance will remain a key monitorable.

- **Limited track-record of operations**

  UGRO commenced its lending operations in January 2019. It witnessed a year-on-year growth of ~125% and reached an AUM of Rs 2,969 crore as on March 31, 2022 from Rs 1,317 crore as on March 31, 2021 (and Rs 861 crore as on March 31, 2020). While, the company has invested significantly to build up infrastructure in place to ramp up disbursements from a current run rate of ~Rs 300 crore per month to over Rs 700+ crore per month, ability to do so successfully will need to be seen.

  Also, given the rapid scale-up in loan book in recent years, portfolio seasoning remains limited. Given the challenging macro environment, UGRO witnessed an increase in the 90+ dpd to Rs ~42 crore (1.7% of loans) as on March 31, 2022 from ~Rs 29 crore (2.3%) as on March 31, 2021 (and Rs 8 crore (0.9%) as on March 31, 2020). Further, the company has also sold to ARCs loans worth ~Rs 44 crore during fiscal 2022. Additionally, the company has restructured accounts worth Rs 135 crore (4.6%) as on March 31, 2022; performance of this portfolio will be a key monitorable going forward.

  Nevertheless, the company has made significant investments in systems and processes for underwriting and risk management practices with a strong focus on technology enabled solutions. Additionally, the company has well diversified portfolio across the states (with no state contributing more than 18% of the portfolio) and presence across the MSME segments with ticket sizes ranging from Rs 3 lakh to Rs 1.5 crore.

  Ability of the company to manage its collections as well as asset quality metrics as the portfolio scales up will remain key monitorable.

**Liquidity : Adequate**

Asset liability maturity profile as on December 31, 2021 had positive cumulative mismatches for all the buckets upto one year. As on May 25, 2022, the company had a liquidity of Rs 226.7 crore (Rs 102.7 crore of cash and cash equivalents, Rs 114 crore of liquid investments and Rs 10 crore of unutilized bank lines) as against total debt repayment Rs 243 crore till July 30, 2022. In addition, the company has committed funding lines of Rs 245 crore from various financial institutions.

**Outlook Stable**
CRISIL Ratings believes the UGRO will maintain its comfortable capitalization metrics over the medium term.

**Rating Sensitivity factors**
**Upward factors**
- Significant improvement in the market position, while improving asset quality
- Improvement in profitability, with return on managed assets beyond 2% on a sustained basis

**Downward factors**
- Leverage going beyond 4 times on sustained basis
- Significant and sustained weakening in asset quality leading to adverse impact on profitability

**About the Company**
UGRO is a systemically important NBFC engaged in financing secured and unsecured loans to MSMEs. It was incorporated in 1993 as Chokhani Securities Limited and was acquired and renamed as UGRO Capital Limited in 2018 by Mr. Shachindra Nath (Executive Chairman and Managing Director). The company is publicly listed on the Bombay Stock Exchange since 1995 and got listed on the National Stock Exchange in August 2021. Mr. Shachindra Nath is supported by seasoned key management personnel each having expertise of over a decade in their respective functional domains.

The company has raised capital from marquee private equity investors namely Newquest Asia Investments, Clearsky Investment holdings (ADV), Samena and DBZ Cyprus (PAG) who invested in the initial phase of UGRO's evolution along with Mr. Shachindra Nath. The four investors together hold 68% as on March 31, 2022.

The company commenced its operation in January 2019 and had an AUM of Rs 2,969 crore as on March 31, 20212, of which Rs 2,491 crore was on-book. The company has diversified presence across 11 states with 91 branches as on March 31, 2022, with none of the states contributing more than 18% of the AUM as on March 31, 2022.

The company reported a PAT of Rs 15 crore on the total income (net of interest expense) of Rs 177 crore for the fiscal 2022 as against Rs 29 crore and Rs 109 crore, respectively, for the previous fiscal.

**Key Financial Indicators**

| As on/for the period ending | Unit | Mar 2022 (FY22) | Mar 2021 (FY21) | Mar 2020 (FY20) |
|---|---|---|---|---|
| Total assets | Rs crore | 2854 | 1751 | 1213 |
| Total assets under management *(including off balance sheet)* | Rs crore | 2969 | 1317 | 861 |
| Total income | Rs crore | 313 | 153 | 105 |
| Profit before tax | Rs crore | 20.2 | 12.1 | 3.32 |
| Profit after tax | Rs crore | 15 | 29 | 20 |
| 90+ dpd of on-balance sheet portfolio | % | 1.7 | 2.3 | 0.9 |
| Adjusted gearing* | Times | 2.1 | 0.9 | 0.3 |
| Return on managed assets | % | 0.6 | 1.9 | 1.9 |

**Gearing is adjusted for the intangible assets on the balance sheet.*

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

| ISIN | Name of instrument | Date of allotment | Coupon rate (%) | Maturity date | Issue size (Rs crore) | Complexity levels | Rating outstanding with outlook |
|---|---|---|---|---|---|---|---|
| NA | Commercial paper | NA | NA | 7 to 365 days | 200 | Simple | CRISIL A1 |
| NA | Proposed bank loan facilities | NA | NA | NA | 1500 | Simple | CRISIL A-/Stable |
| NA | Non-convertible debentures* | NA | NA | NA | 250 | Simple | CRISIL A-/Stable |
| NA | Long term principal protected market linked debentures* | NA | NA | NA | 250 | Highly Complex | CRISIL PPMLD A-r/Stable |

**Yet to be issued*

**Annexure - Rating History for last 3 Years**

| | Current | 2022 (History) | 2021 | 2020 | 2019 | Start of 2019 |
|---|---|---|---|---|---|---|

| Instrument | Type | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fund Based Facilities** | LT | 1500.0 | CRISIL A-/Stable | | -- | | -- | | -- | | -- | -- |
| **Commercial Paper** | ST | 200.0 | CRISIL A1 | 04-05-22 | CRISIL A1 | | -- | | -- | | -- | -- |
| **Non Convertible Debentures** | LT | 250.0 | CRISIL A-/Stable | | -- | | -- | | -- | | -- | -- |
| **Long Term Principal Protected Market Linked Debentures** | LT | 250.0 | CRISIL PPMLD A- r /Stable | | -- | | -- | | -- | | -- | -- |

*All amounts are in Rs.Cr.*

**Annexure - Details of Bank Lenders & Facilities**

| Facility | Amount (Rs.Crore) | Name of Lender | Rating |
|---|---|---|---|
| **Proposed Long Term Bank Loan Facility** | **1500** | **Not Applicable** | **CRISIL A-/Stable** |

*This Annexure has been updated on 26-May-2022 in line with the lender-wise facility details as on 26-May-2022 received from the rated entity.*

## Criteria Details

| Links to related criteria |
|---|
| Rating Criteria for Finance Companies |
| CRISILs Bank Loan Ratings - process, scale and default recognition |
| CRISILs Criteria for rating short term debt |


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https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/UgroCapitalLimited_May 26, 2022_RR_294682.html

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**IDBI Trusteeship Services Ltd.**
CIN : U65991MH2001GOI131154

No. 47682-1/ITSL/OPR/CL/22-23/DEB/437

Date: August 10, 2022

To,
**Ugro Capital Limited**
4th Floor, Tower 3,
Equinox Business Park,
LBS Marg, Kurla,
Mumbai, Maharashtra 400070

**Kind Attn: Mr. Satish Kumar**

Dear Sir,

**Consent to act as Debenture Trustee for the Public issue of Secured, Redeemable, Listed, Non-Convertible Debentures (NCDs) aggregating upto Rs. 100 crores**

This has reference to our discussion regarding the appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for the public issue of NCDs aggregating upto Rs. 100 crores. In this connection, we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as Debenture Trustee in the Disclosure document/ listing application/ any other document to be filed with the Stock Exchange(s) subject to the following conditions.

1) The Company hereby agree and undertakes to execute, the Debenture Trust Deed / Debenture Trustee Agreement, security documents and other necessary documents including necessary charge filling with Registrar of Companies etc. as applicable on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document as approved by the Debenture Trustee, within a period as per applicable law.

2) The Company hereby agree & undertakes to pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as mutually agreed for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

3) The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI Circular on Uniform Listing Agreement dated October 13th, 2015; SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020; SEBI circular dated 03.11.2020 and the Companies Act, 2013 and rules thereunder, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,

For **IDBI Trusteeship Services Limited**

**Authorised Signatory**

IDBI Trusteeship Services Ltd. ITSL

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

# भारतीय प्रतिभूति और विनिमय बोर्ड
# SECURITIES AND EXCHANGE BOARD OF INDIA

## (डिबेंचर न्यासी) विनियम, 1993
## (DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)
(Regulation 8)

## रजिस्ट्रीकरण प्रमाणपत्र
## CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTEESHIP SERVICES LIMITED**
**ASIAN BUILDING, GROUND FLOOR**
**17, R. KAMANI MARG**
**BALLARD ESTATE**
**MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000460**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to **This certificate of registration shall be valid unless it is suspended or cancelled by the board**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
**Securities and Exchange Board of India**

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY14, 2017**

M J Sanparote

**MEDHASONPAROTE**
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory



Jai Kaushal