7th May 2026

To

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code – 511742

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

NSE Symbol – UGROCAP

Sub: **Annual Report for the Financial Year 2025-26**

Dear Sir/ Madam,

Pursuant to applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent today, i.e. Thursday, 07th May 2026, soft copy of the Annual Report for the Financial Year 2025-26 via e-mail to those members who have registered their email addresses with the Company, Depositories and Registrar and Transfer Agent.

Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company will be sending a letter to those Shareholders whose e-mail addresses are not registered with Company/DPs providing the weblink from where the Annual Report FY 2025-26 can be accessed on the Company's website.

Accordingly, please find enclosed herewith the Annual Report of the Company for the Financial Year 2025-26. Further, kindly note that the 33rd Annual General Meeting of the Company will be held on Friday, 29th May 2026 at 11.00 A.M. (IST) through Video Conferencing or Other Audio Video Means.

Information at a glance:

Particulars	**Details**
Date and Time of AGM	Friday, 29th May 2026, at 11.00 a.m. (IST)
Mode	Video Conferencing or Other Audio Video Means
Cut-off date for e-voting	Friday, 22nd May 2026
E-voting start time and date	Tuesday, 26th May 2026 at 9:00 a.m. (IST)
E-voting end time and date	Thursday, 28th May 2026 at 5:00 p.m. (IST)

The intimation is also available on the website of the Company, i.e. www.ugrocapital.com.

Request you to take the above on your records.

Thanking you,
For UGRO Capital Limited

SATISH KUMAR CHELLADURAI
Digitally signed by SATISH KUMAR CHELLADURAI
Date: 2026.05.07 21:37:02 +05'30'

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

UGRO CAPITAL LIMITED

Registered Office Address: B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai- 400070
CIN: L67120MH1993PLC070739
Telephone: +91 22 49194400 I **E-mail**: info@ugrocapital.com I **Website**: www.ugrocapital.com

UGRO CAPITAL

INDIA BY MSME

ANNUAL REPORT 2025-2026

Corporate Information

Board of Directors

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

Mr. Shachindra Nath – Vice Chairman & Managing Director

Mr. Karuppasamy Singam – Independent Director

Mr. Karnam Sekar – Independent Director

Mr. Hemant Bhargava – Independent Director

Mr. Rajeev Krishnamuralilal Agarwal – Independent Director

Ms. Tabassum Abdulla Inamdar – Independent Director

Mr. Ramanathan Subramanian Arun Kumar – Non-Executive (Nominee) Director

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

Management Team

Mr. Anuj Pandey – Chief Executive Officer

Mr. Sameer Nanda– Chief Revenue Officer

Ms. Irem Sayeed – Chief Risk Officer

Ms. Shilpa Bhatter – Chief Financial Officer

Mr. Sunil Lotke – Chief Legal and Compliance Officer

Ms. Rajni Khurana – Chief People Officer

Mr. Rahul Sekar – Chief Technology & Product Officer*

Mr. Satyabrata Mohapatra – Chief Operating Officer*

Audit Committee

Mr. Hemant Bhargava – Chairman

Mr. Rajeev Krishnamuralilal Agarwal – Member

Mr. Karuppasamy Singam – Member

Mr. Rohit Goyal – Member

*Appointed w.e.f 5th May 2026

Nomination and Remuneration Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman

Mr. Satyananda Mishra – Member

Mr. Hemant Bhargava – Member

Mr. Karuppasamy Singam – Member

Mr. Karnam Sekar – Member

Risk Management Committee

Mr. Karnam Sekar – Chairman

Mr. Satyananda Mishra – Member

Ms. Tabassum Abdulla Inamdar – Member

Mr. Shachindra Nath – Member

Asset Liability Committee

Mr. Shachindra Nath – Chairman

Mr. Satyananda Mishra – Member

Mr. Karnam Sekar – Member

Mr. Hemant Bhargava – Member

Ms. Tabassum Abdulla Inamdar – Member

IT Strategy Committee

Mr. Karuppasamy Singam – Chairman

Ms. Tabassum Abdulla Inamdar – Member

Mr. Shachindra Nath – Member

Mr. Karnam Sekar – Member

Mr. Rohit Goyal – Member

Customer Service Committee

Mr. Karuppasamy Singam - Chairman

Mr. Shachindra Nath - Member

Mr. Karnam Sekar – Member

Stakeholders Relationship Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman

Mr. Karuppasamy Singam – Member

Mr. Satyananda Mishra – Member

Corporate Social Responsibility Committee

Mr. Satyananda Mishra – Chairman

Mr. Rajeev Krishnamuralilal Agarwal – Member

Mr. Shachindra Nath – Member

Compliance Committee

Mr. Karuppasamy Singam – Chairman

Mr. Satyananda Mishra – Member

Mr. Rajeev Krishnamuralilal Agarwal – Member

Securities Allotment and Transfer Committee

Mr. Rajeev Krishnamuralilal Agarwal – Chairman

Mr. Karuppasamy Singam – Member

Mr. Shachindra Nath – Member

Wilful Defaulter - Review Committee

Mr. Shachindra Nath – Chairman

Ms. Tabassum Inamdar – Member

Mr. Karnam Sekar – Member

Investment and Borrowing Commitee

Mr. Shachindra Nath – Chairman

Mr. Rajeev Krishnamuralilal Agarwal – Member

Registered and Corporate Office

B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai- 400070

Registrar and Share Transfer Agent

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

C 101, 247 Park, L B S Marg, Vikhroli (W), Mumbai - 400 083

Tel: +91 22 49186000 | Fax: +91 22 49186060

Statutory Auditors

Sharp & Tannan Associates

87 Nariman Bhavan, 227 Nariman Point, Mumbai

Maharashtra - 400021

Tel: +91 22 6153 750

Debenture Trustees

Beacon Trusteeship Limited

5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400051

Tel no. 022-26558759

Catalyst Trusteeship Limited

901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai- 400013

Tel no. 022-49220555

MITCON Credentia Trusteeship Services Limited

1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021

Tel no. 022-22828200

Vardhman Trusteeship Private Limited

3rd Floor, Room No – 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal – 700001

Tel no. 022 – 4264 8335

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SCONSOLIDATED FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

Building an Institution That MSMEs Deserve

#MSMEAcchaHai	#BharosaMSMEPar	#UtsavKiUdaan	#IndiaByMSMEs
Recognition	Trust	Prosperity	Authorship
2018–22	FY2023–24	FY2025	FY2026

In 2018, UGRO Capital was founded on a single, clear conviction that India's small businesses were not a credit risk but a data problem. The formal financial system had failed MSMEs not because their businesses were weak, but because no institution had built the infrastructure to see them clearly to read their cashflows, understand their sectors, and stand beside them through cycles of growth and pressure.

Eight years later, that conviction is no longer an argument. It is a **₹15,334 crore institution** with **~3,21,000 active borrowers,** a patented credit model, and a proof point that grows stronger every quarter: ***discipline and scale are not opposites.***

UGRO Journey

Mar'22 – Mar'24

- Pioneered Co-lending with Banks and NBFCs. This helped conserve capital while achieving scale.
- Raised Equity Capital of INR 340cr, of which INR 240cr was invested by IFU (Denmark Sovereign Govt arm).

Mar'24 – Mar'25

- With maturing of 75 branches, plan to roll out incremental EM branches and take count to 240.
- Acquired MyShubhLife and started Merchant Lending Product.

Mar'25 – Current

- Expanded to 317 EM branches as on Mar'26 to meet volume growth .
- Acquired Profectus to achieve immediate scale and improve profitability profile by taking out costs
- Raised INR 900 Cr+ by way of rights and CCD issue.

What makes an institution that MSMEs deserve

The Intelligence to See Every Borrower

GRO Score™ India's first patented MSME credit scorecard reads GST cashflows, banking patterns, and counterparty data to build a 360-degree credit picture. It scored 1.7 lakh loans to date. It approves or declines in 60 minutes. It sees what a balance sheet cannot.

The Reach to Serve Every Market

317 Emerging Market branches across 13 states. 1,900+ sales executives. Tier 2, 3, and 4 towns. Staff who are local, speak the language, and understand the seasonal rhythms of the businesses they serve. Credit is not just a product, it is a relationship.

The Discipline to Grow Without Compromise

GNPA held within 2.0–2.5% across five years and ₹15,334 crore of AUM. CAR (Standalone) at 21.17% stronger than when we were smaller. The realignment of FY26 is not retreat. It is the institution choosing value creation over scale. That choice is what MSMEs deserve from their lender.

India's MSMEs have always been creditworthy. What they lacked was a lender built to see it. Every branch we open in a Tier 3 town, every borrower we say yes to when others said no, every business we back at the moment it needs us most - each one is an act of institution-building in service of a single idea: **that the people who build India's economy deserve a financial institution that is built for them.**

India by MSME
A National Institutional Resolve

The **India by MSME** forum, hosted by UGRO Capital in Mumbai (February 2026), brought together policymakers, financial institutions, and industry leaders to address India's MSME credit gap and strengthen financing architecture.

MSMEs contribute ~30% to GDP, ~45–50% of exports, and support 11+ crore livelihoods, yet face a ₹25–30 lakh crore credit gap. The forum emphasised that this gap is structural, not demand-driven, requiring coordinated institutional action rather than fragmented interventions.

Key themes included transitioning to data-driven, technology-enabled underwriting, expanding capital market participation, and fostering collaboration between banks, NBFCs, fintechs, and development finance institutions. Leaders highlighted the need for disciplined growth, risk governance, and long-term capital.

The event also launched the MSME Sampark Report (Vol. 4) and UGRO's Coffee Table Book, reinforcing thought leadership.

Overall, the forum established **India by MSME** as a recurring national platform aimed at transforming MSME finance into a structured, scalable, and collaborative ecosystem.

Shachindra Nath,
Founder & Managing Director, UGRO Capital

India's economic future will be defined not merely by capital flows, but by the strength of its entrepreneurial foundation.

Micro, Small and Medium Enterprises contribute nearly 30% of India's GDP, power close to half of exports, and support more than 11 crore livelihoods. Outstanding credit to the sector has crossed ₹30 trillion. Yet the estimated credit gap remains between ₹25–30 lakh crore, largely concentrated among micro enterprises and emerging markets.

This gap is not a reflection of weak enterprise. It is a structural financing challenge.

India By MSME was conceived to address that structural gap through institutional coordination. It is not an event, but a platform designed to align policymakers, regulators, banks, NBFCs, fintech institutions, capital markets, and development finance bodies toward building a resilient and disciplined MSME financing architecture.

The forum reaffirmed a shared conviction:
MSME finance must evolve from fragmented effort to coordinated architecture.

“Entrepreneurship is the backbone of employment and economic resilience. For MSMEs to scale meaningfully, access to structured and timely finance must be strengthened through coordinated policy and institutional support. Platforms like India By MSME reinforce the importance of collective action in building a future-ready entrepreneurial ecosystem.”

Hon’ble Shri Mangal Prabhat Lodha

Cabinet Minister – Skill, Employment, Entrepreneurship & Innovation
Government of Maharashtra

UGRO Capital Today!

FY26
HIGHLIGHTS

₹ 15,334 cr
YoY - 28%
AUM

₹ 7,742 cr
YoY - 1%
Net Disbursement

₹ 2,021 cr
YoY - 40%
Total Income

₹ 1,067 cr
YoY - 31%
Net Total Income

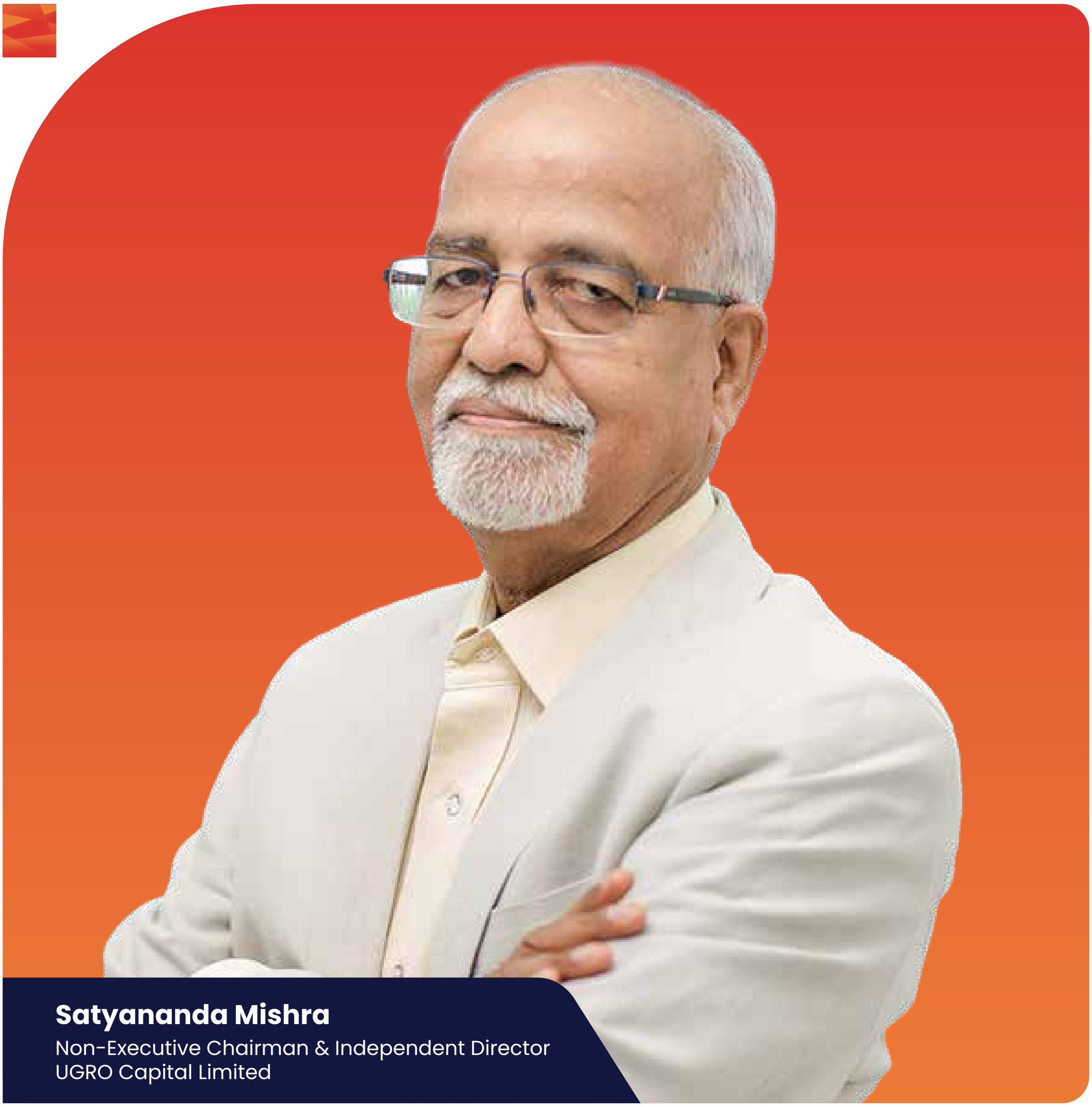
₹ 244 cr
YoY - 20%
Profit Before Tax

₹ 175 cr
YoY - 21%
Profit After Tax

Marking a strategic pivot towards capital-efficient growth, earning predictability, and operating efficiency

Note: FY26 figures are consolidated; YoY comparison with FY25 standalone

Chairman's Message



Satyananda Mishra
Non-Executive Chairman & Independent Director
UGRO Capital Limited

Dear Shareholders,

It gives me immense pleasure to present UGRO Capital's Annual Report for FY26, a year that marks an important milestone in UGRO's journey and represents a defining phase in the evolution of the Company.

While there have been a series of shocks impacting the global economy, India's economy emerged as one of the most dynamic in the global landscape. This strong performance is being driven by a combination of resilient domestic demand, especially in consumption and services and a sustained, policy anchored push on public infrastructure and capital expenditure. The MSME sector remains the backbone of India's industrial and employment base. FY26 reflected a phase of structural strengthening for the MSME sector, marked by deeper formalisation, enhanced policy support, and increasing integration into the formal financial system positioning it as a critical engine for India's sustained economic growth.

When UGRO was established, it was founded on a simple but ambitious belief that India's vast MSME credit gap could be addressed through a purpose-built institution combining sectoral expertise, advanced analytics, and disciplined execution. Since then, the Company has built a highly differentiated platform that today serves thousands of MSMEs across India. From an asset base of approximately ₹3,000 crore in FY22 to an AUM of ₹15,334 crore at the close of FY26, UGRO's growth reflects both the scale of opportunity and the strength of its execution capabilities.

This year, we entered the next phase of our journey-one characterised by sharper strategic focus, stronger operating leverage, and an unwavering commitment to long-term value creation. The Board views FY26 as a strategic turning point because it reflects a deliberate transition from scale creation to value compounding. During the year, management undertook a strategic realignment designed to sharpen the company's focus on segments that offer superior long-term economics and stronger capital efficiency among other aspects. The Board remains particularly encouraged by the productivity trends emerging across the Company's operating infrastructure.

The Board remains closely engaged in overseeing key areas of risk management, capital allocation, and internal controls. UGRO continues to operate within a well-defined risk framework, supported by data-driven underwriting, robust monitoring mechanisms, and a strong collections architecture. The Company's Internal Capital Adequacy Assessment Process (ICAAP) and its approach to liquidity and asset-liability management are regularly reviewed to ensure resilience across economic cycles.

The Board's confidence in UGRO's future is rooted not merely in financial metrics, but in the strength of its strategic direction and institutional discipline. The management team has demonstrated both clarity of vision and operational rigor in navigating this transition, and the Board remains fully aligned with the roadmap laid out for the years ahead.

As the Company progresses through this phase of transition, the Board would clearly support the management in building an institution anchored in discipline, integrity, and long-term value creation and capable of generating consistent returns while fulfilling its broader role in supporting India's entrepreneurial MSME ecosystem. The objective is not merely to grow, but to grow responsibly, with a clear alignment between business strategy, risk appetite, and stakeholder expectations.

India's MSME sector continues to represent one of the most compelling structural opportunities within financial services. The estimated credit gap of over ₹30 trillion underscores both the scale of unmet demand and the need for institutions capable of serving this segment responsibly and efficiently. UGRO's differentiated underwriting framework, technology-enabled decisioning capabilities, and deep customer reach position it uniquely to participate in this opportunity.

On behalf of the Board, I extend my sincere gratitude to our shareholders, customers, lenders, employees and regulators for the continued trust, support and belief in UGRO Capital. As the Company progresses, we are confident that UGRO Capital will continue to strengthen its franchise while delivering consistent and sustainable value to all stakeholders.

Vice Chairman's Message

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

Dear Shareholders,

Every institution, at some point in its journey, must decide not just how it grows, but what it chooses to stand for. For UGRO Capital, FY26 represents such a moment, a year of strategic clarity and disciplined execution, marking a transition from a phase of scale to one focused on capital-efficient growth and long-term value compounding.

When we founded UGRO in 2018, our vision was to build India's most analytically driven MSME lending institution and address the country's structural credit gap through technology, data science, and sector-focused underwriting. Over the past eight years, we have worked relentlessly to build this institution. Today, UGRO serves a rapidly expanding MSME customer base through 317 Emerging Market branches across 13 states and a deeply integrated Embedded Merchant Finance ecosystem. Our Consolidated AUM has grown to ₹15,334 crore, a reflection of both disciplined scaling and trust placed in us by thousands of small business customers across India. Embedded Merchant Finance alone now serves approximately 2.5 lakh active merchant customers, underscoring the breadth of our reach and the relevance of our model.

FY26 marked the beginning of our next chapter.

In February 2026, we took a strategic decision to realign our portfolio by exiting intermediated, yield-dilutive lending segments and sharpening our focus on Emerging Market business and Embedded Merchant Finance. This decision was not tactical but structural. It reflected our conviction that these businesses are best aligned with our long-term objective of building a resilient institution capable of generating annuity-led income, improving capital efficiency, and compounding shareholder value over time.

To understand why this focus is both commercially compelling and socially necessary, one must appreciate how deeply underserved these two markets remain. The Emerging Market LAP borrower, a sub ₹3 crore turnover enterprise in a Tier-3 or Tier-4 town has long waited at the edge of India's formal financial system. These businesses typically lack the GST returns, audited financials, and documentation that traditional credit frameworks demand. Banks are structurally disadvantaged here: their scoring models depend on formal income proof, their branch economics require high ticket sizes, and their risk frameworks cannot accommodate the informality of small-town enterprise. The result is an addressable credit gap estimated at over ₹30 trillion, a market vast enough to absorb many institutions the size of UGRO, where willing borrowers with real assets and genuinely repayable cash flows remain systematically excluded from formal credit.

UGRO's Emerging Market LAP offering is purpose-built to bridge this gap. Our proprietary GRO Score underwriting engine processes over 25,000 data features from banking transaction flows to bureau patterns, to generate a credit assessment within sixty minutes, without human discretion. For Tier-3 borrowers who lack formal income documents, we assess repayment capacity through liquid income analysis; bank inflows, outflows, and balance patterns that reveal true cash flow cycles far more reliably than a profit-and-loss statement. Every loan is secured by residential, commercial or industrial property at conservative loan-to-value ratios, and every borrower receives a mandatory on-site field visit before disbursement. This is not relaxed underwriting - it is alternate data underwriting, enabling us to extend formal credit to genuinely underserved businesses without compromising risk discipline. Our 317 Emerging Market branches across Tier-2, Tier-3, and beyond geographies give us physical proximity that purely digital models cannot replicate.

The Embedded Merchant Finance segment addresses an equally acute form of exclusion, operating at a different scale entirely. India's nano-MSMEs i.e. kirana store owners, agricultural input dealers, pharmaceutical distributors, operating on turnover below ₹50 lakh, form the last mile of the country's supply chains but remain invisible to formal lenders. They are too small for bank branch economics, too informal for traditional credit assessment, and too geographically dispersed for physical origination. Their only source of working capital is the informal moneylender, at annualised rates of 36 to 60 percent. UGRO's Embedded Merchant Finance model, delivered through supply-chain ecosystems via our MyShubhLife platform, reaches these borrowers digitally at an average ticket size of ₹1 lakh replacing moneylender debt with institutional credit at a lower cost.

The scale of impact from these two segments is central to our strategic story. As we further deepen our presence in under-served markets, particularly in Tier-3 and beyond geographies, these businesses are expected to support approximately 6 lakhs livelihoods by FY29 while expanding access to formal credit. A notable proportion of women borrowers in our Emerging Market portfolio are business owners or co-owners, reflecting genuine enterprise creation. Importantly, this impact is not separate from financial performance- it is embedded within it. The shift towards higher-yielding, underpenetrated segments enhances portfolio returns while serving customers who are otherwise excluded from formal finance. Financial returns and social impact, therefore, are outcomes of the same capital deployment.

The initial outcomes of this transition have validated our conviction. For FY26, Profit After Tax stood at ₹174.8 crore. Net Total Income expanded strongly, and our return profile continues to improve as the portfolio mix shifts toward granular on-book assets.

Our capital adequacy ratio remains strong at 21.2%, with a net worth of ₹2,906 crore and leverage of 3.7x, positioning us to fund growth internally through FY29 without incremental equity dilution.

Operationally, we are entering a highly promising phase. Our branch network is now moving into its productivity cycle, with mature branches delivering significantly higher disbursement throughput while younger branches continue to ramp up. This creates a powerful operating leverage effect, where growth can accelerate without proportionate increases in infrastructure costs. Simultaneously, our Embedded Merchant Finance platform continues to scale rapidly while maintaining disciplined credit performance, supported by strong data visibility and technology-enabled monitoring.

What gives me the greatest confidence, however, is not simply the numbers- it is the structural quality of the institution we are building.

At UGRO, financial performance and responsible growth are deeply interconnected. Our business is fundamentally linked to empowering India's MSME ecosystem which is the backbone of employment generation, local entrepreneurship, and inclusive economic development. By extending formal credit access to underserved businesses across Tier 2, Tier 3, and beyond, we are enabling productive enterprise creation and supporting economic formalisation across Bharat.

Our commitment to responsible finance is embedded in our operating philosophy. We emphasise secured lending structures, prudent loan-to-value ratios, disciplined underwriting, and robust collections architecture to ensure that growth remains sustainable. Our use of data-driven credit assessment reduces subjectivity, improves transparency, and enables better customer outcomes. Technology allows us to serve customers faster and more efficiently while maintaining strong risk oversight.

Equally important is our focus on governance and institutional integrity. We continue to strengthen internal controls, enhance transparency in stakeholder communication, and ensure that our strategic decisions remain grounded in long-term sustainability rather than short-term expansion. Responsible lending, operational discipline, and stakeholder trust are central to the franchise we are building.

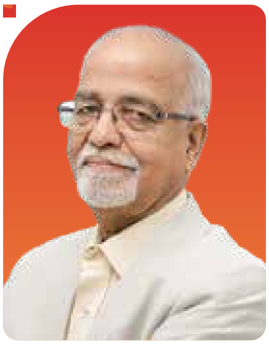
Looking ahead, our priorities are sharply defined. We will continue executing the portfolio transition toward high-yield, granular on-book assets with focus on credit quality. We will drive operating efficiency through cost optimisation. We will maintain strict credit discipline, improve return ratios, and remain focused on delivering self-funded growth.

India's MSME credit opportunity remains vast, with an estimated addressable credit gap of over ₹30 trillion. Against this backdrop, UGRO's consolidated AUM of ₹15,334 crore represents only the beginning of what can be achieved. The opportunity before us is immense, and our strategy is purpose-built to capture it responsibly.

We are not merely building a lending platform. We are building a long-term institution designed to generate capital, compound value, strengthen financial inclusion, and earn the trust of all stakeholders for decades to come.

I sincerely thank our shareholders for their continued belief in us, our regulators for their guidance, our customers for placing their trust in UGRO, our lenders and partners for standing with us, and our employees whose commitment continues to drive this institution forward every day. What we are building at UGRO is a collective journey, and I remain deeply grateful for the support of everyone associated with it.

Board of Directors



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

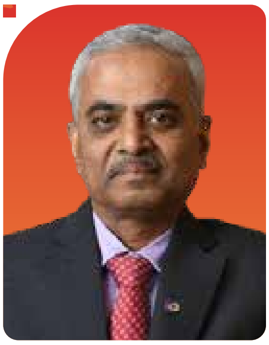
Mr. Satyananda Mishra is the former Chief Information Commissioner of India (December 2010 to September 2013). He has a diverse and exemplary career of more than 40 years in the Indian Administrative Services (batch of 1973). He was the Chairman and Non-Executive Independent Director of the Multi Commodity Exchange of India Limited from November 2013 till November 2016. He served as the Director of the Small Industries Development Bank of India until 2018 and as a Development Commissioner for Small Scale Industries in the Government of India. Additionally, he has also held the position of Former Secretary for various government departments like the Department of Personnel & Training (DoPT), Public Works Department (PWD), and Department of Culture (MP Government).

MR. SHACHINDRA NATH | *Founder & Managing Director*

Mr. Nath took on the role of an entrepreneur by acquiring control of a listed NBFC called Chokhani Securities Limited in 2018 and is now the Vice Chairman & Managing Director of UGRO Capital, a tech enabled small business lending platform. Prior to embarking on his entrepreneurial journey at UGRO Capital, Mr Nath has been influential in setting up Insurance Companies, Global Asset Management Businesses, Capital Market and Lending Institutions. Throughout his illustrious career, he has been instrumental in building two insurance companies, a large asset management company and an NBFC. Some of his biggest achievements include establishing new business verticals alongside foraying successful joint ventures and partnerships for the group. He is a qualified lawyer and a University Rank Holder from the Banaras Hindu University (India).

MR. KARUPPASAMY SINGAM | *Independent Director*

Mr. Karuppasamy has served as the Executive Director of Reserve Bank of India and as the RBI Nominee Director at Indian Bank. He continues to be associated with a number of high-profile working groups in certain areas, such as High-Power Committee on Urban Cooperative Banks, Rating Framework for Urban Cooperative Banks, Cross Border Supervision and Integrated System of Alert. He is a postgraduate in Economics, a Certified Associate of Indian Institute of Bankers, with a Post Graduate Diploma in Bank Management (NIBM).



MR. KARNAM SEKAR | *Independent Director*

Mr. Karnam Sekar 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.

MR. HEMANT BHARGAVA | *Independent Director*

Mr. Hemant Bhargava is a 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 multi-dimensional experience in different capacities, especially in Marketing, Internal Operations, and new ventures. He was the 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 in charge from January to March 2019) was marked by his creative leadership with new ideas enriched by the extensive experience gained in overseeing several functions including Marketing, Finance, Personnel, Investments, Alternative Channel, etc.

MR. RAJEEV KRISHNAMURARILAL AGARWAL | *Independent Director*

Mr. Agarwal has nearly three decades of experience in the Indian financial services sector. He was worked with some highly reputed organisations such as the Securities and Exchange Board of India, Forward Markets Commission, and Indian Revenue Service. He has a knack of building and maintaining relationships and community with ease. Rajeev Agarwal finished his term on November 2016 from the post of Whole Time Member at SEBI. Before joining SEBI, he served as the Member of the Forward Markets Commission (FMC) and was responsible for the framing of regulations for the Commodities Markets which had been liberalised just then. He is an alumnus of The Indian Revenue Service (Batch of 1983) and the Indian Institute of Technology, Roorkee with a bachelor's in technology.

MS. TABASSUM ABDULLA INAMDAR | *Independent Director*

Ms. Tabassum Inamdar is a seasoned Chartered Accountant with over 25 years of experience across banking, insurance, and financial services research in India and Asia. She is the founder of Tameel, a research initiative focused on impact strategy and CSR effectiveness.

Over the course of her career, she has held leadership roles at Goldman Sachs, UBS Securities, Kotak Securities, and Central Square Foundation. She was also part of the IRDAI committee that worked on the concept paper for standalone micro-insurance companies.

MR. RAMANATHAN SUBRAMANIAN ARUN KUMAR

Non-Executive (Nominee) Director

Ramanathan Subramanian Arun Kumar has 29 years of experience in the financial services industry and is responsible for overseeing finance, legal, compliance, risk management, human resources, IT, operations and providing structuring, tax and operational support to investment transactions. Prior to ADV, Arun was the COO – MENA at PineBridge Investments (Bahrain) and the CFO with the Sovereign Wealth Fund (Bahrain). Prior to that, Arun was the Operations Director Asia with 3i Investments (Singapore). Earlier, Arun was the Vice President and Head of Tax (South & Southeast Asia) with J.P. Morgan (Singapore). Arun holds an MBA from University of Chicago Booth School of Business and is an Associate Member of the Institute of Chartered Accountants of India. Arun is also a member of the Singapore Institute of Directors.

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

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

Management Team

MR. ANUJ PANDEY | *Chief Executive Officer*

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

MR. SAMEER NANDA | *Chief Revenue Officer*

Sameer Nanda is a seasoned financial services professional with 26 years of diverse experience across MSME lending (Business Loans, Loan Against Property, Trade Finance) and Consumer lending (Durables, Two-Wheeler Loans, Personal Loans, Credit Cards). He has a proven track record of leading large teams, executing greenfield projects, driving strategic growth, and re-establishing brand presence in competitive markets.

Sameer's core strengths lie in portfolio management, debt recovery, and digital transformation, with a deep understanding of both retail and MSME customer segments. Over the course of his career, he has consistently delivered results by blending operational excellence with strategic foresight.

His professional journey includes significant tenures at Religare Finvest Ltd., ABN Amro Bank N.V., and ICICI Bank, where he played instrumental roles in stabilising portfolios, scaling operations, and leading turnaround strategies. With a leadership style rooted in collaboration and a strong execution mindset, Sameer continues to be a trusted driver of transformation and sustainable growth in the financial services industry

MS. IREM SAYEED | *Chief Risk Officer*

With over 20 years of experience in the financial services industry, Irem has a rich background in credit and lending, having most recently served as Chief Credit Officer at UGRO Capital & Vice President at Mswipe before that.

Her career journey includes significant roles at Care Health Insurance, Poonawalla Fincorp, Kotak Mahindra Bank, and GE Capital. Irem's diverse experience across these organisations has equipped her with a deep understanding of the financial sector and a robust skill set in risk management, product development, and strategic planning. Her leadership and expertise continue to drive innovation and growth at UGRO Capital.

MS. SHILPA BHATTER | *Chief Financial Officer*

Ms. Bhatter is a seasoned finance professional with 18+ years of experience in the BFSI sector, Specialising in strategic finance, treasury, business development, and financial controllership. A Chartered Accountant by qualification, in her earlier stint she was the Chief Financial Officer at Dvara Kshetriya Gramin Financial Services (DKGFS), an NBFC focused on rural inclusion, with an AUM of over ₹2,200 crores. Ms. Bhatter has a well proven track record in capital raising, having mobilised over ₹4,000 crores in debt for DKGFS, including onboarding of 30+ new lenders and securing foreign debt through impact investors. She has successfully driven rating upgrades, enhanced capital efficiency, and played a key role in operational risk management and compliance with RBI and other regulatory bodies.

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

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

MS. RAJNI KHURANA | *Chief People Officer*

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

MR. RAHUL SEKAR | *Chief Technology & Product Officer*

Rahul is the architect behind UGRO's embedded finance and digital lending infrastructure. As Co-founder of MyShubhLife (MSL), he has played a defining role in building the technology backbone that powers scalable, data-led MSME lending across ecosystems and partnerships.

An alumnus of IIT Madras, Rahul brings over 18 years of experience across risk analytics, credit modelling, product development, and financial technology. Before joining MSL, he led portfolio analytics and modelling initiatives for Goldman Sachs Asset Management in Bengaluru, working across global projects spanning business cycle forecasting, quantitative data mining, fraud analytics, econometric loss provisioning, and credit governance.

At UGRO, Rahul combines deep analytical capability with a founder's mindset of building with speed, discipline, and adaptability. His focus remains on creating technology platforms that simplify credit access, strengthen underwriting precision, and enable scalable embedded finance solutions for underserved businesses.

MR. SATYABRATA MOHAPATRA | *Chief Operating Officer*

Satyabrata has been instrumental in building UGRO's operations and customer service backbone during a phase of rapid scale and expansion. Since joining the company in September 2021, he has led the creation of a high-skill, agile, and process-driven operating framework that supports UGRO's growing distribution, lending, and customer engagement ecosystem.

With over 25 years of experience across leading banks and NBFCs, Satya brings deep expertise in operations management, service delivery, process governance, and execution excellence. Over the last four years, he has helped UGRO absorb increasing scale and complexity while maintaining consistency, responsiveness, and operational discipline across the organisation.

At UGRO, Satya's focus has been on building systems that are scalable yet customer-centric, ensuring that speed, control, and service quality grow together. His leadership has played a key role in strengthening operational resilience and enabling the business to execute efficiently across markets and product lines.

MSME Sampark

Semi-Annual rreport on latest in MSME Lending ecosystem | 4th Edition | In Partnership with Dun & Bradstreet

India's MSMEs embody resilience, innovation, and aspiration and they will remain at the core of the nation's journey toward becoming a USD 10 trillion economy. MSME Sampark exists to ensure their voice is heard, their data understood, and their credit gap closed.

Shachindra Nath, Founder & Managing Director, UGRO Capital

About MSME Sampark | 4th Edition

MSME Sampark is UGRO Capital's flagship semi-annual knowledge initiative, developed in partnership with **Dun & Bradstreet India.** Launched as a practitioner-grade knowledge practice to deepen the discourse on MSME financing in India, it has grown edition by edition into the country's most comprehensive and cited intelligence platform on small business credit. The **4th Edition** is the most expansive yet drawing on analysis of over **73,000+ businesses** across eight sectors over four years, and featuring UGRO Capital's exclusive survey of **5,000 MSMEs** across Tier 2–4 towns across nine states the largest direct MSME engagement UGRO has conducted.

Building on the three editions that preceded it: the 1st established baselines; the 2nd deepened co-lending and sectoral recommendations; the 3rd explored moderation in disbursements and rising formalisation. The 4th Edition arrives at a moment of renewed macro momentum for India, yet heightened global uncertainty driven by US tariff policy and addresses both dimensions head-on. Its primary objectives are to:

- Analyse macroeconomic conditions both global and domestic and their implications for MSME lending
- Track MSME formalisation, credit growth, and asset quality across enterprise categories
- Offer sector-specific financial analysis across eight key industries with Budget & Policy, Financials, and Outlook sub-sections
- Present UGRO Capital's proprietary practitioner analysis of 73,000+ customer businesses and exclusive 5,000-MSME survey
- Advocate policy interventions, reinforcing UGRO's commitment to empowering MSMEs through the right credit solutions

73,000+ **MSMEs Analysed** 8 sectors, 4-year data horizon	**5,000+** **MSMEs Directly Surveyed** Tier 2–4 towns, 9 states	**8** **Sectors Deep-Dived** Budget, Financials & Outlook per sector	**16,000+** **EM MSMEs Studied** Dedicated emerging market credit lens

Macroeconomic Overview

Global Backdrop: Growth Amid Trade Disruption

The global economy in 2025 is navigating a complex web of US trade protectionism, uneven regional recoveries, and cautious monetary easing across advanced economies. Despite these headwinds, **Asia Pacific emerges as the fastest-growing region at 3.8% in 2025** providing a strategic tailwind for India's medium-term export ambitions even as near-term tariff pressures mount. The initially anticipated scale of global trade disruption has been partially contained, with the US meeting measured retaliation and some bilateral deals being struck. Stockpiling ahead of tariff implementation and a weaker dollar have also cushioned the growth impact.

US Tariff Exposure by Sector

The imposition of 50% US tariffs on Indian goods represents the most significant macro risk for India's MSME exporters in FY26. Sub-sectors most exposed by their US-bound export share:

Sector	US Export Share
Gems & Jewellery	29%
Textiles	28%
Leather & Footwear	19.3%
Engineering Goods	15.5%
Agri-Marine	11.6%

Pharmaceuticals remain exempt; API-level tariffs remain a watch risk

India's Trade Diversification Response

India is actively building a new trade architecture to cushion the tariff impact:

India-UK FTA (May 2025): Zero-duty on 99% of tariff lines. Transformative for textiles, leather, gems, marine

India-EU FTA: Final negotiation stage; completion expected Dec 2025; EU = 18% of India's exports

MERCOSUR & Chile: PTAs being upgraded to full FTAs; opens Latin American markets

UAE, Japan, Africa: Active FTA negotiations; diversifies well beyond US dependency

India-US Trade Deal: Most critical bilateral; ongoing negotiations; US = 20% of India's exports

D&B data: European business inquiries on Indian firms surged from 7.5% of total in 2024 to 35.4% in 8 months of 2025 trade diversification already materialising.

India Macroeconomic Outlook: Structurally Resilient

India's economy in FY26 is demonstrating remarkable structural resilience even as external headwinds mount. **GDP is estimated to grew by 7.4-7.6% in FY26** the fastest expansion driven by double engine of consumption and investment. The RBI cut policy rates from **6.5% to 5.25%** as CPI inflation eased to fall within its 2–6% target band. Rural demand remains robust; GST rationalisation is expected to unlock urban consumption. Despite US tariff headwinds, the structural macro environment for MSME credit is the most favourable in three years. India's pursuit of FTAs with multiple partners and a growing greenfield FDI pipeline of USD 18.6bn in Q1 FY26 further strengthen the medium-term growth foundation.

India's MSME Sector: Scale, Formalisation & Credit Landscape

MSME Contribution & Formalisation

The MSME sector has reached a structural inflection point. Its GDP share has risen from **27.3% in FY21 to ~31% in FY26,** making it one of the fastest-formalising segments of the Indian economy. MSME exports have shown a **3-fold increase to ₹12 lakh crore** over the past five financial years, accounting for **46% of India's total exports.** UDYAM registrations have crossed **7 crore by the end of 2025** reflecting the rapid formalisation of micro and small enterprises as they seek access to the formal credit system. Micro enterprises still constitute ~99% of the MSME sector and remain the of September 2025.

Credit Environment & Borrowing Patterns

Policy-driven reforms have significantly strengthened the MSME credit ecosystem in India. Revised MSME definitions, higher credit caps, and expanded government guarantee schemes have encouraged banks and NBFCs to increase lending while retaining growing businesses within the MSME framework. As a result, outstanding MSME credit reached ~₹34 lakh crore as of August 2025, nearly 2.5x higher than five years ago, while total small business credit grew 19.2% YoY to ₹45 lakh crore in June 2025. After seven consecutive months of decline, credit growth in the Micro and Small segment rebounded sharply from April 2025 onwards.

Policy Measures to Support MSMEs

India's MSME policy architecture in FY26 represents the most comprehensive public investment in small business support since the post-COVID ECLGS. The **Union Budget 2025–26 raised the MSME Ministry's allocation by 33.8% to ₹23,168 crore** (from ₹17,307 crore in FY24–25), backed by a suite of credit, technology, export, and classification reforms that directly address the barriers most MSMEs face.

₹23,168 Cr
MSME Budget Allocation FY26
+33.8% vs ₹17,307 Cr in FY25

₹10 Cr
CGTMSE Expanded Coverage
Doubled from ₹5 Cr; 75% guarantee

18
MSME Schemes Active
Plus 8–15 per state; 250+ schemes nationally

₹6.8 Cr
UDYAM Registered MSMEs
Employ 29.6 crore; second largest employer

Key Budget 2025–26 Announcements for the MSME Sector

Credit Access & Guarantees

- MSME investment classification criteria increased 2.5x; turnover criteria increased 2x enabling scale without losing MSME benefits
- Double credit guarantee cover for Micro & Small Enterprises to ₹10 crore (from ₹5 crore) with 75% coverage
- Double credit guarantee for startups to ₹20 crore with 1% guarantee fee in 27 priority sectors
- New term loan scheme of ₹20 crore for MSME exporters to strengthen export credit access
- Credit cards for Udyam-registered micro enterprises up to ₹5 lakh in credit

Technology & Skilling

- Technology Centre Systems Programme (TCSP): 18 centres operational; 15 new centres contracted focused on tooling and digital technologies
- RAMP (Raising and Accelerating MSME Performance): ₹3,750 crore World Bank + ₹2,313 crore Government; 376 projects approved; 9.1 lakh beneficiaries
- MSE-CDP (Cluster Development): skill building and cluster support for food processing, toys, footwear, leather
- Zero Defect Zero Effect (ZED) certification: 5.5% MSMEs registered; government subsidies for tiered certification

Export & Trade Support

- Export Promotion Mission: targeted aid to MSMEs via easy credit, overseas warehousing, new market discovery, branding & logistics support
- India-UK FTA (concluded May 2025): 99% of goods get zero-duty access direct benefit for textiles, leather, footwear, gems, marine MSMEs
- BharatTradeNet platform to deepen global integration for MSME exporters

Geographic & Inclusive Focus

- Maharashtra (16.5%), Tamil Nadu (9.8%), Uttar Pradesh (9.5%), Rajasthan (7.1%), Gujarat (7.1%) account for ~50% of MSME activity state-level schemes (250+ nationally) complement central schemes
- Targeted support for 5 lakh women, SC/ST first-time entrepreneurs under the inclusion agenda
- PM Vishwakarma Yojana: allocation increased fivefold in FY25; extended and enhanced in FY26

Sector Insights: Eight Industries, Three Lenses

The 4th Edition deepens the sectoral analysis to eight industries adding **Textiles** to the seven covered in previous editions. Each sector is examined through three lenses: Budget & Policy context, FY24 Financial Performance (from D&B's CMIE database of 73,000+ MSMEs), and the FY25–26 Outlook. Where significant divergence exists between MSME and Micro Enterprise performance, both are noted.

Auto Components

Budget & Policy

- PLI allocation for auto components raised 8x to ₹8 billion in FY26; ₹29.7 billion for Automobile PLI; PM E-DRIVE and SMEC enhanced EV funding
- Customs duty exemptions on key EV battery inputs; reduced duties on motorcycles and bicycles to drive localisation
- Auto component MSMEs directly benefiting from the 'Make in India' domestic manufacturing push and EV transition incentives

Financial Performance (FY24)

- MSME revenue growth moderated to +3% YoY in FY24, with EBITDA margins improving to 11% (from 9% in FY23) on supply chain normalisation and lower raw material costs
- Interest coverage ratio at 5.9x (FY23: 5.2x); DSCR improved to 0.9x (FY23: 0.8x) among the healthier readings across all eight sectors
- Net working capital cycle stretched to 63 days (FY23: 61 days); working capital turnover declined to 11.4x on higher inventory days
- Micro enterprises saw -7% revenue (vs +23% in FY23): OEM preference for multi-product vendors with consistent quality further pressured unorganised players; EBITDA margins doubled to 10% through cost controls

FY25–26 Outlook

- US trade policy shifts and 50% tariff threat may pressure MSME revenues in FY26; however, supply-chain diversification by global OEMs seeking 'China+1' alternatives offers MSME auto component players a meaningful growth opportunity
- EV component demand and PLI incentives expected to drive investment in Tier-2 auto MSME clusters
- Near-term gains remain capped by persistent export headwinds, geopolitical freight disruptions, and working capital strain in Micro-sized units

Chemicals

Budget & Policy

- Additional urea plant planned in Assam; reduced import duties extended till 2027; National Action Plan for Toys aiding specialty chemicals segment
- Clean tech segments electrolysers and batteries to benefit from National Manufacturing Mission
- Pharmaceutical goods remain exempted from current round of US tariffs; however API-level tariffs remain a risk to monitor

Financial Performance (FY24)

- MSME revenues stalled at -4% YoY in FY24 amid Chinese oversupply, raw material volatility, and export disruptions; EBITDA margins improved from 11% to 13% on better realisations
- Interest coverage eased from 5.7x to 4.9x; DSCR held at 0.7x; NWC cycle lengthened to 98 days (FY23: 87 days) with working capital turnover declining to 4.5x
- •Micro enterprises faced severe stress: -14% revenue in FY24; EBITDA margins contracted to 8% (FY23: 10%); NWC cycle stretched to 103 days; DSCR deteriorated to 0.3x signalling mounting debt-servicing risk

FY25–26 Outlook

- ‘China+1’ and ‘EU+1’ strategies present structural medium-term opportunity for Indian chemical MSMEs as global manufacturers seek to diversify supply chains
- US tariff impact is sector-differentiated: non-pharmaceutical chemicals face direct exposure; pharma segment maintains tariff immunity
- Recovery in FY26 contingent on demand stabilisation, easing of competitive intensity from Chinese dumping, and inventory normalisation

Education

Budget & Policy

- Government’s Skill India Mission, PM Vishwakarma Yojana, and ASPIRE Fund target vocational and entrepreneurship skill building
- Budget FY26 increased technology adoption subsidies including digitisation support for MSME education and training institutions
- Growing EdTech penetration in Tier 2–4 markets, backed by increasing smartphone and digital connectivity

Financial Performance (FY24)

- MSME revenue in education contracted -34% YoY in FY24 (vs +46% in FY23) as post-pandemic demand normalised and competition from digital platforms intensified; EBITDA margins fell sharply to 12% (FY23: 28%)
- Interest cover ratio declined to 5.3x in FY24 (FY23: 5.9x); DSCR fell to 0.3x (FY23: 0.7x) on lower operating profits and higher financing costs

- Cash flow efficiency remained negative (-9%) though improving from -11% in FY23, indicating gradual but still-fragile recovery
- Micro enterprises: revenue -10% YoY; EBITDA at 9% (breakeven in FY23 recovered); DSCR at 0.3x; interest cover weakened to 2.5x (FY23: 3.8x)

FY25–26 Outlook

- Rising demand for digital skills, test preparation, and professional upskilling creates a durable medium-term growth catalyst for education MSMEs
- EdTech platform growth and government-backed skilling initiatives are expected to drive sector expansion in FY25–26, particularly in markets with limited institutional access
- Traditional classroom MSMEs need to digitise or partner to remain viable against digital-native competitors

Electrical Equipment

Budget & Policy

- Budget reduced duties on wind turbines, smart meters (25% to 20%), and Ethernet switches (20% to 10%) to boost clean tech and digital infrastructure
- National Manufacturing Mission and grid modernisation drive strong domestic demand; 'China+1' strategy creates export opportunity in global RE supply chains
- Government-led railway electrification, urban infrastructure and renewable energy expansion are direct demand drivers for MSME electrical equipment makers

Financial Performance (FY24)

- MSME revenue growth held steady at +15% YoY in FY24, despite supply chain bottlenecks and pricing competition in commoditised categories; EBITDA margins at 10%
- Interest cover declined to 3.8x (FY23: 4.4x) on capacity expansion financing costs; DSCR remained at 0.5x; NWC cycle lengthened to 103 days
- Micro enterprises: -24% revenue in FY24 reflecting intense competition from low-cost Chinese imports; EBITDA margins fell to 3% (from 12%); NWC cycle at 128 days significant liquidity stress

FY25–26 Outlook

- Domestic electrical equipment sector poised for strong FY25–26 growth driven by infrastructure investment, electrification, and real estate expansion
- Exports expected to increase as 'China+1' strategy, rising global investments in renewables and data centres create sustained demand
- Micro enterprise recovery will require credit access and formalisation support; UGRO's GRO Score-based underwriting is well-positioned to serve this segment

Food Processing

Budget & Policy

- Budget FY26 allocation for food processing increased 56% to ₹44 billion; PLI allocations rose 71% to ₹12 billion
- New National Institute of Food Technology planned in Bihar; ₹1 billion Makhana Board to strengthen value chains
- Government price stabilisation measures, rural demand support, and PLI incentives collectively benefit food processing MSMEs

Financial Performance (FY24)

- MSME revenue growth declined to -3% YoY in FY24 (FY23: +1%) as pricing pressure, weak demand, and post-pandemic normalisation weighed on volumes; EBITDA margins improved to 7% (FY23: 6%) on lower input costs
- Interest cover held steady at 2.3x; DSCR at 0.3x; NWC cycle lengthened to 77 days (FY23: 68 days) with working capital turnover falling to 20.7x (FY23: 37x)
- Micro enterprises faced further revenue decline: -26% in FY24 (FY23: -16%); EBITDA fell to 3% from 7%; NWC cycle at 84 days; DSCR at critically low 0.2x

FY25–26 Outlook

- Rural recovery driven by good monsoon, higher MSPs, and government spending expected to support demand in FY25–26; urban premium segments show resilience
- Mass consumption categories remain constrained by commodity price inflation and shifting consumer preferences toward branded, organic, and healthier products
- PLI incentives and export support expected to benefit larger processing MSMEs; micro-level players need working capital and aggregator linkage support

Healthcare

Budget & Policy

- Total health allocation raised 12% to ₹983 billion in FY26 BE; PM Ayushman Bharat Health Infrastructure Mission up 40% to ₹42 billion
- District-level infrastructure investments drive demand for diagnostic, pharmaceutical, and allied health MSMEs
- Insurance adoption rising under Ayushman Bharat; digital health platforms creating new service delivery channels

Financial Performance (FY24)

- MSME revenue grew +7% YoY in FY24, driven by higher patient volumes, improved ARPOB (+10% YoY), and elective surgery revival; EBITDA margins at 16% (FY23: 14%) on centralised procurement and digitisation
- Debt/Equity improved to 1.8x (FY23: 1.5x); operating cash flow ratio improved to 23% (FY23: 11%) one of the strongest balance sheets across all eight sectors

- Micro enterprises: -21% revenue in FY24 as smaller hospitals and diagnostics lost patients to larger chains; D/E worsened to 4.2x; operating cash flow near zero

FY25–26 Outlook

- FY25–26 growth expected at modest single digit as patient preferences shift toward larger chains with wider insurance coverage
- Operating margin pressure from rising employee costs, medicine costs, and treatment price caps under Ayushman Bharat will be a near-term headwind
- Digital health platforms and telemedicine will expand rural reach for both large chains and MSME health service providers

Hospitality

Budget & Policy

- Tourism infrastructure allocations under PM Vishwakarma and economic stimulus packages provide indirect policy support
- Domestic air passenger traffic grew 10% YoY in January 2025; MICE and business travel showed revival
- GST rationalisation on hospitality services expected to stimulate demand and improve affordability across tier segments

Financial Performance (FY24)

- MSME revenue growth moderated to +7% YoY in FY24 (FY23: +80% due to low base); hotel occupancy at 65.6% with Average Daily Rates +10.7% YoY; RevPAR +12.4%; EBITDA margins at 32%
- Interest cover improved to 3.2x (FY23: 2.9x) as debt reduced 4% YoY; DSCR improved to 1.3x (FY23: 1.2x); operating cash flow ratio at 38% among the strongest in this study
- Micro enterprises: -7% revenue in FY24 as foreign tourist arrivals remain below pre-COVID; EBITDA fell to 26% (FY23: 33%); operating cash flow ratio at 18% (FY23: 31%)

FY25–26 Outlook

- FY25–26 outlook remains positive driven by robust domestic leisure travel, revival in MICE and business travel, and rising per-capita income driving premiumisation
- Supply growth remains constrained, which will support occupancy rates and pricing power for quality MSME hospitality operators
- Foreign tourist arrivals still below pre-COVID levels; full recovery in international tourism represents additional upside

Light Engineering

Budget & Policy

- National Manufacturing Mission support; reduced import duties on stainless steel and EV components to boost domestic competitiveness
- Sub-sector support: casting & forging, machine tools, steel pipes, wires & cables, general-purpose machinery all benefit from infrastructure push
- Export competitiveness aided by PLI incentives for localisation and automation investments

Financial Performance (FY24)

- MSME revenue growth slowed to +3% YoY in FY24 (FY23: +19%) due to supply chain bottlenecks; EBITDA margins held at 12%; interest cover improved to 4.3x (FY23: 4.1x); NWC cycle at 105 days
- Sub-sector revenue trends mixed: general-purpose machinery +10.8%, machine tools +7.3%, wires & cables +6.3%; steel pipes & tubes -12.5%
- Micro enterprises: -18% revenue in FY24; EBITDA fell to 10% from 14%; NWC cycle lengthened to 127 days; operating cash flow deteriorated from 48% to 1% significant distress

FY25–26 Outlook

- FY25–26 growth expected to be modest but positive, driven by resilient domestic infrastructure demand and healthy export momentum in select sub-segments
- Global supply chain disruptions from geopolitical conflicts elevated freight costs and extended transit times; these pressures are expected to ease
- Micro enterprise recovery requires formalisation support, credit access, and better working capital management a direct use case for UGRO's Emerging Market strategy

Textiles New in 4th Edition

Budget & Policy

- India-UK FTA (May 2025): textiles sector exports 28% of goods to the US UK FTA provides an alternative, high-value market with zero-duty access
- Labour-intensive textile, leather, and footwear clusters benefit from MSE-CDP cluster development and skill building support under Budget 2025–26
- US tariffs create near-term headwind but also an opportunity to accelerate market diversification toward EU, UK, and Middle East

Financial Performance (FY24)

- UGRO's practitioner data shows Apparel Articles as the leading sub-sector (42% share), followed by man-made textiles (25%) and cotton fabrics (16%)

- Average new debt per entity rose from ₹8.7 Cr (Jan–Mar 2024) to ₹9.5 Cr (Jan–Mar 2025) the highest quantum increase across all sectors; average secured ticket size at ₹54–70 lakhs
- UPI adoption rising strongly; cash transaction share declining; term loan sanctions trending upward over the 5-year study period with both secured and unsecured categories growing

FY25–26 Outlook

- US tariff exposure (28% of textile exports are US-bound) is the biggest near-term risk; however UK FTA and India-EU FTA in progress significantly reduce long-term dependency
- Strong domestic fashion and athleisure demand, rising disposable incomes, and PLI incentives expected to support sector growth
- Formalisation rising GST compliance, UPI adoption, and credit deepening creates structural tailwind for NBFC-led textile MSME lending

MSMEs Through a Practitioner's Lens | UGRO Capital

A defining innovation of the 4th Edition is UGRO Capital's proprietary practitioner analysis drawing on **real behavioural and financial data from its live portfolio of 73,000+ MSMEs** across eight sectors, studied over four years (Q3 FY21–Q1 FY25). With **86% of the studied population having annual turnover □ ₹20 Crore,** this is among the most granular, practitioner-grade analyses of India's sub-₹20 Crore MSME segment available anywhere. The study covers businesses across all turnover sizes, maintaining a pan-India footprint.

Three Distinct Phases of MSME Sales Growth

Phase 1: Recovery	Phase 2: Moderation	Phase 3: Reversal
Q3 FY21 – Q2 FY22	Q3 FY22 – Q4 FY23	Q1 FY24 – Q1 FY25
65%	**58%**	**↑ Recovery**
of MSMEs reported ≥10% YoY sales growth	sustaining ≥10% YoY growth despite headwinds	Positive trend reversal; new cycle beginning

The Digital Shift: Measurable and Accelerating

UPI Adoption Rising Across All Sectors

UPI usage as a share of total banking transactions has risen consistently across all eight sectors and all turnover categories. Light Engineering shows UPI credits doubling over the four-year study period. Healthcare and Hospitality show similar acceleration. This is no longer confined to urban, digitally native businesses it is mainstream across Bharat's MSMEs.

UGRO Impact: UPI transaction data is now a primary surrogate signal in GRO Score 3.0 enabling approvals for customers with limited formal documentation.

Cash Declining; GST Compliance Improving

Cash utilisation as a % of banking transactions has declined year-on-year across all sectors. GST filing delays have shrunk materially Electrical Equipment, Chemicals, and Healthcare all show measurable improvement in filing timeliness. The MSME ecosystem is becoming progressively more data-rich and underwritable.

UGRO Impact: Better GST data quality increases the accuracy and confidence of GRO Score-based underwriting reducing credit risk while extending reach to under-served MSMEs.

Emerging Market Credit: The Structural Shift UGRO is Built For

UGRO's study of **16,000+ micro-sized MSMEs in Emerging Markets** over five years documents a decisive transition from informal, gold loan, and MFI-dependent credit toward structured term lending:

89%
Term Loan Share (2024)
Up from 83% in 2020; MFI/gold declining

₹6.7L
Avg Secured Ticket (2024)
Up from ₹4.3L in 2020; steady rise

10%
MFI Share (2024)
Down from 13% in 2020; structural shift

Record
EM Sanctions Q1 FY25
Highest quarterly level in 5-year study

This data does not just inform UGRO's Emerging Market strategy. It validates it. As micro MSMEs graduate from gold loans and MFI credit to secured term lending, UGRO's 300+ branch network positioned precisely in Tier 2–4 emerging market towns is capturing this transition in real time.

UGRO's Exclusive Survey: 5,000 Voices from Bharat

For the 4th Edition, UGRO Capital conducted its **largest direct MSME engagement ever** a structured survey of **5,000 MSMEs across nine states,** focusing on Tier 2–4 towns where businesses thrive but formal finance remains limited. The blended methodology field interviews, telephone surveys of existing UGRO customers, and digital outreach to non-customers captured both sides of the credit access equation: those with formal credit and those without.

The surveyed population spans retailers, manufacturers, service providers, and agri-enterprises. Over **51% are in trade and wholesale/ retail,** 30% in services, 16% in manufacturing, reflecting the true distribution of Bharat's entrepreneurial base and validating the market UGRO's Emerging Market products are designed to serve.

Credit Accessibility: Better Than Commonly Assumed

83%
Report No Barrier to Credit
Largest segment of respondents

35%
Prefer NBFCs
vs only 15% preferring banks

39%
Rely on Personal Savings
Primary current funding source

75%
EM Sanctions Q1 FY25
12% still struggling; retail fastest

Among the 17% who reported barriers: **7% cited excessive paperwork, 6% had no formal financial records** (cash-based businesses), and **4% had no or low credit scores.** These are precisely the segments UGRO's GRO Score 3.0 which uses surrogate digital data including UPI, GST, and bank statements was built to serve, replacing formal documentation requirements with intelligent data-driven analysis.

What MSMEs Want From Their Lender

Preferred Loan Type

47% — **Property-Backed Loan (LAP)**
Land / home / business premises

44% — **Unsecured Short-term Loan**
Fast, no security required

The near-equal split directly validates UGRO's two growth engines: **Emerging Market LAP** for the 47% who have property but limited documentation, and **Embedded Merchant Finance through MyShubhLife** for the 44% who need fast, collateral-free working capital at point of commerce.

Key Loan Features Valued

Lower Interest Rate
Top priority affordability over everything

Instant Disbursal
Speed is a genuine differentiator

Flexible EMIs
Cash-flow matched repayment essential

Minimal Paperwork
Formal records remain a barrier

Policy Support Demanded

- **77%** Easier access to loans
- **41%** Finance = #1 growth barrier
- **47%** Lower taxes (GST 2.0 addresses this)
- **30%** Simplified compliance

Digital Adoption: Payments Mainstream; Commerce Next Frontier

A nuanced digital picture emerges from the survey. **73% of MSMEs accept UPI, card or wallet payments,** as digital payments continue to go mainstream in India's small towns. But **78% sell exclusively through physical outlets** and only 13% use e-commerce platforms. MSMEs are digitally enabled for receiving payments but are not yet digitally empowered to grow through digital channels. While **75% have never used a fintech lending app,** they want a blend of digital efficiency and human assurance that only a phygital model can deliver.

73%
Accept Digital Payments
UPI / card / wallet mainstream

78%
Physical-Only Sales
Online selling still niche (13%)

75%
Never Used Fintech App
Borrowing = high-trust activity

13%
Sell via E-commerce
+6% plan to start soon

Key Takeaways from the 4th Edition

The 4th Edition of MSME Sampark reaffirms that India's MSMEs are both resilient and adaptive amid a more complex macro environment than any prior edition has encountered. Five themes emerge clearly from the data:

Formalisation and Formalisation-Led Growth Are Structural, Not Cyclical

UDYAM registrations crossed 6.8 crore in September 2025. MSME exports have tripled in five years to ₹12 lakh crore. GDP share has risen from 27.3% to ~30%. Credit outstanding has grown 2.5x. These are not cyclical recoveries they reflect a durable structural upgrade in the MSME ecosystem driven by digital infrastructure, GST compliance, and policy support. The formalisation runway remains long: formal credit penetration is still ~25%, leaving a ₹32+ lakh crore credit gap.

MSME Credit: Resilient at Scale, Stressed at the Micro Level

Total small business credit of ₹45 lakh crore growing at 19.2% YoY signals a healthy macro credit picture. But the micro enterprise story is differentiated: 65% of MSME NPA value sits with micro enterprises, DSCR is mostly below 1x across sectors, and NWC cycles have lengthened to 90–130 days. The sector needs lenders who can serve this segment with data-driven underwriting not lenders who avoid it.

US Tariffs Are the Defining Risk; Trade Diversification Is the Structural Response

50% US tariffs on Indian goods directly impact MSME exporters in textiles, gems, leather, engineering, and agri-marine. Yet India is building the most comprehensive FTA architecture in its history UK (done), EU (near completion), MERCOSUR, UAE, Japan, Africa. European business inquiries on Indian firms have already surged from 7.5% to 35.4% of total in 8 months of 2025. The risk is real; so is the diversification in progress.

Digital Adoption Is Accelerating and Creating Underwriting Opportunities

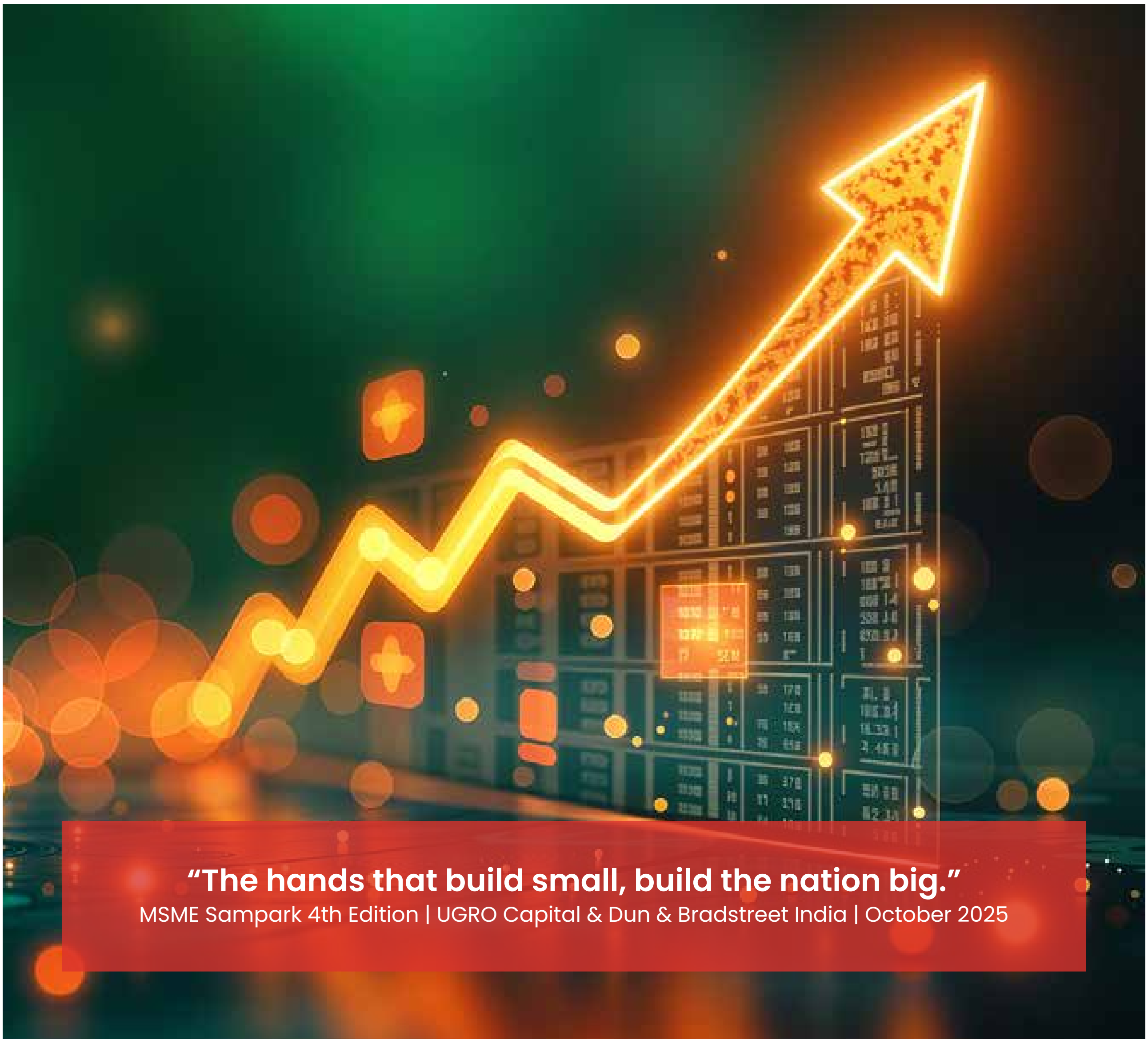
73% of surveyed MSMEs accept digital payments. UPI adoption has risen consistently across all 8 sectors in UGRO's proprietary data. GST compliance is improving. Cash utilisation is declining. This is not merely a behavioural shift it is the creation of a vast new digital data layer that progressive lenders like UGRO can use to underwrite customers who were previously invisible to formal credit systems.

NBFCs Are the Preferred Credit Partner and the Responsibility Is Clear

In UGRO's survey of 5,000 MSMEs, NBFCs (35%) outranked banks (15%) as the preferred financing partner. 83% of MSMEs reported no barrier to credit suggesting that where formal credit has reached, it has worked. But 41% still cite lack of finance as their #1 growth barrier, and 77% want easier loan access as their top policy demand. The NBFC sector, led by DataTech platforms like UGRO, must now convert this trust into deeper and wider credit access across Bharat's Tier 2–4 markets.

MSME Sampark: A Platform That Grows With Purpose

Over four editions, MSME Sampark has grown from a knowledge publication into a recognised industry platform cited by policymakers, regulators, lenders, and the MSMEs themselves. The hashtag journeys of **#MSMEAcchaHai** and **#BharosaMSMEPar** have carried the Sampark findings into the public discourse. As we step into the **#IndiaByMSMEs** era, MSME Sampark reaffirms our belief: MSMEs do not need sympathy they need intelligence, access, and partnership. That is what UGRO Capital delivers, one edition, one branch, one loan at a time.



Data sources: D&B / CMIE database; RBI; SIDBI; MOSPI; D&B Global Economic Outlook Sep 2025; UGRO Capital proprietary portfolio analytics (73,000+ MSMEs). For full report: www.ugrocapital.com

UGRO Impact

In FY 26 UGRO Capital transitioned from policy development to measurable ESG delivery. The year was marked by Board approval of an IFC aligned Environmental and Social Management System (ESMS), embedding ESG components into key policies and strengthening customer and stakeholder engagement. These initiatives, executed by a lean ESG function, reduced reliance on external consultants, improved data quality through digitised surveys, and ensured uninterrupted investor reporting. The company's efforts culminated in its first external ESG award, underscoring credibility and recognition of its ESG journey.

Governance and Risk Management

Governance evolved from approved policies into a functioning oversight architecture that embeds ESG into credit decisioning and enterprise risk. The Board and Risk Management Committee now receive structured ESG dashboards and periodic ESMS reviews, while a cross functional ESG Committee operationalises the framework through defined roles and escalation pathways.

UGRO identifies environmental risks such as climate (physical and transition), biodiversity loss, water and waste management, alongside social risks including occupational health and safety, child labour, and forced labour. These risks are contextually mapped to business operations with mitigation measures defined. A stringent exclusion list, aligned with IFC standards, ensures that high risk activities are not financed. Existing practice of incorporating ESG checklists and documented permits into credit appraisal ensures that environmental and social considerations remain embedded in underwriting decisions. This approach reinforces that ESG is treated as a core element of credit approval rather than an optional add-on.The updated ESG Policy aligns with global standards and investor expectations, extending across the lending lifecycle, vendor compliance, workforce ethics, CSR, climate strategy, and governance oversight. Governance mechanisms were strengthened with ESG dashboards, internal audits, board level reporting, and annual reviews.

The integration framework rests on three pillars

Environmental Stewardship

Climate strategy aligned with SDGs 7 and 13, clean energy MSME financing, and circular economy principles.

Social Responsibility

Diversity, equity and inclusion, labour law compliance, anti discrimination and harassment policies, and CSR impact measurement.

Governance Excellence

ESG risk management embedded in credit policy, ESG covenants in loan agreements, whistleblower access, digital Personal Data Protection (DPDP) Framework and stakeholder engagement.

A new Health & Safety Policy was launched to safeguard employee well being across all offices. In FY26, 36 branches were inspected on health and safety parameters, with corrective actions implemented.

Environmental Stewardship

UGRO's environmental approach combined exclusionary discipline with targeted green finance. In FY26, over 15% of the portfolio was tagged as climate aligned, covering energy efficient machinery, rooftop solar, three wheeler EVs, and WASH projects. The ESMS comprehensively addresses climate risks, biodiversity impacts, water and waste management, and hazardous waste handling, with mitigation measures embedded into credit and monitoring processes.

These measures demonstrate UGRO's commitment to aligning its portfolio with India's climate priorities and international sustainability frameworks.

Social Responsibility

UGRO's social agenda focused on financial inclusion, gender inclusivity, borrower engagement, and employee safety. The UGRO IMPACT SPARK campaign extended financial literacy and product awareness to 1.82 lakh customers. Digitised surveys covering 40+ ESG indicators improved monitoring quality and reliability. Survey findings highlighted that 77% of borrowers were first generation entrepreneurs, 91% adopted digital transactions, and 88% undertook social or environmental initiatives. Women led and women owned enterprises accounted for 72% of AUM, demonstrating strong gender inclusivity. Internally, UGRO reinforced workplace protections through POSH, Persons with Disabilities policies, and grievance mechanisms, supported by training modules for credit teams.

Governance Excellence

Governance excellence at UGRO Capital extends beyond credit policy and stakeholder engagement to include robust data governance, privacy safeguards, and operational resilience. In FY26, the company aligned itself with the timelines prescribed under the Digital Personal Data Protection (DPDP) framework and undertook foundational steps toward full compliance. A Board approved Privacy Policy and Data Handling Policy now govern the lifecycle of personal data, ensuring that collection, use, retention, and disposal are conducted transparently and responsibly.

Access to customer information is tightly controlled through role based authorisations, subject to periodic review, while data security is reinforced by encryption at rest and in transit, endpoint protection, firewalls, secure VPNs, and multi factor authentication for critical systems. Defined retention periods, consistent with RBI guidelines and business needs, are supported by secure deletion and disposal mechanisms. An incident response framework is in place to report, investigate, and escalate personal data breaches, with logged and monitored events addressed through a clear escalation matrix.

Customers are empowered with mechanisms to update personal information, raise grievances, and request closure, supported by defined internal processes. Data sharing with third parties — including DSAs, collection agencies, cloud providers, payment gateways, and bureau partners — is governed by formal agreements that incorporate confidentiality obligations, breach notification timelines, processor responsibilities, and audit rights. These measures ensure that UGRO's governance framework is not only about financial and operational oversight but also about safeguarding digital trust, reinforcing accountability, and protecting stakeholder rights in the data economy.

In addition to data governance, UGRO Capital prioritises Business Continuity and Operational Resilience as critical pillars of governance excellence.

The company has established comprehensive Business Continuity Plans (BCP) that identify key operational risks and outline strategies to maintain essential functions during disruptions. Regular risk assessments, scenario planning, and crisis management exercises are conducted to ensure preparedness across all departments.

Operational resilience is further strengthened through robust IT infrastructure, disaster recovery protocols, and cross-functional coordination to minimise downtime and safeguard stakeholder interests. These efforts demonstrate UGRO's commitment to sustaining business operations under adverse conditions, thereby enhancing stakeholder confidence and long-term value creation.

Together, the DPDP framework and Business Continuity initiatives exemplify UGRO Capital's holistic approach to governance excellence, integrating data protection with operational robustness to meet evolving regulatory and market expectations.

Customer and Vendor Governance

UGRO strengthened operational resilience by embedding ESG requirements into customer facing codes and vendor contracts.

Fair Practices Code

The Code now embeds ESG principles into customer conduct, requiring employees to act responsibly in environmental matters, uphold human rights, and ensure non-discrimination and workplace safety in all interactions. Outsourced agents are further mandated to maintain confidential grievance mechanisms for their employees, covering labour, health, and safety concerns.

Outsourcing Policy

Revised to introduce ESG criteria into vendor selection and contracting. Vendors are evaluated on environmental controls, labour practices, and occupational health and safety systems. Contracts now include ESG warranties, audit rights, and remediation clauses.

Procurement Policy

Updated to embed sustainability into sourcing decisions. Preference is given to vendors with measurable sustainability initiatives and those representing marginalised groups. Vendor registration now requires ESG credentials, with periodic audits ensuring compliance.

Operational controls include standardised grievance mechanisms, extended business continuity expectations for vendors, and reinforced data confidentiality obligations. These measures make ESG outcomes auditable and actionable across internal teams and external partners.

Integrating SDG Performance

UGRO translated its SDG mapping into measurable portfolio outcomes. Indicators tracked include financial inclusion, gender and workforce inclusion, health and education outcomes, and resource efficiency interventions.

Borrowers reached through inclusion programmes increased to **3,19,380** in FY26.

An estimated **17.7 lakh jobs** were created through these borrowers.

Women led and women owned enterprises contributed **72% of AUM.**

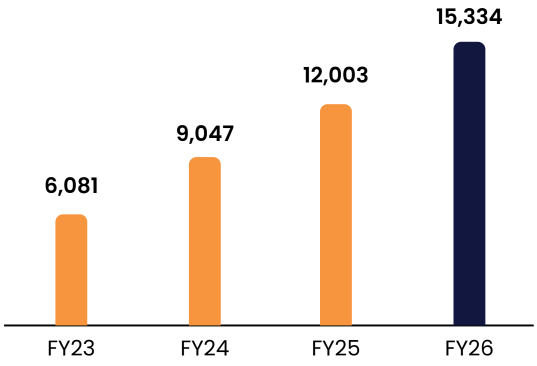
Sample based surveys revealed 77% of borrowers were first generation entrepreneurs, 91% adopted digital transactions, and 88% undertook social or environmental initiatives.

Improved data quality through digitised surveys strengthened early detection of E&S issues and enabled timely remediation through ESAPs. The same discipline applied to SDG data collection has enhanced the reliability of impact reporting.

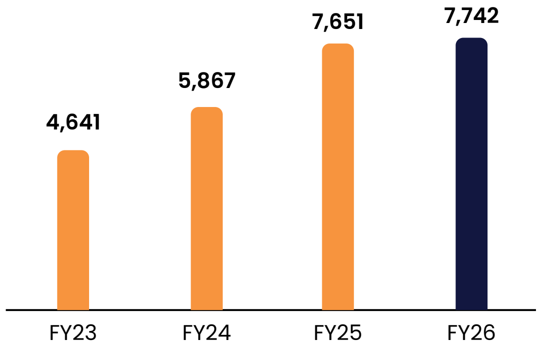
FY26 was a year of consolidation and credibility for UGRO Capital's ESG journey. Policies were not only approved but operationalised, embedding ESG into credit, vendor governance, procurement, and workplace safety. The company demonstrated measurable environmental and social outcomes, strengthened governance oversight, and achieved external recognition. Together, these achievements provide a resilient foundation for UGRO's long term ESG roadmap and position the company as a credible partner for investors seeking measurable impact.

Portfolio Composition

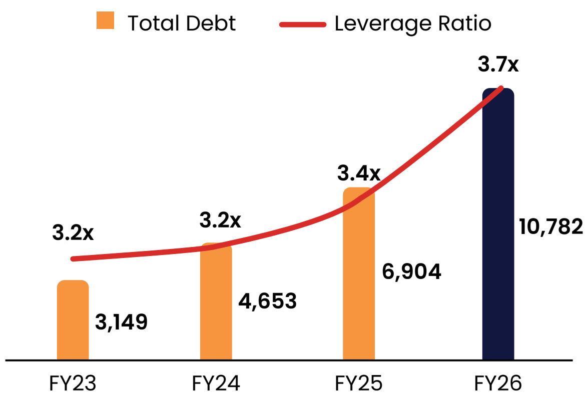
AUM (INR Cr)



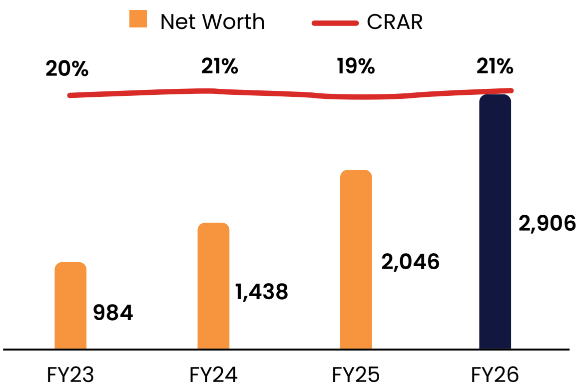
Disbursements (Net) (INR Cr)



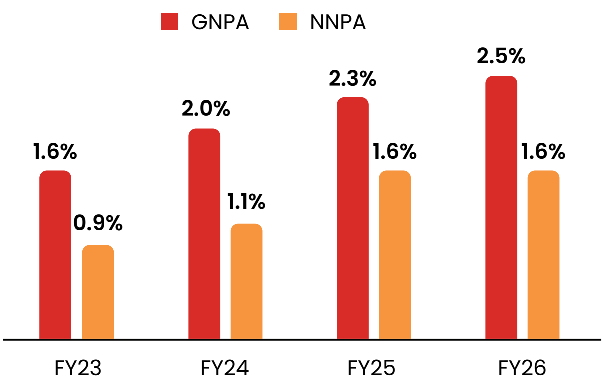
Total Debt (INR Cr) & Leverage Ratio



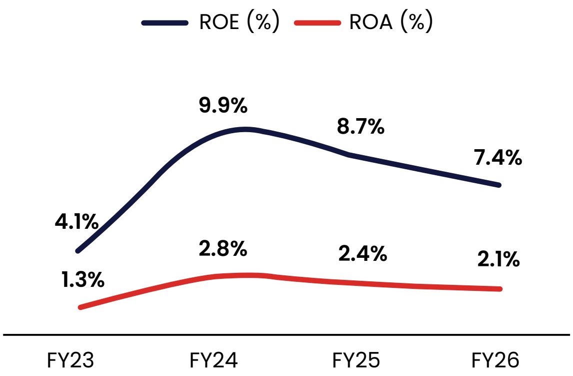
Net Worth (INR Cr) & CRAR (Standalone)



GNPA and NNPA (As % of AUM)



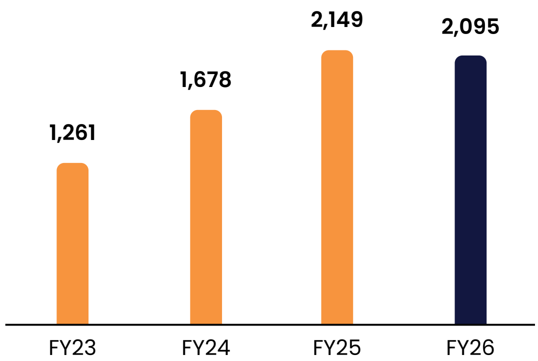
ROE(%)[1] and ROA(%)



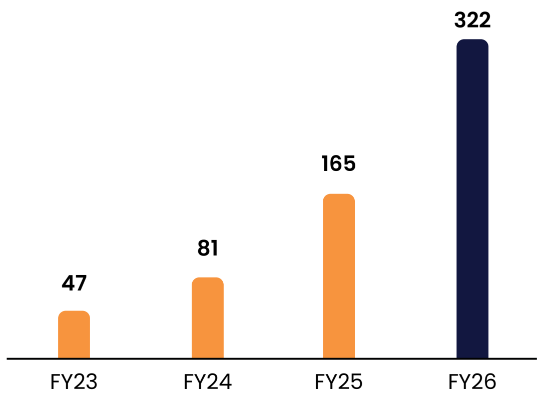
FY26 data is on consolidated basis

[1] Excluding Equity component of CCDs

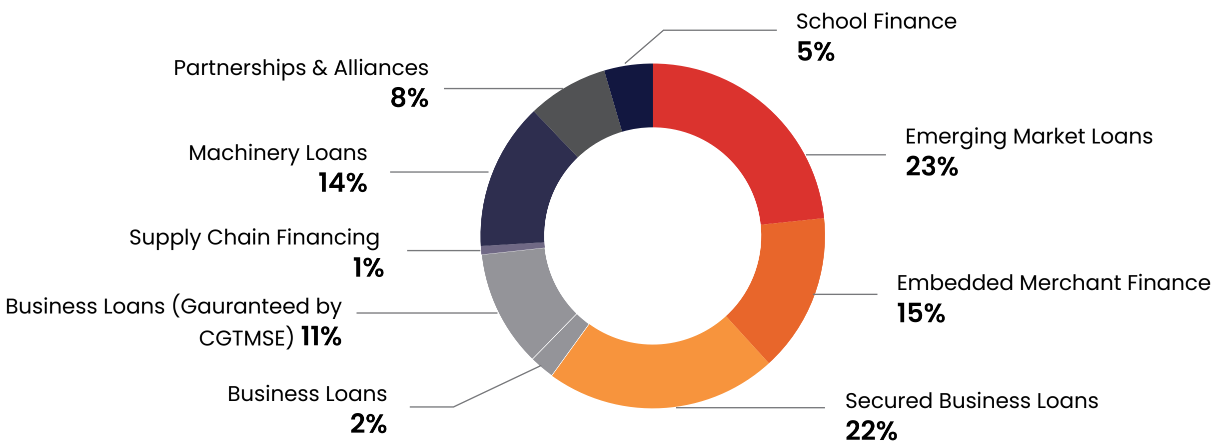
No. of Employees



No. of Customers ('000)



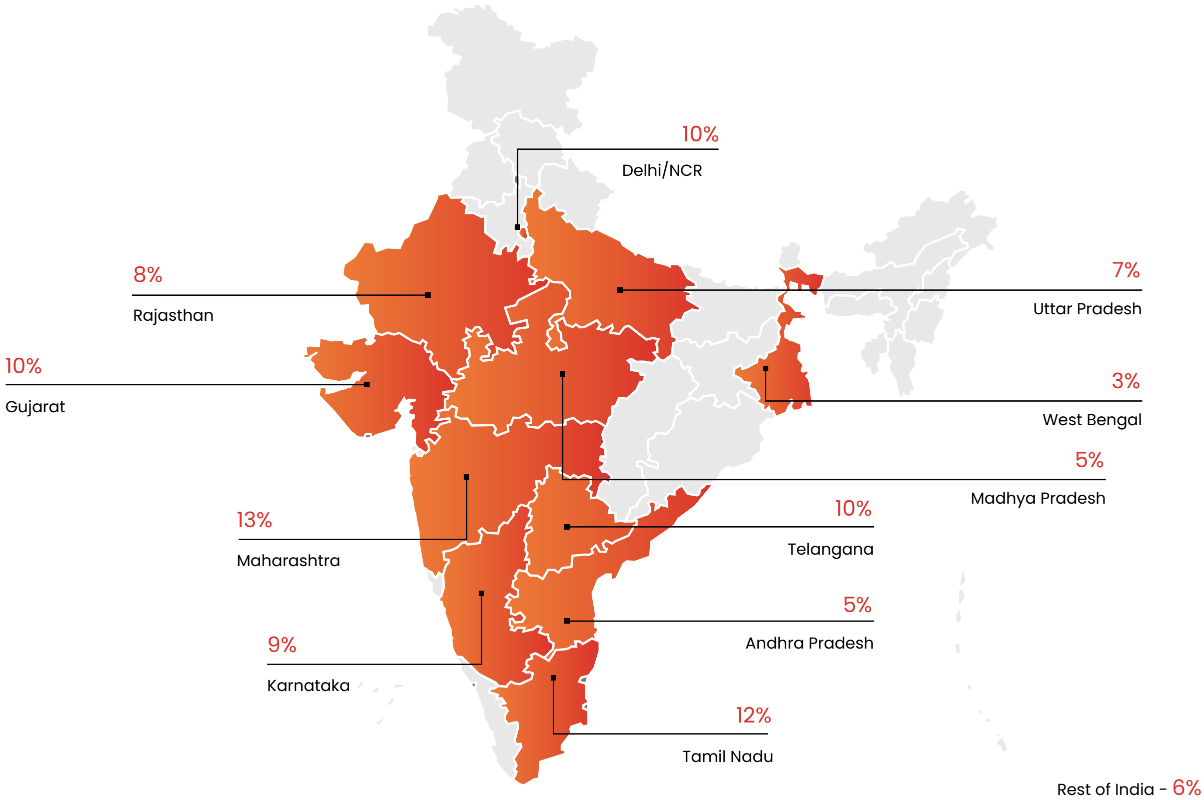
Product Mix (AUM)



Product category	Collateral type	AUM (Cr)	ROI (%)	Ticket size (Lakh)
EM Loans	Property	3,581	18.5%	19
Embedded Merchant Finance	-	2,280	26.1%	1.4
Machinery Loans	Machinery	2,117	14.1%	39
Secured Business Loans	Property	3,334	13.8%	77
Business Loans	CGTMSE	2,041	18.4%	21
School Finance	Property & Fees assignment	696	13.7%	143
Partnership & Alliances	FLDG	1,163	15.0%	3
Supply Chain Financing	Receivables	121	15.0%	38
Consolidated AUM		**15,334**	**17.5%**	

FY26 data is on consolidated basis

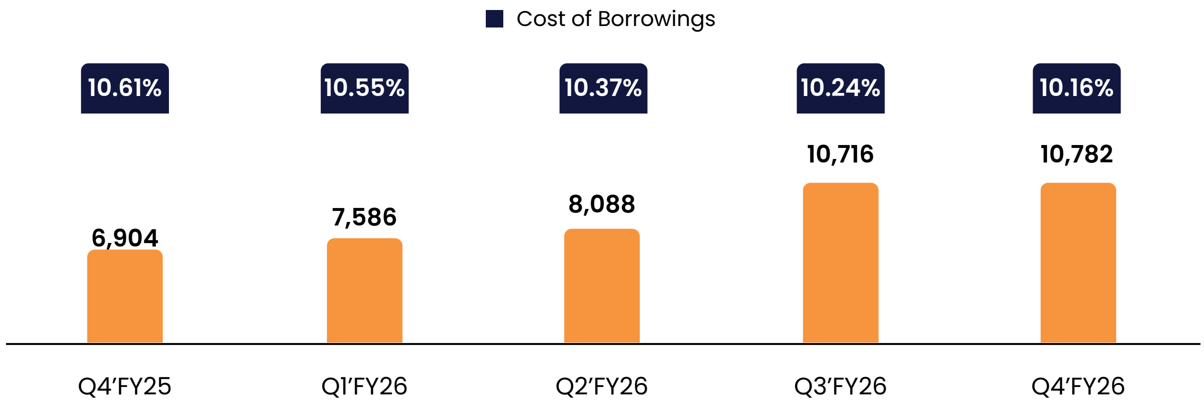
Geographical Mix (AUM)



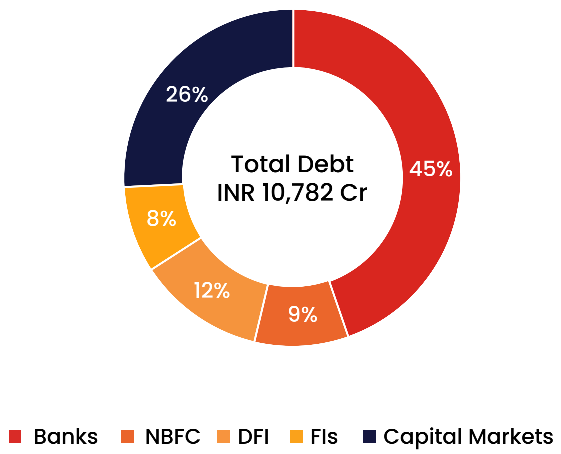
Liability and Co-lending

Diversified Lender base and continued build-out of liability book

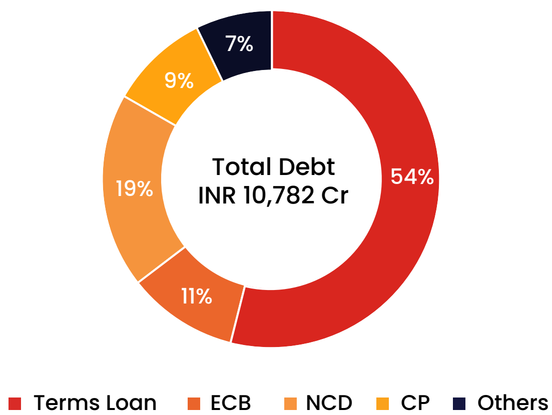
Total Debt (INR Cr) and Cost of borrowings



Liability mix by lender profile



Liability mix by product



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

Off - Book AUM mix

(INR Cr)

	Q4'FY25	Q1'FY26	Q2'FY26	Q3'FY26	Q4'FY26
Off Book AUM	**5,087**	**5,055**	**5,271**	**5,619**	**5,775**
Co-lending	2,474	2,467	2,484	2,491	2,357
Co-Origination	1,352	1,178	1,084	1,116	1,105
DA	1,260	1,410	1,703	2,012	2,312

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

Public Sector Banks and institutions

Private Sector Banks

DFIs

NBFCs

The Culture here at UGRO

Human Resources

At UGRO, our people remain central to our ability to scale, execute, and deliver sustainable growth. As the Company continues to expand its footprint, our focus has been on building a high-quality, performance-oriented workforce that supports both our growth ambitions and portfolio quality.

During the year, UGRO significantly strengthened its distribution network, with over 300+ Emerging Markets branches now operational and well-resourced. This expansion has been complemented by a strong emphasis on talent readiness, ensuring that our frontline teams are well-staffed and equipped with the right skills, tools, and support systems to deliver consistent outcomes.

A key area of focus has been the development of our Loan Officers and frontline teams, who play a critical role in both customer acquisition and credit quality. We have made meaningful investments in structured training programs, on-ground capability building, and continuous performance enablement to ensure our teams consistently build and manage a high-quality asset book.

In parallel, we have continued to strengthen our leadership pipeline. Focused investments in leadership development and succession planning have helped build depth across key roles, enabling the organisation to scale in a calibrated and sustainable manner. Our approach seamlessly integrates performance management, capability development, and targeted hiring to ensure strong alignment with business priorities.

Employee experience remains a key pillar as we scale. We have further enhanced our focus on creating a work environment that balances performance with engagement, supported by productivity tools, performance-linked incentives, and ongoing feedback mechanisms. These initiatives are designed to drive both individual effectiveness and overall organisational success.

Governance and leadership oversight continue to be strong enablers of our people strategy. Our senior management team, with deep domain expertise, remains actively engaged in shaping organisational capability and ensuring disciplined execution aligned with the Company's long-term vision.

As of March 31, 2026, UGRO had a workforce of 2,095 employees.


U GRO
CAPITAL


1st


KOVILPATTI

Newsroom


FOUNDERS
The Next Decade Belongs to India's Emerging Entrepreneurs


UGRO Capital to complete Profectus acquisition, eyes ₹17,000-crore AUM
KSHIPRA PETKAR
Mumbai, November 7


UGRO sees massive jump in AUM and disbursements in FY25, powered by GRO and DPI
UGRO calls itself a 'DataTech NBFC': marrying analytics with relationships. The company's digital tools handle risk assessment and loan approvals, but the on-ground teams validate ground realities and build trust informs Sharad Agarwal, Chief Operations & Technology Officer, UGRO Capital


The future of impact funding: Aligning capital with sustainable outcomes
The largest area of green financing is energy-efficient machinery, which supports MSMEs in modernising production lines and reducing operational energy consumption. Significant capital is also being channelled into rooftop solar installations, electric vehicles, and enterprises operating in the water, sanitation, and hygiene (WASH) sectors, across clusters such as manufacturing, healthcare, and food processing.
DECEMBER 16, 2025 IREM SAYEED, CHIEF RISK OFFICER, UGRO CAPITAL


Leading With Conviction In Risk & Responsible Growth
WOMEN'S DAY SPECIAL

छोटे व्यवसायों को बढ़ाने में हेल्पफुल है UGRO CAPITAL

'Focus on credit hygiene to support MSMEs'

Our Bureau
Mumbai

To give a leg up to the micro, small and medium enterprises (MSMEs), the government should focus on credit hygiene by ensuring enterprises get timely payments, faster dispute resolution and improved credit guarantee schemes that reward portfolio performance, not just disbursement volumes, according to Shachindra Nath, Founder & Managing Director, UGRO Capital.

Lenders, on their part, must recognise that MSEs (micro and small enterprise) lending is not mass retail. It requires sector knowledge, prudent assessment and continuous post-disbursement engagement, Nath said.

Shachindra Nath, Founder & MD, UGRO Capital

He observed that regulators should continue strengthening digital public infrastructure, such as GST, account aggregator and OCEN (open credit enablement network), while nudging lenders towards sector-specific underwriting instead of uniform credit norms.

Nath underscored that while credit guarantee schemes like CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) play an important role in enabling MSME credit, it cannot substitute underwriting discipline.

"Guarantees are designed as risk-sharing mechanisms, not as exit routes for weak credit decisions. When lenders rely excessively on guarantees, moral hazard increases and asset quality deteriorates over time," he said.

LABOUR CODE

Nath observed that in the short term, the new labour codes will require MSMEs, particularly smaller enterprises, to manage compliance and cost adjustments. This transition may create some operational friction. However, over the medium to long term, labour formalisation improves productivity, workforce stability and transparency.

"From a lender's perspective, formal employment records enhance confidence in enterprise sustainability and improve credit assessment. The key lies in phased implementation and adequate support, ensuring that compliance requirements do not become a growth constraint. If managed well, labour formalisation can strengthen MSMEs structurally and improve their access to long-term credit," he said.

UGRO Capital Unveils #BharosaMSMEpar: A Nationwide Movement to Back India's MSMEs

By Medialnfoline
(https://Www.Medialnfoline.Com/Author/Medialnfoline)

UGRO Capital Limited, a leading DataTech NBFC focused on MSME lending, launched **#BharosaMSMEpar**, a purpose-driven movement that asks every Indian to stand behind the country's 6.3 crore micro, small and medium enterprises. Building on last year's 'MSME Accha Hai' anthem, which encouraged businesses to formalise and reminded the nation of their vital role, #BharosaMSMEpar goes further by inviting Indians to pledge their belief in these enterprises publicly. From a quiet Kirana store in Varanasi to a thriving workshop in Surat, every lane and by-lane pulses with the ambition of the MSME sector. This MSME Day, we honor those dreams, whether it's a father-son tool shop, a modest uniform stitcher, or a group of young logistics entrepreneurs, by giving them the 'Bharosa' they deserve.

Bridging the Credit Divide: How Data, Inclusion, and Judgment Are Driving MSME Lending

Leading People Through Data-Led Change

Thought Leadership

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

Mr. Shachindra Nath speaking at Global Fintech Festival 2025

Mr. Anuj Pandey at the 15th Annual Banking and Finance Conference

Mr. Kush Pandit speaking at Bharat CSR & Sustainability Summit

Mr. Anuj Pandey moderating the MD and CEO panel session at NBFC and Green Financing summit by ASSOCHAM

Ms. Irem Sayeed shared her expertise at the 5th Asia Finance Forum, hosted by the Asian Development Bank in Manila, Philippines.

Events, Expos and Exhibitions

Dainik Jagran (Inext) UP Ratan Samman - 18th July 2025 (Four Seasons)

India By MSME Event, Sofitel BKC - 21st Feb 2026 (Eternal)


BFW Open House Event, Pune - 16th to 17th July 2025

Zoller Open House Event, Chennai - 8th to 9th Oct 2025


BFW Open House Event, Pune - 16th to 17th July 2025

The Year of PRIDE

Celebrating excellence at a Dainik Jagran event, where Mr. Shachindra Nath received the UP Ratan award presented by Shri Jitan Ram Manjhi, India's MSME Minister

Award recieved for Profit with purpose category at Bharat CSR and Sustainiblity summit.

Award recieved for Collateral Management of the Year at Credit Risk Summit

Award recieved for Best Credit Brand of the Year at Credit Risk Summit

ScreenX Award for Utsav Ki Udaan Campaign

Award received for Outstanding AI driven content at DataMatrix by Adgully

Infinity Award for HR business and Strategy

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd (Thirty-Third) Annual General Meeting of the members of UGRO Capital Limited will be held on Friday, 29th May 2026 at 11:00 A.M. (IST) through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company as on 31st March 2026 along with Director's Report and Auditor's Report thereon.**

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company as on 31st March 2026 along with Auditor's Report thereon.**

3. **To appoint a Director in place of Mr. Rohit Goyal (DIN: 05285518), who retires by rotation and being eligible, offers himself for re-appointment.**

4. **To appoint M/s G.P. Kapadia & Co., Chartered Accountants (ICAI Firm Registration No. 104768W) as the Statutory Auditors of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India guidelines No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021, for Appointment of Statutory Auditors (SAs) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs), including any amendments, modifications, variations or re-enactments thereof, from time to time and the enabling provisions of the Articles of Association of the Company and on the basis of recommendation of the Audit Committee and Board, the Members be and hereby approve the appointment of M/s G.P. Kapadia & Co., Chartered Accountants (ICAI Firm Registration No. 104768W), as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting, till the conclusion of the 36th Annual General Meeting.

   RESOLVED FURTHER THAT the Board, including the Audit Committee of the Board or any other person(s) authorised by the Board or Audit Committee in this regard, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to the Board to settle all questions, difficulties or doubts that may arise with regard to the implementation of the Resolution, negotiating, finalising, amending, signing, delivering, executing the terms of appointment, including any contract or document and to fix the remuneration, alter and vary the terms and conditions of remuneration and such other requirements resulting in the change in scope of work, etc., without being required to seek any further consent or approval of the Members of the Company."

SPECIAL BUSINESS:

5. **To approve re-appointment of Mr. Shachindra Nath as Vice Chairman and Managing Director of the Company**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) ("**Act**"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and subject to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 (Circular DOR.GOV.REC. No.263/18-10-013/2025-26 dated November 28, 2025), as may be amended from time to time ("**RBI Governance Directions**"), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee ("**NRC**") basis the Nomination & Remuneration Policy, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Shachindra Nath (DIN: 00510618) ("**Mr. Nath**") as the Vice Chairman and Managing Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from June 22, 2026 (the "**Effective Date**"), on the terms and conditions as specified hereunder and with liberty and power to the Board of Directors ("**Board**", which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to alter and vary, from time to time, the terms and conditions of Mr. Nath's appointment, including the amount and type of remuneration, perquisites, allowances and benefits to be provided to Mr. Nath, subject to review from time to time with a view to upward revision, and subject always to the applicable provisions of the Act, including Schedule V thereof, and the Statutory Cap, set out below:

1. **Term of Employment**: For a term of 5 (Five) years with effect from the Effective Date, and any re-appointment shall be subject to the approval of the Board and shareholders of the Company in accordance with the Act. The members confirm that, upon expiry of the term or early termination of the arrangement contemplated in the draft letter of appointment, for any reason and subject to the terms of the draft letter of appointment (the "**Letter of Appointment**"), the Company shall be responsible for ensuring that the Promoter Entity(ies) are de-classified as "Promoter Group" and/or as "Promoter", as the case may be, of the Company and for ensuring a complete discharge of any personal liabilities attached with Mr. Nath, including those arising from his capacity as "Promoter" / member of the "Promoter Group", as the case may be, which were incurred for the benefit of the Company.

2. **Total Fixed Cost (TFC):** Mr. Nath's annual compensation on a Total Fixed Cost ("**TFC**") basis shall remain unchanged at INR 7,00,00,000 (Indian Rupees Seven Crores only), subject to the provisions of the Act and consistent with the approval accorded by the shareholders of the Company.

   The structuring of the TFC into its various components (including, without limitation, basic salary, allowances, employer contributions to provident fund, employer contributions to the National Pension System, retirals and such other components) shall be as may be mutually agreed between Mr. Nath and the Company from time to time, in accordance with applicable law and the Company's policies.

   Mr. Nath will be responsible for payment of his income tax and other tax/statutory liabilities and levies arising in India and/or outside India, and the Company assumes no liability in this respect.

3. **Deferred Fixed Compensation:** In addition to the TFC, Mr. Nath shall be entitled to a Deferred Fixed Compensation ("**Deferred Fixed Compensation**") in the following manner:

   (i) for FY 2026-27, the Deferred Fixed Compensation shall be fixed at INR 3,00,00,000 (Indian Rupees Three Crores only); and

   (ii) for each subsequent financial year during the term of re-appointment, the Deferred Fixed Compensation shall be equal to 30% (thirty per cent) of the aggregate of Mr. Nath's TFC and Deferred Fixed Compensation for the immediately preceding financial year.

   The Deferred Fixed Compensation for each financial year shall be payable quarterly in arrears, in such manner and subject to such internal approvals, reviews and processes as may be determined by the NRC and the Board from time to time.

   For FY 2026-27, the aggregate fixed compensation comprising the TFC and Deferred Fixed Compensation shall accordingly be INR 10,00,00,000 (Indian Rupees Ten Crores only).

   The Deferred Fixed Compensation shall be subject to the applicable provisions of the Act, the applicable provisions of the SEBI LODR Regulations, the applicable provisions of the RBI Governance Directions and any other applicable law. The Deferred Fixed Compensation may also be reviewed by the NRC and the Board from time to time, as and when deemed appropriate, with a view to upward revision, subject always to the approvals and limits as may be required under applicable law.

4. **Statutory Cap and Review:** The aggregate remuneration payable to Mr. Nath, comprising the TFC, the Deferred Fixed Compensation and any variable pay or other benefits that may be approved in any financial year, shall at all times remain subject to the applicable provisions of the Act, the applicable provisions of the SEBI LODR Regulations, the applicable provisions of the RBI Governance Directions and any other applicable law. In particular, the total remuneration payable to Mr. Nath in any financial year shall not exceed the maximum remuneration permissible to be paid under applicable law, including the limits prescribed under Section 197 of the Act read with Schedule V and Regulation 17(6)(e) of the

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SEBI LODR Regulations, unless the payment is specifically authorised by the members of the Company by way of a special resolution in force at the relevant time (the "**Statutory Cap**"). The Statutory Cap shall operate automatically in any year for which no such authorising special resolution is in force, and any excess shall accordingly remain unpaid in that year. The TFC and the Deferred Fixed Compensation can also be reviewed by the NRC and the Board from time to time, as and when deemed appropriate, with a view to upward revision, subject always to the approvals and limits as may be required under applicable law.

5. **No deferral applicable to the Deferred Fixed Compensation:** The Deferred Fixed Compensation, being fixed in nature and not contingent on any performance metric or the outcome of any risk-taking activity, shall not be subject to any deferral mechanism. The long-term risk-alignment objective that deferral is designed to achieve, in the case of the Vice Chairman and Managing Director, is substantially fulfilled by the outstanding Personal Guarantees of approximately INR 1,830 Crores extended by Mr. Nath in favour of the Company's lenders (without any guarantee commission or fee) and his aggregate equity investment in the Company of approximately INR 40 Crores.

6. **Variable Pay: enabling Special Resolution first; proposal by Mr. Nath thereafter:** No variable pay shall be paid to Mr. Nath during the term of his re-appointment unless and until (i) the members of the Company have, by way of a special resolution in force at the relevant time, specifically authorised payment of remuneration in excess of the statutory limits prescribed under Section 197 of the Act and Regulation 17(6)(e) of the SEBI LODR Regulations, and (ii) the members have further authorised the Board, on the recommendation of the NRC, to design, structure, approve and pay performance-linked variable pay ("**Variable Pay**") to Mr. Nath from time to time during the term of his re-appointment. Only upon such special resolution being in force, the NRC shall, having regard to the applicable law, the Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management, shareholder expectations, governance considerations and the long-term interests of the Company, consider and recommend to the Board an appropriate Variable Pay framework for Mr. Nath. Such framework may include, as one of its design components, a Share Price based Variable Pay component linked to the appreciation in the closing price of the Company's equity shares on a recognised stock exchange over a defined reference period, together with such other design components and associated design features (metric construct, deferral architecture in alignment with the RBI Governance Directions, absolute cap, and malus and clawback) as may be considered appropriate by the NRC and the Board. Any Variable Pay so formulated shall be implemented only after the approval by the Board on the recommendation of the NRC, within the framework and limits authorised by the members under the aforesaid special resolution and subject always to applicable law.

7. **Perquisites and Facilities:** For the proper discharge of Mr. Nath's responsibilities as Vice Chairman and Managing Director, Mr. Nath shall be provided with a furnished residential accommodation (taken on lease by the Company in its own name, together with related utilities and furnishings), a motor vehicle with driver (owned or leased by the Company, together with fuel and maintenance) for Company business and personal use, membership of up to two clubs subject to and in accordance with Schedule V of the Act, and memberships, subscriptions and participation fees in industry associations, regulatory bodies and professional forums required for the conduct of the Company's business, each such facility to be valued, classified and disclosed in accordance with applicable law and the Company's policies.

8. **Group Insurance:** Mr. Nath shall be covered under the Group Personal Accident Insurance, Group Life Insurance and Hospitalisation Insurance policies as may be taken out and maintained by the Company, in accordance with the Company's policy on employee insurance to be approved by the Board and the NRC. The sum/benefit assured under each policy will be subject to his meeting all the insurance company's policies and insurance/underwriting requirements.

9. **Whole Time Attention and Advisory Services:** During Mr. Nath's employment with the Company, he shall devote his best efforts for promoting the Company's (and of any subsidiary of the Company) business as may be required. He shall not, without the prior written consent of the Board engage or be interested (directly or indirectly) in any other business directly

competing with the business of the Company or undertake any other employment on a full-time basis. Notwithstanding anything contained in this resolution or in this Paragraph 9:

(i) this restriction does not extend to Mr. Nath being appointed as a non-executive director in other companies which would not be in the nature of full-time employment, subject to applicable laws;

(ii) Mr. Nath is not prohibited from making personal investments provided those investments do not require active involvement in the operation of the said ventures and are in compliance with the Company's code of conduct on insider trading and corporate governance code. Further, Mr. Nath is required to make appropriate disclosures to the Board of his investments, in accordance with the Act and the Company's code of conduct on insider trading; and

(iii) Mr. Nath may render advisory, consultancy or other professional services to third parties, whether directly or through any entity in which Mr. Nath is interested (including Poshika Financial Eco System Private Limited), whether for monetary or non-monetary consideration, provided that such engagements do not give rise to any conflict of interest with the Company, do not compete with the business of the Company, do not materially interfere with Mr. Nath's duties as Vice Chairman and Managing Director, and are disclosed to the Board when requested.

Any fees or other consideration received from such engagements shall be in Mr. Nath's / such entity's personal capacity and shall not form part of Mr. Nath's remuneration from the Company.

Annual declaration: The Company may require Mr. Nath to furnish, once in each financial year, a written declaration of all income received by Mr. Nath or by any entity in which Mr. Nath is interested from sources outside Mr. Nath's employment with the Company. Such declaration is required for disclosure and compliance purposes only and shall not restrict or affect any engagement that is otherwise permitted under this Paragraph 9.

10. **Bank Guarantee and Standby Letter of Credit Obligations:** In any circumstance in which the "**BG/SBLC Obligation**" is expressed to apply under the terms of appointment, the Company shall furnish and maintain, at its own cost and expense, drawn in Mr. Nath's favour, an unconditional, irrevocable and continuing bank guarantee and/or standby letter of credit (the "**BG/SBLC**") in such form and substance as is satisfactory to Mr. Nath, to secure and cover any and all losses, liabilities, claims, demands, costs, charges, damages and expenses that may be incurred or suffered by Mr. Nath pursuant to the personal guarantees and other personal obligations, assurances or liabilities provided, assumed or undertaken by Mr. Nath for or on behalf of the Company. The BG/SBLC Obligation shall:

(i) continue in full force and effect until all personal guarantees and other personal obligations have been fully and irrevocably discharged and released to Mr. Nath's satisfaction;

(ii) not be subject to any set-off, counterclaim, deduction or withholding by the Company on any account whatsoever;

(iii) survive any termination or expiry of the Letter of Appointment, whether with cause, without cause, upon Change in Control (as defined below), or upon death or permanent disability, regardless of the circumstances of termination; and

(iv) be renewed or replaced by the Company not less than 30 (thirty) days before its expiry for so long as any Personal Guarantee or personal obligation of Mr. Nath remains outstanding.

11. **Notice Period and Termination:** The employment contract may be terminated by either party prior to the expiry of the term as mentioned above in the manner set out herein below:

(a) Voluntary Resignation: Mr. Nath may voluntarily resign with prior written notice of 360 (three hundred and sixty) days to the Company.

(b) Change of Control: If Mr. Nath elects to resign within 12 (twelve) months following a Change in Control (as defined in sub-

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paragraph (c) below), such resignation shall be treated as a voluntary resignation triggered by a Change in Control and the following shall apply:

(i) the 360-day notice period shall be replaced by a notice period of not less than 90 (ninety) days;

(ii) the Company shall pay to Mr. Nath, within 30 (thirty) days of the effective date of resignation, an amount equal to 5 (five) years of Total Pay, subject to limits specified under applicable law, where "Total Pay" means TFC plus the average annual variable compensation and Deferred Fixed Compensation received by Mr. Nath in the three financial years immediately preceding the Change in Control (or such shorter period as may be available if Mr. Nath has not completed three full financial years in the role); and

(iii) the BG/SBLC Obligation set out in Paragraph 10 shall apply in full.

(c) Definition of Change in Control: For the purpose of this Paragraph 11, "Change in Control" means: (i) any person or group of persons (other than Mr. Nath, Poshika Advisory Services LLP, Poshika Financial Eco System Private Limited or entities controlled by Mr. Nath) acquiring, directly or indirectly, more than 25% of the fully paid-up voting equity share capital of the Company on a fully diluted basis; (ii) any merger, amalgamation or reconstruction of the Company; or (iii) any court or tribunal-sanctioned scheme of arrangement that results in a change of effective management control of the Company without Mr. Nath's consent.

(d) Termination by the Company: Mr. Nath's appointment may be terminated by the Company for Cause or without Cause only in accordance with the provisions of this Paragraph 11.

(e) Termination for Cause: Paragraph 11, "Cause" shall mean:

(i) Mr. Nath's conviction in a felony or a crime involving moral turpitude, or the commission of any other act or omission on Mr. Nath's part involving dishonesty or fraud with respect to the Company or any of its affiliates or any of their customers, borrowers or providers of funds;

(ii) involvement in a case of harassment or discrimination with respect to any of the Company's employees, provided that such involvement shall amount to "Cause" only once it has been determined as such by a final, non-appealable judgment or order of a court of competent jurisdiction; or

(iii) fraud committed by Mr. Nath, which fraud has been proven beyond doubt by a final, non-appealable judgment or order of a court of competent jurisdiction.

Notwithstanding termination for Cause and without prejudice to any other rights of the Company arising therefrom, the BG/SBLC Obligation set out in Paragraph 10 shall apply in full.

(f) Termination without Cause: The Company acknowledges and recognises that Mr. Nath is a Promoter and in control of the Company and, in such capacity, has undertaken, assumed and exposed himself to various obligations, responsibilities, assurances, undertakings, liabilities and personal guarantees for and on behalf of, or in connection with, the Company. In the event the Company seeks to terminate Mr. Nath's appointment without Cause, the Company shall provide not less than 24 (twenty-four) months' prior written notice to Mr. Nath. On termination without Cause, the BG/SBLC Obligation set out in Paragraph 10 shall apply in full. Any removal or termination without Cause shall further be subject to payment to Mr. Nath of remuneration for a period of 5 (five) years, subject to limits specified under applicable law.

(g) Death or Permanent Disability: The contract shall stand automatically terminated in the event of Mr. Nath's death or permanent disability. However, until the Company is able to procure a complete discharge of all Mr. Nath's personal obligations/guarantees given for and on behalf of the Company and de-promoterise the Company or appoint another promoter in compliance with applicable laws, Mr. Nath's family shall be entitled to compensation equal to the annual compensation package for a period of 5 (five) years, subject to limits specified under applicable law.

12. **Malus and Clawback:** Any deferred component of variable compensation that may be approved and paid to Mr. Nath in the future shall be subject to the malus and clawback provisions set out in the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management, as approved by the Board and reviewed by the NRC from time to time, in line with the RBI Governance Directions.

13. **Other terms and conditions:** such other terms and conditions as may be approved by the Board and as may be set out in the Letter of Appointment to be entered into between the Company and Mr. Nath.

RESOLVED FURTHER THAT Mr. Nath shall not be paid any sitting fees for attending the meetings of the Board or committee thereof; he shall however be entitled to reimbursement of expenses incurred by him for the business of the Company, which shall not be included in the total remuneration as mentioned above.

RESOLVED FURTHER THAT in the event of loss and/or inadequacy of profits in any financial year during his tenure, the remuneration and perquisites as stated hereinabove shall continue to be paid as minimum remuneration to Mr. Nath, in accordance with the provisions of Section 197, Schedule V and other applicable provisions of the Act, subject always to the Statutory Cap set out in Paragraph 4 above.

RESOLVED FURTHER THAT approval of the members of the Company be and is hereby given to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard, and further, in addition to the Board, the Chief People Officer, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, of the Company be and are hereby severally authorised to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT any of the Directors of the Company, the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary be and are hereby severally authorised to do all acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution including intimating and filing necessary statutory e-form(s) with the Registrar of Companies, the Ministry of Corporate Affairs, the Stock Exchanges, the Reserve Bank of India and such other Authority(ies) as may be applicable.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

6. **To approve payment of variable compensation components and payment of unpaid portion of fixed compensation of Mr. Shachindra Nath, Vice Chairman and Managing Director of the Company**

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

"RESOLVED THAT pursuant to the first proviso to Section 197(1), Section 197(3), Section 198 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**Act**"), read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 (Circular DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025), as may be amended from time to time (the "**RBI Governance Directions**"), the Articles of Association of the Company, and subject further to the recommendations of the Nomination and Remuneration Committee ("**NRC**") basis the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management and the Board of Directors of the Company ("**Board**", which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded for the following, in relation to Mr. Shachindra Nath (DIN: 00510618)

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("**Mr. Nath**"), Vice Chairman and Managing Director of the Company, for each financial year falling within the term of his re-appointment commencing from FY 2026-27:

1. **Variable Compensation Components:** In addition to the Total Fixed Cost ("**TFC**") and the Deferred Fixed Compensation approved / to be approved as part of Mr. Nath's remuneration pursuant to the relevant ordinary resolution approving his re-appointment, Mr. Nath may be paid one or more variable compensation components, including a Share Price based Variable Pay component (as defined in Paragraph 2 below), as may be approved by the Board on the recommendation of the NRC from time to time.

2. **Share Price based Variable Pay:** The variable compensation framework approved and paid to Mr. Nath under this resolution may include, as one of its design components, a variable pay component linked to the appreciation in the closing price of the Company's equity shares on a recognised stock exchange over a defined reference period (a "**Share Price based Variable Pay**" component). The inclusion of a Share Price based Variable Pay component as one of the design options is considered appropriate in the context in which Mr. Nath, as a Promoter in control, is regulatorily precluded from participating in any employee stock option plan or similar equity-linked compensation programme.

3. **Board / NRC Approval Framework:** The nature, structure, performance parameters, measurement criteria, timing, quantum, vesting / accrual conditions, payment terms, deferral mechanics, malus and clawback provisions, and all other terms applicable to any such variable compensation component (including the Share Price based Variable Pay) shall be determined and approved by the Board on the recommendation of the NRC, in accordance with applicable law and the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management, as approved by the Board and reviewed by the NRC from time to time.

4. **Approval Where Aggregate Compensation Crosses Statutory Thresholds:** Without prejudice to the generality of the foregoing, where the aggregate compensation payable to Mr. Nath in any financial year, including the TFC, the Deferred Fixed Compensation, perquisites, benefits approved under the Ordinary Resolution passed / to be passed by the members in relation to his re-appointment, and any variable compensation component approved by the Board on the recommendation of the NRC (including the Share Price based Variable Pay), exceeds or may exceed the statutory thresholds or limits prescribed under the Act (including Section 197 read with Schedule V) or Regulation 17(6)(e) of the SEBI LODR Regulations or any other applicable law, the payment of such compensation component shall stand authorised pursuant to this resolution, subject to the approval of the Board and the recommendation of the NRC.

5. **Unpaid Portion of TFC and Deferred Fixed Compensation Due to Statutory Cap:** In any financial year in which any portion of the remuneration approved and payable to Mr. Nath under the ordinary resolution passed / to be passed by the members in relation to his re-appointment, including the TFC, the Deferred Fixed Compensation, perquisites, benefits or any other remuneration component comprised therein, though otherwise accrued or payable in accordance with the terms of his re-appointment, remains unpaid solely by reason of the statutory cap or threshold applicable under the Act or other applicable law, the Board be and is hereby authorised, on the recommendation of the NRC and subject to applicable law, to pay such unpaid portion to Mr. Nath, and such payment shall stand specifically approved by the members pursuant to this resolution.

6. **Timing of Payment of Unpaid Portion:** Any payment referred to in Paragraph 5 above may be made in the same financial year or in any subsequent financial year, in one or more tranches, as may be determined by the Board on the recommendation of the NRC, subject to compliance with applicable law.

7. **Deferral, Malus and Clawback:** To the extent required under the RBI Governance Directions and the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management from time to time, any variable compensation component approved under this resolution (including the Share Price based Variable Pay) shall be subject to such deferral, malus and clawback framework as may be determined by the Board on the recommendation of the NRC in accordance with applicable law.

RESOLVED FURTHER THAT the NRC be and is hereby authorised to review, formulate, recommend and certify, from time to time and for each relevant financial year, the structure, rationale, computation and payment terms of any variable compensation component payable to Mr. Nath (including the Share Price based Variable Pay) and the quantum of any unpaid portion of TFC and / or Deferred Fixed Compensation proposed to be paid under this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution, determining the detailed terms of any variable compensation component (including the Share Price based Variable Pay), determining the timing and manner of payment of any unpaid portion of TFC and / or Deferred Fixed Compensation, and to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT any of the Directors of the Company, the Chief Executive Officer, the Chief Financial Officer, the Chief People Officer and the Company Secretary be and are hereby severally authorised to do all acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution, including making necessary disclosures and filing necessary statutory e-form(s), returns and intimations with the Registrar of Companies, the Ministry of Corporate Affairs, the Stock Exchanges, the Reserve Bank of India and such other Authority(ies) as may be applicable."

7. **To approve the grant of Employee Stock Option to the employees of the subsidiary(ies) of the Company under the "UGRO Capital Employee Stock Options Scheme-2022**

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and other applicable provisions of the Companies Act, 2013 ('Act') read together with Companies (Share Capital and Debentures) Rules, 2014 ('Rules') including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto ('SEBI SBEB Regulations') and in accordance with the Memorandum and Articles of Association of the Company, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and as recommended by the Board of Directors, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefit and coverage and to offer, issue, grant and allot from time to time, in one or more tranches, Employee Stock Options ('ESOP Options'/ 'Options') under **'UGRO Capital Employee Stock Option Scheme- 2022'** ('ESOP Scheme') to the present and future permanent employees, officers and director(s) not being an Independent Director of the Subsidiaries company of the Company, whether working in India or not, whether Whole Time Director or not, but excluding (i) an employee/director who is a promoter(s) or belonging to the Promoter Group or (ii) Directors who either himself or through his relative or through any body corporate holds directly or indirectly more than 10% (Ten percent) of the outstanding equity shares of the Company (hereinafter referred to as "Employees"), within the ceiling of total number of stock options as specified in ESOP Scheme along with such other terms and in such manner in accordance with the provisions of the applicable laws and the provisions of ESOP Scheme."

Registered Office:	For & on behalf of the Board of Directors
B-17, Fourth Floor,	**For UGRO CAPITAL LIMITED**
Art Guild House,	Sd/-
Phoenix Market City,	**Satish Kumar**
Kurla (West),	Company Secretary and
Mumbai 400070	Compliance officer
	Membership No: ACS 58892
	Date: 20th April, 2026

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NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to Special Businesses (Item No. 5 to 7) to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulations 36(3) and 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings, of the person seeking re-appointment as Director under Item No. 5&6, of the Notice, are also annexed to the notice.

2. The Ministry of Corporate Affairs ("MCA") has vide its, various circulars issued from time to time (the latest circular being General Circular No. 03/2025 dated September 22, 2025) ("MCA Circulars") and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the said Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

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

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

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

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

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

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

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

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

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

10. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, 23rd May 2026 to Friday, 29th May 2026 (both days inclusive).

11. Notice of the AGM along with the Annual Report for FY 2025-26 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested a physical copy of the same. Members may note that the Notice and Annual Report for FY 2025-26 will also be available on the Company's website on www.ugrocapital.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the National Securities Depository Limited on www.evoting.nsdl.com

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

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

14. In accordance with Sections 124 and 125 of the Companies Act, 2013 read with the IEPF Rules, dividends remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF"), along with the corresponding shares. Accordingly, unclaimed dividend amount pertaining to the interim dividend for FY 2018-19 and equity shares were transferred to the Investor Education and Protection Fund by the Company, upon completion of the prescribed period. Shareholders may claim their dividend/shares from the IEPF Authority as per the prescribed procedure.

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

    Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email to the Company at cs@ugrocapital.com at least 3 days before the Meeting. The same will be replied by the Company suitably.

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

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

    II. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Friday, 22nd May 2026. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

    III. The Members whose name appear in the Register of Members/Beneficial Owners as on the cut-off date, i.e. Friday, 22nd May 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 22nd May 2026.

    IV. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Friday, 22nd May 2026 such Member may obtain the User ID and password by sending a request at evoting@nsdl.com or rnt.helpdesk@in.mpms.mufg.com.

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

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

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Limited on www.evoting.nsdl.com. The results shall simultaneously be communicated to the Stock Exchanges.

VII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th May 2026.

VIII. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM is restricted and hence, will be made available on first come first serve basis. This will not include shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

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

The remote e-voting period begins on Tuesday, 26th May 2026 at 9:00 a.m. (IST) and ends on Thursday, 28th May 2026 at 5:00 p.m. (IST).

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

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

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

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

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

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

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

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

<u>How to Log-in to NSDL e-Voting website?</u>

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

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

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

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

4. Your User ID details are given below :

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

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

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

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

   c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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General Guidelines for shareholders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link

for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

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

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

5. For ease of conduct, Members who would like to ask questions may send their questions on or before Tuesday, 26th May 2026, 5:00 p.m. (IST) in advance to the AGM mentioning their name, demat account number / folio number, email id, mobile number at cs@ugrocapital.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

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

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

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

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

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

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

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INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS

Item no. 3: Relating to re-appointment of Mr. Rohit Goyal (DIN 05285518), who retires by rotation

Name of Director	Mr. Rohit Goyal
Director Identification Number (DIN)	05285518
Date of Birth	8 October 1983, aged 42 years as on date of this Notice
Date of first appointment on Board	25th April, 2024
Qualifications	B-Tech in mechanical engineering from IIT Delhi and a CFA charter holder.
Brief resume / expertise in specific functional areas	Mr. Goyal is currently working as a Vice President within the global financial services team at IFU, a Danish DFI, working to invest in financial services institutions across emerging markets. He has a cumulative experience of 20 years, of which 15 years have been within the financial services sector.
Terms and Conditions of Re-appointment	Appointed w.e.f. 25th April 2024 as a Non-Executive (Nominee) Director, liable to retire by rotation.
Remuneration last drawn (FY 2025-26)	Nil
Remuneration proposed to be paid	Nil
Number of Shares held in the Company	Nil
Directorships held in other companies	Nil
Resigned as a Director from listed entities in the past three years	Nil
Number of meetings of the Board attended during the year 2025-26	8 out of 10 Board Meetings
Committee positions held in other companies	Nil
Relationship with other Directors / Key Managerial Personnel	None

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

Item No. 4

The Reserve Bank of India (RBI) vide circular no. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April 2021 had issued guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs). In terms of the said circular the maximum tenure of a Statutory Auditor is limited to three consecutive years.

M/s Sharp & Tannan Associates, Chartered Accountants, had been appointed as the Statutory Auditors of the Company from the 30th Annual General Meeting ("AGM") till the 33rd AGM. The term of M/s Sharp & Tannan Associates, Chartered Accountants, is set to expire on the conclusion of the 33rd AGM of the Company proposed to be held on 29th May 2026.

In view of the above, the Audit Committee and the Board at its meeting held on 20th April 2026 had recommended the appointment of M/s G.P. Kapadia & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of 3 (three) consecutive years i.e. commencing from the conclusion of the ensuing AGM until the conclusion of the 36th AGM of the Company. M/s G.P. Kapadia & Co., Chartered Accountants has confirmed that their appointment, if made, shall be in accordance with the conditions prescribed in Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 and that they meet the eligibility criteria specified in Section 141 of the Act and the requirements of the said RBI circular..

Pursuant to Regulation 36 of SEBI Listing Regulations, the following details are mentioned below for the information of Members:

Proposed audit fee payable to auditors	Remuneration for FY 2026-27 is Rs. 73 lakhs for audit and Rs. 12 lakhs for certification, Rs. 5 lakhs for Tax Audit plus applicable taxes and reimbursement of out of pocket expenses in connection with the statutory audit with the authority to the Board of Directors of the Company (which term shall include a duly constituted committee of the Board) to revise the remuneration for the subsequent years in consultation with the Auditors.

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Terms of appointment	M/s G.P. Kapadia & Co. will continue as Statutory Auditors for a term of three years i.e. from the conclusion of 33rd AGM till the conclusion of 36th AGM
Material change in fee payable to the new auditor from that paid to the outgoing auditor along with rationale for such change	There is no material change in fee payable to the new auditor from that paid to the outgoing auditor
Basis of recommendation for appointment and auditor credential	The Audit Committee and the Board of Directors based on the credentials of the firm and partners, asset size of the Company and eligibility criteria prescribed under the Companies Act, 2013 and RBI Guidelines, recommends the appointment of M/s G.P. Kapadia & Co. as statutory auditors of the Company. **Profile** M/s G.P. Kapadia & Co. was founded in 1929 by Mr. Gopaldas P. Kapadia, who was the Founder Member and First President of the Institute of Chartered Accountants of India (ICAI). The firm has maintained an uninterrupted 95-year presence in Mumbai, building deep relationships with regulatory bodies, banking institutions, capital markets, and the BFSI sector. The firm is ISO/IEC 27001:2013 certified, reflecting its commitment to information security standards critical for an NBFC audit engagement involving sensitive financial data. ICAI Registration: 104768W | RBI UCN: 016734 | CAG Registration: BO 0127.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Directors or Key Managerial Personnel are in any way concerned or interested, financially or otherwise, in these resolutions.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

Item No. 5

Mr. Shachindra Nath (DIN: 00510618) was first appointed as Managing Director of the Company with effect from 22 June 2018, following the approval of the Reserve Bank of India for change of control. He was thereafter re-appointed as Vice Chairman and Managing Director for a period of 3 (three) years from 22 June 2023 to 21 June 2026, pursuant to a special resolution passed by the members through postal ballot on 11 May 2023. His present term is due to expire on 21st June 2026.

Mr. Nath holds a Bachelor of Laws degree from Banaras Hindu University and is a university rank holder. He also holds a Bachelor of Commerce (Honours) degree from Banaras Hindu University. Over a professional career spanning approximately 3 (three) decades, he has built diversified experience across the financial services sector, including insurance, asset management, lending and capital markets businesses. Prior to his leadership role in the Company, he was associated with multiple financial services start-ups and played a key role in establishing insurance businesses, global asset management platforms, capital market businesses and lending institutions.

During Mr. Nath's tenure, the Company has undergone significant growth and transformation. Under his leadership, between 2018 and 2026, the Company's assets under management have grown to approximately INR 15,500 Crores. The Company is today recognised as a large, institutional, MSME-focused lending business, built in a calibrated and risk-conscious manner and supported by defined underwriting, portfolio monitoring and governance frameworks.

Under Mr. Nath's leadership, the Company has also successfully transitioned from its original design as a limited-geography, low-yield, high-ticket MSME lender into a pan-India franchise with more than 300 locations. This transformation has enabled greater outreach to MSME borrowers through product-specific and sector-specific programmes and has also facilitated a shift in the Company's portfolio towards higher-yielding segment mixes, with the objective of enabling the Company to achieve market-comparable return on assets and return on equity metrics and deliver sustained value creation for shareholders.

The Board also noted that the Company, during Mr. Nath's tenure, has raised approximately INR 1,900 Crores of growth capital. This constitutes a significant achievement in the Company's scale-up and expansion. While Mr. Nath participated in such capital raises, the substantial aggregate quantum of capital raised has, as a consequence, resulted in dilution of his shareholding. As on the date of this Notice, Mr. Nath's shareholding is less than 2% of the fully paid-up equity share capital of the Company.

Notice (Contd.)

Since Mr. Nath is classified as a Promoter, he is precluded under applicable regulations from participating in any employee stock option plan or similar equity-linked compensation programme. At the same time, notwithstanding his relatively low shareholding, he continues to bear the financial exposure, reputational accountability and regulatory obligations associated with his position as a Promoter in control.

In this regard, it is relevant to note that Mr. Nath has, together with Promoter Group entities, extended personal and corporate guarantees aggregating approximately INR 2,750 Crores on a sanctioned basis, with an outstanding guaranteed exposure of approximately INR 1,830 Crores as on date, in favour of the Company's lenders, without receiving any guarantee commission or fee. These guarantees have been provided in his personal capacity, continue for the full tenor of the underlying facilities and are not capable of being discharged at his election. The outstanding guarantee exposure is approximately 260 times his annual fixed pay. The Board has taken the view that this continuing guarantee support is a material element of alignment with the Company's lenders and stakeholders and is an important part of the overall context in which Mr. Nath's role and remuneration are being evaluated.

Considering Mr. Nath's experience, leadership contribution and continuing strategic role in the Company, and based on the recommendation of the Nomination and Remuneration Committee ("**NRC**") at its meeting held on 20th April 2026 and the approval of the Board of Directors at its meeting held on 20th April 2026, the Company is seeking the approval of the members for his re-appointment for a further period of 5 (five) years with effect from the Effective Date.

Effective 1st July 2025, the Company appointed Mr. Anuj Pandey as its full-time Chief Executive Officer, who is responsible for the day-to-day operating performance of the Company, including execution of the business plan, credit outcomes, portfolio quality, collections and operational key result areas. In light of this management structure, the Board has reoriented Mr. Nath's role as Vice Chairman and Managing Director towards strategic functions that are distinct from day-to-day operational management and are attributable to his individual role as Promoter and strategic leader of the Company.

The Board has also considered the appropriate compensation structure for Mr. Nath for the proposed re-appointment term having regard to the scale of the Company's business, the strategic nature of his role, his continuing promoter responsibilities and guarantee support, and the need to ensure retention and continuity of leadership over the long term.

Under the proposed remuneration framework, no increase is proposed in Mr. Nath's Total Fixed Cost ("**TFC**"), which shall remain unchanged at INR 7,00,00,000 (Indian Rupees Seven Crores only) per annum. In addition to the TFC, a Deferred Fixed Compensation ("**Deferred Fixed Compensation**") is proposed.

For FY 2026-27, being the first year of the proposed re-appointment term, the Deferred Fixed Compensation is proposed at INR 3,00,00,000 (Indian Rupees Three Crores only). For each subsequent financial year during the term of re-appointment, the Deferred Fixed Compensation is proposed to be equal to 30% of the aggregate of Mr. Nath's TFC and Deferred Fixed Compensation for the immediately preceding financial year. The Deferred Fixed Compensation shall be payable quarterly in arrears.

Accordingly, the aggregate fixed compensation proposed for FY 2026-27, comprising the TFC and Deferred Fixed Compensation, is INR 10,00,00,000 (Indian Rupees Ten Crores only).

The Board has also noted that both the TFC and the Deferred Fixed Compensation shall remain subject to the Statutory Cap set out in the resolution, being the applicable provisions of the Act (including Section 197 read with Schedule V), the applicable provisions of the SEBI LODR Regulations (including Regulation 17(6)(e)) and any other applicable law. The Board and the NRC shall also retain the ability to review the TFC and the Deferred Fixed Compensation from time to time, as and when deemed appropriate, with a view to upward revision, subject always to such approvals and limits as may be required under applicable law.

The NRC has recorded in its contemporaneous minutes, and the Board has concurred, that the aforesaid compensation structure is appropriate in Mr. Nath's case having regard to the specific circumstances of his role, including his continuing guarantee exposure of approximately INR 1,830 Crores, his responsibilities as a Promoter in control of the Company, his ineligibility to participate in any employee stock option plan or similar equity-linked compensation framework, and the need to ensure continuity, retention and long-term alignment.

Mr. Nath satisfies all the conditions specified in Part I of Schedule V to the Companies Act, 2013 and the conditions prescribed under Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment as Managing Director. He has furnished his consent to act and has confirmed that he is not disqualified from being appointed as a director under Section 164 of the Companies act 2013, along with the Fit & Proper declaration under RBI Regulations. The disclosures required under Regulation

36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") are set out in Annexure B below.

A copy of the draft agreement/letter of appointment between the Company and Mr. Nath providing the terms and conditions of his re-appointment shall be made available for inspection by the members at the registered office of the Company on any working day between 11:00 a.m. and 5:00 p.m.

Mr. Nath is interested in the resolution pertaining to his own re-appointment. None of the other Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice for approval by the members.

Annexure B

Additional Information of the Director seeking appointment / re-appointment as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided hereunder:

Name of Director	Mr. Shachindra Nath
Director Identification Number (DIN)	00510618
Date of Birth and Age	13 October 1971; 54 years as on date of this Notice
Date of first appointment on Board	22 June 2018 (w.e.f.)
Qualifications	B.Com (Hons.) and LL.B., Banaras Hindu University
Brief resume / expertise in specific functional areas	Mr. Shachindra Nath is the Vice Chairman and Managing Director of the Company. In his career spanning three decades, he has been instrumental in building diversified financial services businesses including Insurance, Asset Management, Lending and Capital Markets. 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 services industry, where he has been part of multiple financial services start-ups and reached a leadership role. In his previous roles, he has been instrumental in setting up insurance companies, global asset management businesses, capital markets businesses and lending institutions. He is currently focused on building a sector-focused SME lending business combining the power of data analytics, technology and sectoral knowledge, and is passionate about solving India's SME credit problem and building an institution that will provide long-term value to society.
Terms and Conditions of Re-appointment	As mentioned in the resolution.

Notice (Contd.)

Name of Director	Mr. Shachindra Nath
Remuneration last drawn (FY 2025-26)	Total Fixed Cost: INR 5,00,00,000 per annum effective 1st April 2025, revised to INR 7,00,00,000 per annum effective 1st October 2025 (average cash fixed cost for FY 2025-26: INR 6,00,00,000).
Remuneration proposed to be paid	Total Fixed Cost of INR 7,00,00,000 per annum and Deferred Fixed Compensation of INR 3,00,00,000 for FY 2026-27, and for each subsequent financial year, Deferred Fixed Compensation equal to 30% of the aggregate of the TFC and Deferred Fixed Compensation for the immediately preceding financial year, subject to applicable law and the terms of the resolution.
Number of Shares held in the Company	58,548
Directorships held in other companies	(i) PSL Association of India; (ii) Poshika Financial Ecosystem Private Limited; (iii) Finance Industry Development Council; (iv) Datasigns Technologies Private Limited (v) Ekagrata Finance Private Limited
Resigned as a Director from listed entities in the past three years	Nil
Number of meetings of the Board attended during the year 2025-26	10 out of 10 Board Meetings
Committee positions held in other companies	Nil
Relationship with other Directors / Key Managerial Personnel	None

The other disclosures as required under Schedule V Part II Section II - Paragraph B (iv) of the Companies Act, 2013 are provided hereunder:

General Information:

- Nature of Industry: The Company is engaged in the non-banking finance business.
- Date or expected date of commencement of commercial production: The Company was incorporated on 10 February 1993.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- Financial performance based on given indicators: Financial performance of the Company during last three years is tabulated below.

(Rs. in Lakhs)

Financial Parameters	FY 2025-26	FY 2024-25	FY 2023-24
Total Revenue	1,84,039.62	1,44,184.57	1,08,168.12
Total Expenses	1,67,974.15	1,23,872.83	90,291.87
Profit / (Loss) before Tax	16,065.47	20,311.74	17,876.25
Profit / (Loss) after Tax	11,336.77	14,392.99	11,934.48

- Foreign Investments or collaborations, if any: There are foreign investments in the Company by way of Foreign Direct Investment and External Commercial Borrowings.

Information about the Appointee:

Name	Mr. Shachindra Nath
Background details	As mentioned in the Explanatory Statement and additional information given pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings SS-2 issued by the Institute of Company Secretaries of India.
Past remuneration	As stated above.
Job profile and suitability	His current term of appointment as Vice Chairman and Managing Director of the Company will expire on 21 June 2026. Considering the rich experience and expertise of Mr. Nath, the significant contributions made by him to the growth and transformation of the Company, his continuing strategic leadership role and Promoter responsibilities, and his performance evaluation, the Board of Directors is of the opinion that for smooth and efficient running of the business and continuity of leadership, the services of Mr. Nath should continue to be available to the Company.
Remuneration proposed	As mentioned in the resolution.

Name	Mr. Shachindra Nath
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking into consideration the qualification, knowledge, experience and the responsibilities shouldered by Mr. Nath, including his strategic leadership role and continuing Promoter responsibilities, the remuneration proposed to be paid to him is commensurate with remuneration of similar senior levels in similar sized domestic companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	No relationship with KMPs or other directors.

OTHER INFORMATION

- Reasons of loss or inadequate profits:

  The Company is profitable with a ROA of 2.1% and ROE of 7.4% as of March 31, 2026. The Company is expected to remain profitable in the upcoming financial year as well. However, the computation of net profits for the purpose of managerial remuneration under Section 198 of the Companies Act, 2013 differs from profits reported in the financial statements, as certain items recognised as income under applicable accounting standards are excluded from such computation.

  Accordingly, in certain scenarios, profits computed under Section 198 may fall short of the limits prescribed under Section 197, notwithstanding the Company remaining profitable.

- Steps taken or proposed to be taken for improvement: Not Applicable

- Expected increase in productivity and profits in measurable terms: Not Applicable

Item No. 6

The Board of Directors of the Company ("**Board**") has separately proposed the re-appointment of Mr. Shachindra Nath (DIN: 00510618) as Vice Chairman and Managing Director of the Company, with a remuneration structure comprising: (i) Total Fixed Cost ("**TFC**"); and (ii) Deferred Fixed Compensation.

Under the proposed re-appointment framework, Mr. Nath's TFC is proposed to remain unchanged at INR 7,00,00,000 (Indian Rupees Seven Crores only) per annum. In addition, a Deferred Fixed Compensation of INR 3,00,00,000 (Indian Rupees Three Crores only) is proposed for FY 2026-27 and, for each subsequent financial year during the term of re-appointment, a Deferred Fixed Compensation equal to 30% of the aggregate of Mr. Nath's TFC and Deferred Fixed Compensation for the immediately preceding financial year is proposed. Accordingly, the aggregate fixed compensation proposed for FY 2026-27 is INR 10,00,00,000 (Indian Rupees Ten Crores only).

The Board and the Nomination and Remuneration Committee ("**NRC**") have also considered that, having regard to the scale of the Company's business, the strategic nature of Mr. Nath's role, his continuing responsibilities as Promoter of the Company, the substantial personal and corporate guarantees extended by him and Promoter Group entities for the benefit of the Company, and the need to ensure retention, continuity and long-term alignment, it may be appropriate for the Company to retain flexibility to approve one or more variable compensation components for Mr. Nath in addition to the TFC and Deferred Fixed Compensation.

The Board has therefore proposed for approval of the members a framework under which Mr. Nath may be paid one or more variable compensation components in addition to TFC and Deferred Fixed Compensation, as may be approved by the Board on the recommendation of the NRC from time to time.

The Board has recorded that the variable compensation framework for Mr. Nath may include, as one of its design components, a variable pay component linked to the appreciation in the closing price of the Company's equity shares on a recognised stock exchange over a defined reference period (a "**Share Price based Variable Pay**" component). The availability of such a design option is intended to support long-term alignment with the performance of the Company and the interests of the broader shareholder body, particularly in the context in which Mr. Nath, as a Promoter in control, is regulatorily precluded from participating in any employee stock option plan, stock appreciation rights programme or similar equity-linked compensation framework.

The Board has considered that it is appropriate for the detailed structure of such variable compensation components (including the Share Price based Variable Pay), including the relevant performance metrics, measurement criteria, accrual conditions, timing of payment, deferral terms, absolute cap, and malus and clawback provisions,

Notice (Contd.)

to be determined by the Board on the recommendation of the NRC, having regard to the circumstances prevailing in the relevant financial year, the Company's performance, the applicable legal framework and the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management from time to time.

This framework is relevant in the context of Mr. Nath's position as a Promoter and his ineligibility under the applicable regulatory framework to participate in conventional equity-linked employee incentive structures.

The Board has also considered the position that, in a given financial year, the aggregate compensation payable to Mr. Nath, including TFC, Deferred Fixed Compensation, perquisites, benefits and any variable compensation component (including the Share Price based Variable Pay), may exceed the statutory thresholds or limits prescribed under the Companies Act, 2013 (including Section 197 read with Schedule V) or Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law. The Board is of the view that, where the non-payment arises solely by reason of such statutory cap and not because of any failure of accrual or performance condition, the Company should have the flexibility, subject to shareholder approval and applicable law, to pay such unpaid portion in the same financial year or in a subsequent financial year, in one or more tranches.

Accordingly, this resolution also seeks the approval of the members to authorise the Board, on the recommendation of the NRC and subject to applicable law, to pay any unpaid portion of TFC, Deferred Fixed Compensation, perquisites, benefits and any variable compensation component that remained unpaid in any financial year solely by reason of the statutory cap or threshold.

The Board has further noted that, to the extent required under the RBI Governance Directions and the Company's Nomination & Remuneration Policy for Key Managerial Personnel and Senior Management from time to time, any variable compensation component approved under the proposed framework (including the Share Price based Variable Pay) will remain subject to such deferral, malus and clawback provisions as may be determined by the Board on the recommendation of the NRC in accordance with applicable law.

The Board has considered the proposed framework in the context of the overall remuneration structure applicable to Mr. Nath. The Board is of the view that the proposed framework is appropriate as it provides governance-calibrated flexibility for the future, contemplates that a Share Price based Variable Pay component may form one of the design components of any variable compensation payable to Mr. Nath, preserves the role of the NRC and the Board in structuring and reviewing any variable compensation component, and ensures that the necessary shareholder approval is in place where aggregate compensation crosses the relevant statutory thresholds.

Mr. Nath is interested in the resolution pertaining to the approval of the aforesaid framework and the payment of any variable compensation component and any unpaid portion of TFC and / or Deferred Fixed Compensation payable to him. None of the other Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the special resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

The Board of Directors of the Company, at its meeting held on 17th June 2025, and the Shareholders of the Company, through postal ballot concluded on 20th July 2025, approved the acquisition of Profectus Capital Private Limited ("Profectus"). Pursuant to the same, the Company executed a Share Purchase Agreement on 17th June 2025. The acquisition was completed on 8th December 2025, and consequently, Profectus became a wholly owned subsidiary of the Company.

The Board of Directors of the Company, at its meeting held on 02nd May 2024, and the Shareholders of the Company, through postal ballot concluded on 01st June 2024, had approved the acquisition of Datasigns Technologies Private Limited ("DTPL") for an enterprise value, to be discharged through a combination of equity and cash consideration. Upon receipt of the necessary approvals, the acquisition was completed on 18th March 2026 and consequently DTPL became a wholly owned subsidiary of the Company

The "UGRO Capital Employee Stock Option Scheme-2022" ("Scheme") was approved by the Board of Directors and the Shareholders of the Company on 22nd July 2022 and 4th September 2022 respectively. The Scheme is being implemented through trust route and administered by the Nomination and Remuneration Committee of the Board of Directors of the Company in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and other applicable laws.

As per Regulation 6 of the SEBI SBEB Regulations, a listed company may extend the benefits of its employee stock option scheme to the employees of its subsidiary companies, subject to approval of the shareholders by way of a Special Resolution. Accordingly, the Company is seeking approval of its members to extend the benefits of the Scheme to the eligible employees and Directors of its subsidiary company(ies), and such other subsidiaries as may be incorporated or acquired by the Company from time to time. The Scheme already covers subsidiary employee, hence no amendment to Scheme is required.

The rationale for extending the ESOP Options to employees of the subsidiary company(ies) is to ensure uniformity and consistency in the employee benefits schemes across the UGRO Group and to promote a sense of belonging and loyalty among the employees of different entities. As the Company's equity shares are listed on stock exchanges in India and are currently frequently traded on such stock exchanges (BSE Limited and National Stock Exchange of India Limited), it intends to provide the benefits across the Group to incentivize the employees along with alignment of their interests with the success of the Company.

The total number of stock options to be granted to the employees of the subsidiary company(ies) shall be within the overall limit as approved by the Members under the Scheme. The eligibility criteria, exercise price, vesting schedule, and other terms and conditions of such options shall be in accordance with the Scheme and as may be determined by the Board of Directors and/or the Nomination and Remuneration Committee from time to time, in compliance with applicable laws.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Directors or Key Managerial Personnel are in any way concerned or interested, financially or otherwise, in these resolutions, except to the extent of Equity Shares held by them in the Company or the Options that may be granted to them under the said Scheme.

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

Registered Office:
B-17, Fourth Floor,
Art Guild House,
Phoenix Market City,
Kurla (West),
Mumbai 400070

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

Management Discussion and Analysis

Global Economic Review

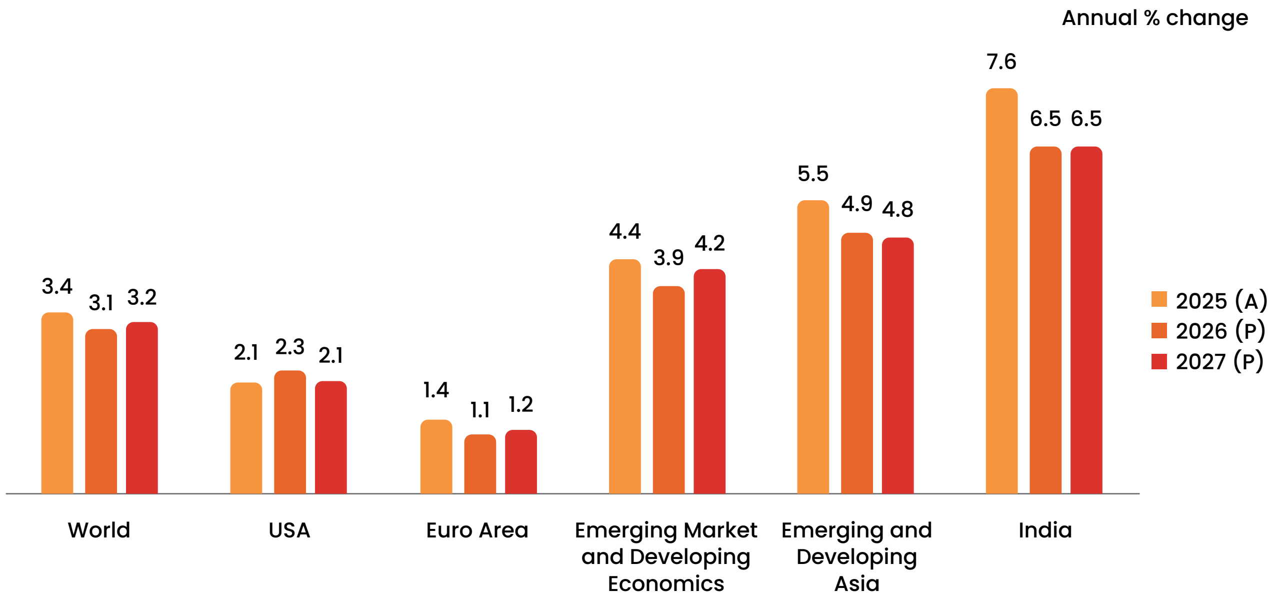
The global economy has, to date, withstood a series of shocks, yet another one - this time a military conflict engulfing the Middle East since the end of February and is testing this resilience. This is the latest culmination in a series of events that have been reshaping international relations and raising geopolitical tensions markedly across all regions in recent years. In FY26, the global economy operated within a 'growth-moderation' phase, with world GDP expanding at a relatively subdued pace at 3.4% growth rate in 2025 and remaining broadly stable in 2026, avoiding a broad-based recession. Growth was supported by resilient domestic demand across key economies and continued investment in technology and AI-led sectors, although momentum remained constrained by weaker global trade, elevated policy uncertainty, and fiscal pressures in several regions. Macroeconomic conditions were further shaped by persistent geopolitical tensions and regional conflicts, which continued to disrupt global supply chains, contribute to energy price volatility, and increased overall market uncertainty. At the same time, a notable rise in protectionist measures, including tariff increases and trade restrictions, accelerated the shift toward supply chain diversification and economic self-reliance. This has led to a more fragmented global trade environment, adversely impacting export-oriented sectors, particularly in emerging economies and MSME-driven economies.

Inflation moderates from post-pandemic highs across most advanced and emerging economies, allowing central banks to pause further monetary tightening, with gradual and uneven easing in select economies. However, core inflation remained sticky in several regions, and real interest rates stayed elevated, limiting the pace of recovery. Financial conditions continued to remain relatively tight, supported by a strong US dollar and high borrowing costs, which influenced capital flows and contributed to currency volatility in emerging markets.

Global growth stood at 3.4% in 2025 and is expected to moderate to 3.1% in 2026, with a slight recovery to 3.2% in 2027, indicating a stable but below-trend expansion. Among major economies, the United States recorded growth of 2.1% in 2025 and is projected to remain resilient at 2.3% in 2026 before easing to 2.1% in 2027, supported by strong domestic demand and policy-led investments. Weak industrial activity, particularly in Germany, remains a key drag, although some stabilisation is anticipated. China's growth moderated to 5.0% in 2025 and is projected to decelerate further to 4.4% in 2026 and 4.0% in 2027, reflecting ongoing structural challenges in the real estate sector and subdued household consumption. Emerging market and developing economies outperformed with 4.4% growth in 2025 and are expected to grow at 3.9% in 2026 and 4.2% in 2027. Within this, Emerging Asia remains the primary growth engine, led by India, which recorded strong growth of 7.6% in 2025 and is projected to sustain robust momentum at around 6.5% through 2026-27, driven by domestic demand and public investment.

Overall, the global economy is transitioning into a phase of moderate and uneven growth, with resilience in emerging markets offset by continued softness in advanced economies. Downside risks remain elevated, including geopolitical tensions, trade disruptions, fiscal pressures, and climate-related uncertainties, necessitating greater adaptability and strategic recalibration for businesses.

World Economic Outlook Growth Projections

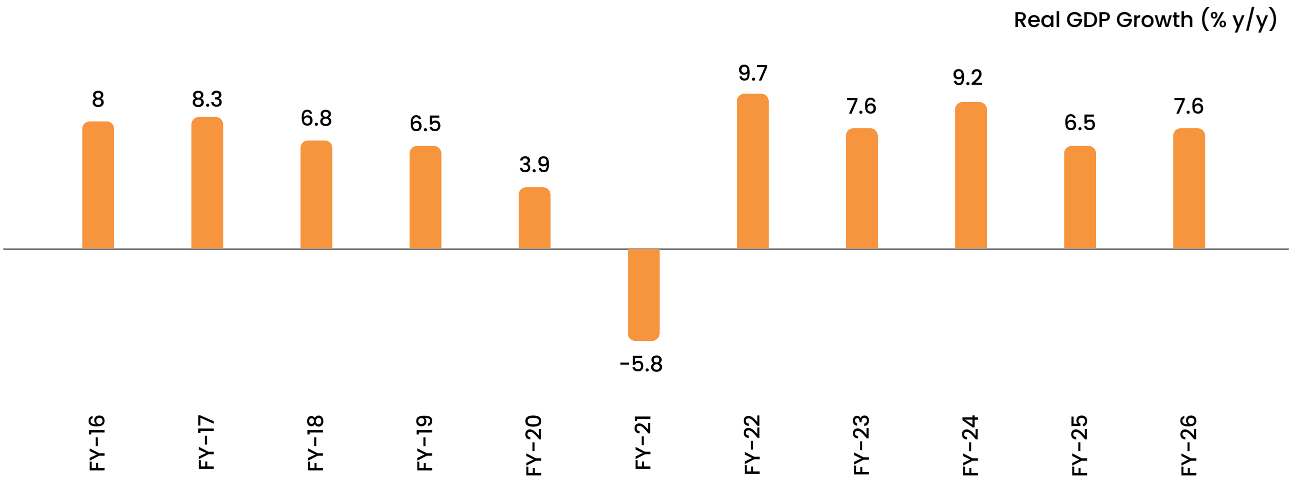


Source: IMF, World Economic Outlook, April 2026

Indian Economic Review

India's economy in FY2025-26 has emerged as one of the most dynamic in the global landscape, with real GDP growth estimated at around 7.6% in FY2025-26, making it the fastest growing major economy by a significant margin. This strong performance is being driven by a combination of resilient domestic demand, especially in consumption and services and a sustained, policy anchored push on public infrastructure and capital expenditure, which has helped crowd in private investment rather than crowd it out. The government's front loaded infrastructure roadmap, including large scale investments in roads, railways, logistics, housing, and urban infrastructure, has not only lifted growth but also improved supply chain efficiency and regional connectivity, thereby supporting MSMEs and manufacturing clusters.

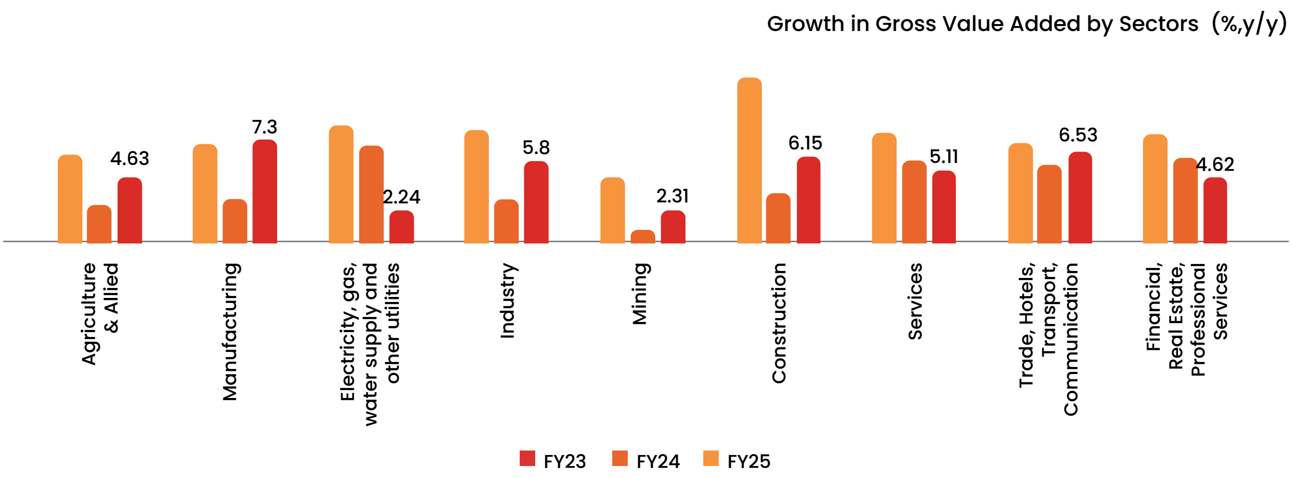
Economic growth has been resilient after the pandemic induced downturn



Source: MSME Sampark Fourth Edition; MoSPI estimates

Behind the headline growth, sectoral patterns show a broadening recovery; services particularly IT, financial services, and business support activities have remained robust, while manufacturing and construction have also picked up, supported by policy thrusts such as the Production Linked Incentive (PLI) schemes and renewed industrial estate modernisation. The formalisation drive, digitisation of payments, and the expansion of digital public infrastructure such as Aadhaar, UPI, and e governance stacks has enhanced financial inclusion, reduced leakages, and improved the precision and speed of government spending, which in turn has strengthened multiplier effects in the real economy. At the same time, the labour intensity of India's growth has remained relatively high, with improvements in youth employment led services and manufacturing, though the pace of formal job creation still lags demographic needs in certain segments.

Sectoral growth in FY-25 has been a mixed bag



Source: MSME Sampark Fourth Edition

On the macroprudential side, inflation has moderated during FY2025-26, staying within the Reserve Bank of India's 2-6% band, thanks to a combination of softer food price inflation, relatively stable energy costs, and effective monetary policy management. This has allowed the RBI to avoid aggressive tightening, keeping financial conditions broadly supportive for credit growth, especially in priority sectors and for sectors like MSMEs and affordable housing where policy driven credit channel measures have been prominent. The government's fiscal stance has combined consolidation with selective expansion: the fiscal deficit is projected to remain around 4.5-4.9% of GDP, reflecting a gradual glide path toward balance sheet discipline, while capital expenditure has been deliberately elevated to lock in long term growth and productivity gains.

Externally, India's current account dynamics have stayed manageable, supported by resilient services exports especially IT and professional services-alongside moderating oil price volatility and a relatively stable rupee, which has helped contain imported inflation pressures. The country's integration into global supply chain shifts, particularly in electronics, semiconductors, and select manufactured goods, has opened new export corridors and investment opportunities, even as geopolitical frictions elsewhere have prompted firms to diversify production bases. For the NBFC sector and MSME credit ecosystem, this macro environment translates into a high beta but fundamentally positive backdrop: credit demand remains strong, financial intermediation is deepening, and policy driven risk mitigation tools (such as co lending, guarantee schemes, and credit risk sharing frameworks) are helping to bridge the gap between formal credit supply and the informal credit dependent segments of the economy. Looking ahead, the key challenges will be sustaining this momentum while addressing structural bottlenecks skills mismatches, land and labour regulation complexities, and sub national disparities so that the high growth trajectory of 2025-26 can be converted into inclusive, productivity driven expansion over the rest of the decade.

Indian NBFCs

India's NBFC sector in FY2025-26 is larger, more diversified, and better capitalised than ever, acting as a primary engine of financial inclusion and credit growth, especially in retail, MSME, and housing segments. Cumulative NBFC assets under management (AUM) crossed approximately INR 50 lakh crore (INR 50 trillion) by the end of FY2025 and are projected to reach around INR 70 lakh crore by FY2027, implying trend growth of about 15-17% per annum in AUM, significantly faster than the roughly 10-11% annual credit growth projected for banks over the same period. Incremental NBFC credit is estimated at INR 1.7-2.4 lakh crore in FY2026 alone, confirming that the sector is not just growing in size but also deepening its share of total system credit, particularly in consumption and MSME linked loans. Within this universe, there is a clear stratification: large scale NBFCs (including many systemically important entities) focus on structured retail, MSME, and housing related portfolios, while mid tier and niche NBFCs specialise in micro enterprise credit, agri MSMEs, and semi urban consumer finance, often in partnership with fintechs and bank co lending platforms. Regulatory reforms over the past five six years tighter capital adequacy norms, governance standards, and enhanced risk management requirements have made the sector more resilient, even as competition from banks and fintechs has compressed spreads and pushed players toward higher productivity, analytics driven models. The rise of private credit players and foreign equity inflows into Indian NBFCs (about US$9 billion in the first half of 2025 alone) reflects growing confidence in the sector's ability to intermediate credit to under penetrated, high impact segments such as MSMEs and affordable housing.

The RBI's stricter regulatory framework-covering capital adequacy, liquidity coverage, governance, and concentration risk limits-has helped the sector consolidate and improve its risk management infrastructure, even as the NBFC lead credit boom continues. At the same time, policy driven demand for NBFCs remains high: the government's push for MSME credit, co lending, and priority sector linked lending has incentivised NBFC-bank partnerships, while digital public infrastructure (UPI, GSTN, Aadhaar, and open banking like data flows) has enabled more accurate underwriting and lower cost to serve. Foreign equity and private credit investors continue to view Indian NBFCs as an attractive channel to access high growth, high beta consumer and MSME credit, with global research notes suggesting that NBFC AUM could grow faster than banks over the coming decade.

In FY25-26, the NBFC sector remained a primary driver of credit growth, with AUM projected to expand at around 15-17% annually while banks moderate their pace to about 10-11%. The main upside comes from digital first lending, MSME and consumption linked products, and deeper integration with fintechs and co lending platforms, but this also brings concentration and data risk concerns. The key challenges include preventing over leveraging in unsecured retail and small ticket loans, managing interest rate and liquidity risk in an environment where rate cuts may help margins but also compress spreads, and ensuring that regulatory capacity keeps pace with the speed of innovation so that the sector can sustain growth without recurring asset quality shocks. For the NBFC ecosystem, FY25-26 was therefore a phase of structural consolidation and maturity: a larger, more regulated, and more data driven sector that is central to India's financial inclusion and high growth narrative, but one that must navigate risk quality and policy uncertainty carefully.

Indian MSME Sector - Formalisation-Led Expansion and Structural Strengthening

The MSME sector remains the backbone of India's industrial and employment base, contributing roughly 35-36% of manufacturing output, about 45-50% of merchandise exports, and close to 30-31% of GDP in 2025-26. Over the last few years, the single largest structural shift has been the aggressive formalisation of micro enterprises through the Udyam Registration Portal and the Udyam Assist Platform, which have brought a vast informal segment into the formal credit and scheme access orbit. By end 2025, the Udyam ecosystem records around 7.1-7.3 crore MSME units in total, with roughly 4.3-4.4 crore fully registered Udyam enterprises and an additional 2.7-2.9 crore informal micro units captured via Udyam Assist, effectively formalising a large fraction of India's micro enterprise universe. This formal identity base enables MSMEs to access priority sector credit, government subsidised schemes (such as PMEGP, PM Vishwakarma, and cluster development schemes), and credit guarantee backed lending, while also generating a digital footprint (GST, UPI, bank statements) that can be used for credit scoring and automated underwriting. Policy driven tweaks in the Union Budget 2025-26 such as raising MSME investment and turnover thresholds-have helped prevent the "graduation penalty" by allowing scaling firms to retain MSME status and associated benefits for longer, thereby smoothing the transition from micro to small and medium enterprises.

Additionally, the sector is witnessing improved productivity and competitiveness driven by digital adoption, supply chain integration, and increased participation in domestic and global value chains. However, challenges such as access to timely credit, market expansion, and compliance complexity persist, particularly for micro enterprises. Overall, FY26 reflected a phase of structural strengthening for the MSME sector, marked by deeper formalisation, enhanced policy support, and increasing integration into the formal financial system positioning it as a critical engine for India's sustained economic growth.

Union Budget 2025-26: Strengthening MSME Ecosystem through Structural Reforms and Credit Expansion

The Union Budget 2025-26 reinforced the Government's strategic focus on MSMEs as a key engine of economic growth, with targeted measures aimed at enhancing scalability, improving credit access, and accelerating formalisation. A central reform introduced in the Budget was the revision of MSME classification thresholds, with investment limits increased by 2.5 times and turnover limits doubled. This structural change addresses the long-standing "graduation constraint", enabling enterprises to scale operations without prematurely losing MSME status and associated regulatory and financial benefits.

The Budget also emphasised improving credit flow to the sector through enhanced guaranteed mechanisms and policy support. The credit guarantee cover for MSMEs was expanded, facilitating greater access to collateral-free or low-collateral loans, particularly for micro and small enterprises. These measures are expected to incentivise lenders, both banks and NBFCs, to increase exposure to MSMEs while mitigating credit risk. From a macro perspective, MSMEs continue to hold significant economic importance, with over 7 crore registered enterprises employing ~33 crore people, contributing around 36% of manufacturing output and ~49% of exports. The Budget builds on this strong base by promoting technology upgradation, improving market access, and enabling better integration into global value chains.

Additionally, the Government has continued to focus on strengthening the broader MSME ecosystem through initiatives aimed at digitalisation, innovation, and sector-specific development. Measures supporting manufacturing clusters, export-oriented industries, and traditional sectors such as footwear, leather, and toys are expected to enhance productivity and competitiveness. The Budget also aligns with the broader policy objective of formalisation by leveraging digital platforms such as Udyam Registration, GST systems, and digital payments infrastructure. These initiatives are helping create a comprehensive data ecosystem that improves credit underwriting, reduces information asymmetry, and enhances financial inclusion.

Overall, the Union Budget 2025-26 represents a structural push toward scale, formalisation, and credit deepening in the MSME sector, creating a more enabling environment for sustainable growth. The combined impact of regulatory reforms, enhanced credit support, and digital integration is expected to strengthen the MSME ecosystem while providing significant growth opportunities for lenders and financial intermediaries.

Indian MSME Credit Landscape

The MSME credit ecosystem in India has witnessed significant expansion, with total commercial MSME credit reaching approximately INR 34 lakh crore, reflecting a steady year-on-year growth of around 12-13%. This growth underscores the deepening integration of MSMEs into the formal financial system. While banks continue to remain the dominant source of funding, NBFCs have emerged as critical enablers, particularly in the sub-INR 50 crore segment, where their strong presence in tier-2 and tier-3 markets and agile operating models allow them to effectively serve underserved and underbanked enterprises.

The structural transformation of the MSME credit landscape has been significantly supported by policy-driven interventions. Revisions in MSME definitions and enhancements in credit caps have encouraged both banks and NBFCs to expand their exposure to the segment, while retaining growing enterprises within the MSME classification framework. The Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) has played a pivotal role in facilitating credit access by enabling higher guarantee coverage and introducing digital guarantee mechanisms, thereby supporting unsecured and asset-light lending. In parallel, the Self-Reliant India (SRI) Fund has provided approximately INR 15,400 crore in growth and quasi-equity capital to over 680 MSMEs, helping bridge the equity gap and improving their creditworthiness.

A key structural evolution in FY26 has been the increasing adoption of co-lending and risk-sharing models, which have become central to MSME financing. These partnerships allow banks to leverage the origination strength, local reach, and digital capabilities of NBFCs, while maintaining balance sheet strength and regulatory oversight. Concurrently, lenders are increasingly adopting data-driven underwriting frameworks, utilising GST data, Udyam registrations, UPI cashflows, and banking analytics to move beyond traditional collateral-based lending. This shift has enabled formal credit access for a wider base of MSMEs that were previously excluded due to limited financial visibility.

The evolving NBFC-MSME credit ecosystem is playing a crucial role in sustaining India's economic growth by enabling efficient credit flow to a fragmented yet high-potential sector. NBFCs are effectively functioning as the last-mile delivery channel, while banks provide scale and financial stability. However, certain structural and cyclical challenges persist. Working capital mismatches, driven by delayed payments from corporates and government entities, continue to strain MSME liquidity. Additionally, credit exposure remains concentrated in select sectors such as light manufacturing, retail trade, and services, indicating scope for further diversification. From a regulatory perspective, the rapid expansion of digital lending and fintech partnerships necessitates continued strengthening of oversight mechanisms to mitigate risks related to over-leveraging, pricing transparency, and data security.

Overall, FY26 represents a phase of strong alignment between a rapidly formalising MSME base and an evolving NBFC-led credit architecture. This has created a high-growth, opportunity-rich ecosystem that is central to sustaining India's economic momentum. Going forward, the focus will need to remain on maintaining asset quality, improving payment cycles, and ensuring inclusive and diversified credit expansion to fully realise the sector's long-term potential.

Business Overview

UGRO Capital Limited (UGRO), a middle layer NBFC as per the Scale Based Regulation framework issued by RBI, is committed to addressing India's MSME addressable credit gap, estimated at INR 30 trillion, through a deepening branch presence at Pan India level and growing ecosystem of digitally transacting merchants in India. Over the past few years, UGRO has successfully built a branch network of 317 Emerging Market branches. UGRO has consistently pursued financial inclusion through efficient and scalable credit delivery.

This strategy has enabled the Company to scale its consolidated Assets Under Management (AUM) to INR 15,334 crore as of March 2026, with consolidated debt of INR 10,782 crore and an off-book portfolio comprising 38% of total AUM, reflecting a diversified funding profile with robust liquidity funnel and proven underwriting capabilities. As of March 31, 2026, UGRO Capital has a workforce of 2,095 employees.

Acquisitions

The Company's Board of Directors approved the acquisition of Profectus Capital Private Limited (PCPL), registered with Reserve Bank of India as a non-banking financial company, by way of purchase of 100% of the shares of PCPL for an aggregate purchase consideration of INR 1,399 Cr in December, 2025. Accordingly, PCPL has become wholly-Owned subsidiary of the Company with effect from December 08, 2025. The Board of Directors approved the Scheme of Amalgamation wherein PCPL would merge with the Company subject to regulatory approvals.

The Company also completed acquisition of Datasigns Technologies Private Limited (DTPL), which owns the 'MyShubhLife' platform and accordingly it became a wholly owned subsidiary of the Company with effect from March 18, 2026.

Strategic Realignment of UGRO

UGRO completed a significant phase of platform build-out, established a pan-India branch network of over 300 branches for Emerging Market business. The acquisition of MyShubhLife strengthened the embedded finance capabilities through digital integrations. During this scale-building phase, the Company grew its AUM from approximately INR 3,000 Crore in FY22 to INR 15,334 Crore by FY26 end, while maintaining stable portfolio quality and capital adequacy.

With the core infrastructure now largely in place, the Company has shifted its focus from scale to improving profitability and earnings quality. In February 2026, UGRO announced its strategic realignment to prioritise segments aligned with long-term value creation. This realignment involves a progressive shift in portfolio mix towards higher-yielding core segments, namely Emerging Market secured lending and Embedded Merchant finance, while reducing exposure to intermediated lower yield portfolios. The Company has also undertaken a structured cost rationalisation programme linked to the exit from non-core verticals to enhance operating efficiency.

In parallel, the intermediated portfolio is being run down in an orderly manner, while the share of recurring, annuity-led income is increasing. This transition is expected to strengthen capital adequacy and enable growth to be supported through internal accruals, resulting in a more sustainable and high-quality lending portfolio.

UGRO Core Businesses

Emerging Market (Small ticket LAP)

UGRO operates a network of 317 Emerging Market (EM) branches across Tier 2 and beyond geographies, catering primarily to MSMEs with annual turnover of up to INR 3 crore. These branches focus on secured loan against property (LAP), with ticket sizes typically ranging between INR 7.5 lakh and INR 50 lakh and an average yield of ~18%.

Over the past three years, UGRO has significantly expanded its EM branch network to 300+ branches as of March 2026, establishing a PAN India presence. The sourcing model is anchored in a 'feet-on-the-street' approach, enabling strong local engagement and on-ground underwriting. With the branch network now built out, the Company's focus has shifted to enhancing productivity and driving operating leverage by optimising the existing infrastructure. In Tier 2 and beyond markets, UGRO has strengthened its presence through targeted catchment-area marketing and local branding initiatives. The Company has also partnered with regional associations to deepen its reach, conducting seminars, workshops, and outreach programs focused on government schemes, digital credit adoption, and business development. Through these initiatives, UGRO's EM franchise continues to support the growth of small and micro enterprises, while addressing their diverse and evolving credit needs across geographies.

Embedded Merchant Finance

Embedded Merchant finance represents a key pillar of UGRO's strategy to address the evolving credit needs of MSMEs through digital ecosystems. This is enabled through the MSL platform and involves integrating lending solutions directly into partner platforms such as payment gateways, enabling businesses to access credit seamlessly within their day-to-day operations. The loan products are structured with Equated Daily Instalments (EDI) aligned with customer cash flows and are typically of short tenure ranging near ~1 year. Under this model, credit demand is driven by Gross Merchandise Value and business activity, with underwriting based on payment history, cash flows, and bureau records among others. The robust underwriting model enables faster decision-making and an improved customer experience compared to traditional lending approaches.

UGRO through Embedded Merchant finance aims to reach last-mile MSMEs, furthering its goal of inclusive financial support. The Company has partnered with several fintechs to fund their last-mile supply chain needs. This strategy is expected to enhance the granularity of UGRO's portfolio.

Machinery Loan

UGRO's Machinery Finance business continues to maintain focus across key segments, including metal cutting and CNC machines, printing and packaging equipment, woodworking machinery, and medical equipment financing. The business is anchored on strong partnerships with a focused set of original equipment manufacturers (OEMs), enabling direct sourcing and access to a relevant MSME customer base.

Other Products

UGRO had a diversified range of products catering financial needs of MSMEs ranging from short term working capital loans to long term secured loans backed by property, receivables etc. As part of its strategic realignment, the company has undertaken a calibrated shift in focus towards its core businesses; Emerging Market LAP and Embedded Merchant financing.

Snapshot of AUM and disbursements across products

(INR in crore)

Product Category	Collateral type [1]	AUM		Net Disbursements	
		FY26	FY25	FY26	FY25
EM Loans	Property	3,581	2,596	1,833	1,877
Embedded Merchant Finance	-	2,280	743	3,607	973
Machinery Loans	Machinery	2,117	1,577	806	1,034
Secured Business Loans[4]	Property	3,334	2,479	619	1,341
Business Loans[4]	CGTMSE[2]	2,041	3,153	655	1,844
School Finance[4]	Property & Fees assignment	696	-	36	-
Partnership & Alliances[4]	FLDG	1,163	1,181	315	975
Supply Chain Financing[4]	Receivables	121	274	(129)	(392)
Total		**15,334**	**12,003**	**7,742**	**7,651**

1. EM Loans are secured by property, Secured Business Loans are secured by property, Machinery Loans are secured by machinery, Business Loans are covered under CGTMSE, School Finance is secured by Property & Fees assignment, Partnerships & Alliances is secured by FLDG and SCF is secured by receivables.
2. ~11% of AUM guaranteed by CGTMSE cover
3. AUM and Disbursements for FY26 are on consolidated basis and FY25 data on standalone basis
4. Post strategic realignment, no new sourcing for these products is planned

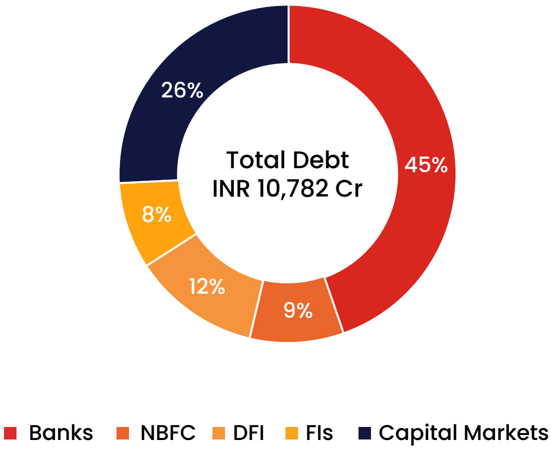
Liability Profile

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

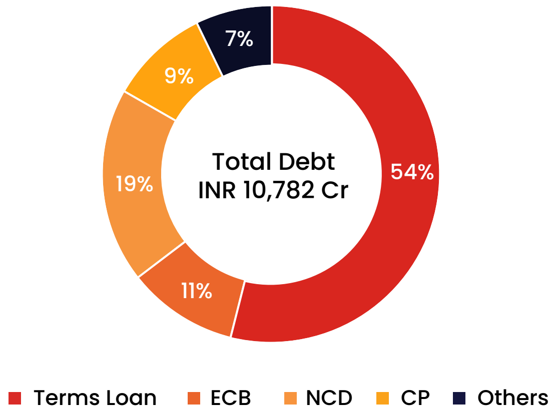
During the year, the company mobilised debt of over INR 5,941 crore. Company's blended liability interest cost on all outstanding debt as of March 2026 stood at 10.16%. Total Consolidated Debt as of March 2026 stood at INR 10,782 Cr. The company has a vast lender base of 50+ lenders and aims to consolidate the count of lenders and increase ticket size per lenders with keen focus on lowering cost of borrowing.

The Company has borrowed moneys through term loans from banks and financial institutions, cash credit lines from banks, issued non-convertible debentures, issued pass-through certificates as part of securitisation transactions and also availed non-rupee denominated borrowing through the ECB route.

Liability mix by lender profile



Liability mix by product



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

Asset Liability Management

Asset Liability Management (ALM) is a critical component of the Company's overall risk management framework, aimed at ensuring adequate liquidity, managing funding risks, and maintaining a balanced maturity profile between assets and liabilities. The Company follows a prudent and conservative ALM policy, aligned with the long-term nature of its lending portfolio. It maintains a calibrated liquidity position to ensure the ability to meet its obligations under both normal and stressed conditions, while optimising the cost of carry. In line with this approach, the Company limits reliance on short-term borrowings and maintains a well-diversified liability profile with an appropriate tenor mix. This helps mitigate refinancing risks and supports stability in funding.

The Asset Liability Management Committee (ALCO) oversees the Company's liquidity and interest rate risk management. The Committee periodically reviews the funding position, asset-liability maturity profile, and variances between projected and actual cash flows. It also evaluates interest rate sensitivity across maturity buckets and undertakes scenario and stress testing to assess the impact of potential market developments. As at the reporting date, the Company maintained a positive cumulative mismatch across all maturity buckets, reflecting a comfortable structural liquidity position.

Credit Underwriting

UGRO has established a robust and comprehensive risk management framework, advanced data analytics, and a strong technology infrastructure. This framework underpins the Company's growth while maintaining high standards of governance and asset quality. In line with the evolving scale and complexity of the business, UGRO has strengthened its capabilities across three lines of defence, with enhanced team structures and increased investments in analytics, credit, fraud control, and collections strategy.

Data analytics forms the core of the Company's credit assessment approach, enabling a transition from traditional income document-based evaluation to a cash flow based underwriting framework. This approach leverages an integrated view of credit bureau data, banking transactions, and GST information to assess borrower risk more comprehensively. UGRO follows a data-driven and technology-enabled credit underwriting framework that combines proprietary analytics, automated decision engines, and on ground assessment. At the centre of this framework is the Company's internally developed GRO Score 3.0, an advanced cash flow based scoring model that builds upon earlier iterations. The model integrates multiple data sources, including GST filings, banking transactions, and bureau data, and analyses granular business indicators such as sales trends, purchase behaviour, margins, scale of operations, counterparty relationships, product mix, and filing discipline to assess repayment capacity.

For Embedded Merchant finance business, the Company leverages a fully automated, end-to-end underwriting engine integrated with partner platforms. The underwriting framework is driven by data-led decisioning, utilising real-time transaction flows and platform insights to assess borrower behaviour and repayment capacity. These inputs are processed through proprietary LOS/LMS systems and machine learning–driven decision engines to generate dynamic credit limits, risk segmentation, and automated approval or rejection outcomes. This enables scalable and efficient underwriting with minimal manual intervention, while maintaining strong credit discipline.

The underwriting framework is further strengthened by a predictive Early Warning Signals (EWS) system, which continuously monitors portfolio performance and generates trigger-based alerts for proactive risk management and collections intervention. At an enterprise level, UGRO maintains a robust risk governance structure, including a supervisory risk evaluation and capital adequacy framework. The Company has undertaken a comprehensive Internal Capital Adequacy Assessment Process (ICAAP), encompassing identification of material risks, forward-looking business assessments, and evaluation of the impact of these risks on capital adequacy. Overall, this integrated approach enables UGRO to balance growth with risk discipline, while supporting scalable, data-driven lending across both branch-led and digital ecosystems.

Automated end-to-end underwriting process, backed by robust tech engine

ML-driven decision engines, dynamic limits and fraud detections

Extremely rich merchant data...

Automated integrated & data sharing with partner platform

Location

Revenue

Cash flow

Sales refund

+

GMV

+

Bureau data

...analysed through proprietary LOS / LMS...

Bureau

Enquiries, Accounts, Repayment behaviour, leverage

Transactional

GMV Transactions [monthly / daily], Active days, Partner rating

Platform

Date of Birth, Pincode, TPV, vintage, loan segment, Lat-Long

Overall Risk Band Predictor

Auto approved

R1

R2

R3

R4

R5

Auto reject

UGRO-MSL Tech stack

Embedded Merchant Financing Journey

MyShubhLife

01

Potential borrower Applies via Partner mobile App

02

Partner interacts with MSL through APIs

03

Fully- Automated BRE

- Standard policy
- Policy customisation to Co-lending NBFC

04

Documentation on Partner mobile App & MSL APIs

- KYC *
- Consent, KFS & Agreement
- eNach / UPI Autopay
- Pennydrop

05

LMS & Loan Lifecycle

- Loans booked on MSL LMS
- LMS licensed to UGRO & Co-lender under TSP

06

MSL platform to disburse into borrowers verified Bank A/c realtime 24/7 - Disbursement Escrow

07

Repayments through combination of:

- UPI Autopay/E NACH - Primary
- Payment Gateway Links - On Request

08

Robust in-house LMS supporting large-scale repayment processing (2L+ transactions daily)

*Performed by UGRO as originating NBFC, Facilitated by Partner & MSL under LSP & TSP arrangement

Risk Management

Effective risk management is integral to UGRO's strategy of enabling profitable and sustainable growth. The Company has established a comprehensive Enterprise Risk Management (ERM) framework embedded across all business functions, governed by the Risk Management Committee (RMC) and overseen by the Board of Directors. The framework is aligned with RBI Master Directions on Scale Based Regulation, IT Governance and Fraud Risk Management. Risk management at UGRO is organised as three lines of defence model: business lines own day-to-day risk; the Risk Management function provides independent oversight; and Internal Audit provides assurance on the adequacy of controls.

Risk Category	Description	Potential Impact	Mitigation Strategy
Credit Risk	Credit risk represents the possibility that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms. UGRO primarily serves small businesses across sectors and aims to maximise risk-adjusted returns by maintaining credit exposure within acceptable parameters	• Increased Non-Performing Assets (NPAs) • Higher provisioning requirements • Adverse impact on risk-adjusted returns and profitability	• Sector/sub-sector specific scorecard models for robust underwriting • Monthly portfolio risk reviews across all sectors and sub-sectors • Loan Review Mechanism for proactive identification of credit weaknesses • PD, LGD and EAD estimation models developed for each material portfolio • Comprehensive collateral management system and sample-based asset verification • Industry analysis used for policy framing and portfolio benchmarking
Liquidity Risk	Liquidity risk represents inability of the Company to meet its cash and collateral obligations as they become due without adversely affecting its financial condition. As a non-deposit taking NBFC, UGRO relies on committed bank loans and debt market placements for funding	• Constraints on loan disbursements impacting business growth • Increased borrowing costs due to market volatility or funding disruption • Adverse impact on financial condition and lender confidence	• Asset Liability Management (ALM) policy governs liquidity risk exposure • ALM Committee monitors day-to-day, cyclical and long-term cash flow requirements • Stock of cash and marketable securities maintained as a liquidity buffer • Continuous oversight on liquidity position and associated risk indicators

Risk Category	Description	Potential Impact	Mitigation Strategy
Operational Risk	Operational risk is the risk of direct or indirect losses or reputational damage due to failures in technology, people, processes or physical arrangements, including external events. Key categories include internal fraud, external fraud, client-related practices and business disruption	• Financial losses from internal or external fraud • Business disruption due to system failures or process breakdowns • Reputational and regulatory consequences from operational failures	• Enterprise-level loss event recording and Root Cause Analysis (RCA) for preventive controls • Fraud Control Unit conducting employee, vendor, loan documentation and collateral checks • Fraud Risk Management Policy documenting detailed mitigation procedures • Internal Audit provides independent assessment of effectiveness of risk controls annually
Reputation Risk	Reputation risk arises from negative perceptions by customers, counterparties, shareholders, lenders, analysts or regulators that can adversely affect the Company's ability to maintain business relationships or access funding	• Loss of existing or prospective business relationships • Restricted access to funding sources • Adverse impact on market standing and investor confidence	• Legal and compliance team conducts regular reviews of agreements, policies and practices • Periodic internal and external audits with recommendations for corrective action • Summarised breach and finding reports presented periodically to the Board • Active monitoring of market news and external threats to the Company's reputation
Technology Risk	Technology risk refers to loss due to breach of confidentiality, failure of data or system integrity, unavailability of systems, or inability to adapt IT within a reasonable time and cost. UGRO's deeply technology-driven model makes this a material risk area	• Loss or compromise of sensitive customer or financial data • System downtime disrupting business continuity and service delivery • Cyber attacks, unauthorised access or data breaches	• IT Governance framework with Board and senior management oversight on IT strategy and risk • Information Security and Cyber Security controls: access management, data protection, incident response • IT Operations managed for system stability, availability and reliability • Business Continuity Plan (BCP) and Disaster Recovery (DR) arrangements periodically tested

Risk Category	Description	Potential Impact	Mitigation Strategy
			• Vendor due diligence, SLAs and ongoing monitoring for outsourced IT services • Periodic Information Systems Audit with time-bound remediation of observations
Legal Risk	Risk of legal sanctions, financial loss, or reputational damage from failure to comply with laws, regulations, and RBI directives.	• Financial penalties and regulatory sanctions for non-compliance • Adverse legal outcomes from contractual disputes or structural deficiencies • Reputational damage impacting stakeholder and investor confidence	• Legal and Compliance team maintains ongoing oversight of legal and compliance risk • Mitigation measures and potential impact tracked and updated regularly • Board updated on legal and compliance risk at periodic intervals • Compliance with RBI, SEBI, Companies Act and other applicable statutes ensured
Market Risk	Market risk is the risk of losses resulting from adverse changes in the value of positions arising from movements in market prices - including interest rates, credit spreads, equity values and foreign exchange rates	• Reduced net interest margins due to adverse rate movements • Mark-to-market losses on interest-rate sensitive positions • Increased cost of funds during periods of market stress	• Asset Liability Management (ALM) policy governs market and interest rate risk • ALM Committee assesses and monitors interest rate fluctuations at defined intervals • Portfolio predominantly consists of variable interest rate instruments for flexibility • Comprehensive and adaptable approach to changing market conditions

Risk Governance Structure

The Board of Directors provides overall risk oversight and approves risk appetite, policies and frameworks. The Risk Management Committee (RMC) is the principal committee responsible for reviewing and approving risk processes and models. The Chief Risk Officer (CRO) coordinates enterprise-wide risk management and provides the Board with an annual compliance certificate on risk practices. The Internal Audit function provides an independent assessment of the effectiveness of the risk management framework and the adequacy of internal controls.

Internal Capital Adequacy Assessment Process

The Company conducts an Internal Capital Adequacy Assessment Process (ICAAP) as an integrated approach to risk and capital management. The ICAAP includes identification and review of material risks, forward-looking business model assessment and evaluation of the impact of those risks on the level and quality of capital. The exercise is carried out periodically in line with regulatory guidance, ensuring the Company maintains adequate capital buffers commensurate with its risk profile.

Human Resources

At UGRO, people remain central to its ability to scale, execute, and deliver sustainable growth. As the Company continues to expand its footprint, the focus has been on building a high-quality, performance-oriented workforce that can support both growth ambitions and portfolio quality. During the year, UGRO significantly strengthened its distribution network, with over 300 Emerging Market branches now operational and well-resourced. This expansion has been supported by a strong emphasis on talent readiness, ensuring that frontline teams are not only adequately staffed but also equipped with the right skills, tools, and support systems to deliver consistent outcomes.

A key area of focus has been the development of Loan Officers and frontline teams, who are critical to both customer acquisition and credit quality. UGRO has invested meaningfully in structured training programs, on-ground capability building, and continuous performance enablement to ensure that teams are able to build and manage a high-quality asset book. In parallel, the Company has continued to strengthen its leadership pipeline. Focused investments in leadership development and succession planning have helped build depth across key roles, enabling the organisation to scale in a calibrated and sustainable manner. The Company's approach integrates performance management, capability development, and targeted hiring to ensure alignment with business priorities.

Employee experience remains an important pillar as the Company scales. The Company has enhanced its focus on creating a work environment that balances performance with engagement, supported by productivity tools, performance-linked incentives, and ongoing feedback mechanisms. These efforts are aimed at driving both individual effectiveness and organisational outcomes. Governance and leadership oversight continue to be strong enablers of the Company's people strategy. UGRO's senior management team, with deep domain expertise, remains actively engaged in shaping organisational capability and ensuring disciplined execution aligned to the Company's long-term vision. As of March 31, 2026, UGRO had 2,095 employees.

Credit Rating

The Company's credit rating is a key determinant of its funding profile, influencing both the availability and cost of borrowings. It serves as an independent assessment of UGRO's financial position, asset quality, operating performance, and ability to service its obligations. Movements in credit ratings can have a direct impact on funding costs, liquidity access, and overall financial flexibility. Accordingly, the Company remains focused on strengthening its credit profile through prudent risk management, stable asset quality, and a focus on sustainable and predictable earnings.

Maintaining a robust credit standing enables UGRO to access diversified sources of capital and supports the long-term growth of its lending franchise. As of March 2026, Company's borrowings enjoy the following ratings:

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

Internal control systems and their adequacy

UGRO has established a robust internal financial control framework commensurate with the scale, complexity, and nature of its MSME lending operations. The framework is designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, and adherence to applicable laws and regulations. The Company's internal control environment is anchored in a well-defined governance structure comprising policies, standard operating procedures, and risk and control matrices across key business processes. These controls are embedded within UGRO's technology-driven operating platform, enabling automated, rule-based execution and minimising manual intervention.

The internal financial controls framework covers operational, financial reporting, and compliance risks. Operational controls ensure adherence to defined processes across sourcing, underwriting, disbursement, and collections. Financial controls are designed to mitigate risks of material misstatements in financial reporting, while compliance controls ensure alignment with regulatory requirements and statutory obligations applicable to the Company.

The effectiveness of internal financial controls is periodically evaluated through internal audits and independent reviews. Internal auditors conduct risk-based audits and assess the adequacy and operating effectiveness of controls, with key findings and recommendations reported to the Audit Committee. In addition, external auditors provide assurance on the adequacy and effectiveness of internal financial controls over financial reporting. The Audit Committee and the Board oversee the internal control framework and ensure that corrective actions are implemented in a timely manner. This structured and continuously evolving control environment supports operational efficiency, financial integrity, and sustainable business growth.

Equity Capital Raise

In June 2024, the Company successfully announced equity capital raise by way of allotment of Compulsory Convertible Debentures (CCDs) and warrants cumulatively amounting to INR 1,265 crore (CCDs amounting to INR 258 crore and warrants amounting to INR 1,007 crore). These instruments were convertible to equity shares within a period of 18 months from the allotment date. The warrants were subscribed by paying Rs 252 crore, representing 25% of the Issue price with the remaining 75% payable on conversion to equity.

The CCDs allotted were automatically converted to equity shares on expiry of tenure. Of the total warrants amounting to INR 1,007 crores, warrants of INR 5 crore were converted to equity shares and pending warrants lapsed on maturity.

Further in FY26, the Company raised INR 915 crore of equity capital through preferential allotment of CCDs and rights issue of equity shares (CCDs amounting to INR 534 crore and rights issue amounting to INR 381 crore). The Company saw strong backing from its existing investors viz Samena Capital and Impact Fund Denmark (IFU).

Key Financial Information

(INR in crore, except when mentioned otherwise)

Particulars	FY26 (Consolidated)
Total AUM	15,334
Total Net Disbursement	7,742
Total Income	2,021
Total Expenditure	1,680
Profit before tax	244
Profit after tax	175
Earnings per share	
- Basic (INR)	14.08
- Diluted (INR)	13.18
Net worth	2,906
Book value per share (INR)	187
Ratios	
Off-book AUM (%)	38%
Debt to Equity ratio	3.7x
CRAR (%) (Standalone)	21.2%
Net Total Income (% of Avg. On-Book AUM)	13.0%
Opex (% of Avg. AUM)	4.5%
ROA (%)	2.1%
ROE (%)	7.4%
GNPA (% of AUM)	2.5%
NNPA (% of AUM)	1.6%

Outlook for the company

FY26 marked a pivotal phase for UGRO, with the Company undertaking a strategic realignment to transition towards a granular MSME lending franchise. With the infrastructure now in place, the Company has shifted its focus from scale-building to improving productivity, operating leverage, and earnings quality.

The Company has set the following goals for FY27:

- UGRO aims to further increase share of higher yielding products in the overall AUM mix. This would be achieved through increasing contribution of Emerging Market business and Embedded Merchant finance loans in the total AUM. This would also result in a granular portfolio and increase in UGRO's existing customer base.
- The Company will focus on improving the productivity of its Emerging Market branch network, particularly newer branch cohorts, with the objective of bringing them in line with mature branch performance, without requiring incremental investments, thereby driving operating leverage.

Key Opportunities

Expanding MSME Credit Market

The MSME sector continues to represent a large and structurally underpenetrated credit opportunity, particularly in Tier 2 and beyond markets. Despite improvements in formalisation, a significant portion of MSMEs remains underserved by traditional financial institutions due to limited documentation and credit history. UGRO's focus on small-ticket secured lending and embedded merchant financing positions it well to address this gap through tailored credit solutions and deeper local and digital reach.

Embedded Merchant finance through Platform-led distribution

The rapid growth of digital platforms, payment ecosystems, and fintech partnerships is creating new avenues for MSME credit delivery. Embedded merchant finance enables seamless, contextual lending at the point of need, driving higher customer engagement and repeat utilisation. UGRO's embedded merchant financing platform allows it to access a large and granular customer base, supporting scalable and efficient portfolio expansion digitally.

Operating Leverage from Established Infrastructure

With significant investments already made in branch network expansion and technology infrastructure, the Company is well positioned to improve productivity and efficiency. As branch cohorts mature and volumes scale, the business is expected to benefit from operating leverage, enabling growth without proportionate increases in operating costs.

Key Threats

Execution Risk in Strategic Realignment

The Company is in the process of transitioning its portfolio mix towards core segments. The pace of scaling Emerging Market business and Embedded Merchant finance, along with the orderly run-down of non-core portfolios, may impact near term growth and profitability. Effective execution of this transition remains critical to achieving the desired outcomes

Funding Environment and Cost of Capital

The Company's borrowing costs and access to capital are influenced by macro-economic factors, market liquidity conditions, interest rate movements, and credit rating outlook. Any adverse changes in these factors may impact funding availability and cost efficiency, thereby affecting overall profitability.

Asset Quality and Credit Risk

The MSME segment is inherently sensitive to economic cycles, sector specific developments, and local market conditions. Any adverse changes in borrower cash flows may impact repayment behaviour, necessitating continued focus on underwriting discipline and portfolio monitoring.

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure of presenting the 33rd Annual Report of the Company together with the audited financial statements for the Financial Year ended 31st March 2026 ("Financial Statements"). The consolidated performance of the Company and its subsidiaries have been referred to wherever required.

FINANCIAL HIGHLIGHTS

Your Company's performance during Financial Year ended 31st March 2026, compared to the previous year, is summarised below

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	FY ended 31st March 2026	FY ended 31st March 2025	FY ended 31st March 2026	FY ended 31st March 2025
Total Income	1,84.039.62	1,44,184.57	2,02,111.13	Not Applicable
Total Expenditure	1,67,974.15	1,23,872.83	1,77,760.63	Not Applicable
Profit before Tax and exceptional items	16,065.47	20,311.74	24,350.50	Not Applicable
Exceptional items	-	-	-	Not Applicable
Profit before tax	16,065.47	20,311.74	24,350.50	Not Applicable
Provision for Tax	4,728.70	5,918.75	6,869.08	Not Applicable
Profit after tax	11,336.77	14,392.99	17,481.42	Not Applicable
Other comprehensive income	57.81	729.46	43.80	Not Applicable
Profit available for appropriation	11,394.58	15,122.45	17,525.22	Not Applicable
Appropriations:				
Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934	2,267.35	2,878.60	3,496.28	Not Applicable
Balance carried forward to Balance Sheet	9,127.23	12,243.85	14,028.94	Not Applicable

DIVIDEND

The Directors do not recommend any dividend on Equity Shares for the financial year ended 31st March 2026.

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

REVIEW OF OPERATIONS

Standalone Performance

On a standalone basis, the total revenue for the year amounted to Rs. 1,84,039.62 lakhs as compared to Rs. 1,44,184.57 lakhs in the previous financial year. Profit before tax for the year stood at Rs.16,065.47 lakhs as against Rs. 20,311.74 lakhs in the previous financial year, while profit after tax for the year was Rs.11,336.77 lakhs as compared to Rs. 14,392.99 lakhs in the previous financial year.

Consolidated Performance

During the financial year 2025-26, your Company acquired Profectus Capital Private Limited and Datasigns Technologies Private Limited (also operating under the brand name MyShubhLife) as its subsidiaries. Consequently, consolidated financial statements have been prepared for the first time for the financial year ended 31st March 2026, in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards. Since the Company had no subsidiaries as on 31st March 2025, comparative consolidated figures for the previous financial year are not available.

The total consolidated revenue for the year amounted to Rs. 2,02,111.13 lakhs, while profit before tax and profit after tax on a consolidated basis stood at Rs. 24,350.50 lakhs and Rs. 17,481.42 lakhs respectively.

A detailed discussion on the Company's performance, key business metrics, and financial ratios is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

SUBSIDIARY COMPANIES

As on 31st March 2026, your Company has three (3) subsidiaries, namely:

- The Board of Directors and Shareholders, at their meetings held on June 17, 2025, and July 20, 2025, respectively, approved the acquisition of Profectus Capital Private Limited ("Profectus"). Subsequently, the Company executed a Share Purchase Agreement on June 17, 2025. The acquisition was successfully completed on December 8, 2025, following which Profectus became a Wholly Owned Subsidiary of the Company.This acquisition was strategically designed to deliver instant scale and strengthen the Company's position in the MSME lending landscape. By integrating Profectus's high-quality loan portfolio, the Company has enhanced its secured asset mix and bolstered its liability franchise. This transaction is highly accretive and aligns with our commitment to sustainable earnings growth and long-term shareholder value creation.

- The Board of Directors and Shareholders, at their meetings held on May 2, 2024, and June 1, 2024, respectively, approved the acquisition of Datasigns Technologies Private Limited ("DTPL"). The Company initially entered into a Share Purchase Agreement on January 1, 2025, which was later superseded by an amended Share Purchase Agreement dated March 5, 2026. The acquisition was successfully completed on March 18, 2026, following which DTPL became a Wholly Owned Subsidiary of the Company. DTPL is a prominent Embedded Finance Fintech platform that provides the Company with advanced digital lending infrastructure. This acquisition enables the Company to deliver seamless credit solutions to small merchants through data-driven risk assessment and enhanced technology architecture.

- Ekagrata Finance Private Limited, being a wholly owned subsidiary of DTPL, has consequently become a subsidiary (step-down subsidiary) of the Company with effect from 18th March 2026.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act").

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES:

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Further, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is annexed to the financial statements and hence not repeated here for the sake of brevity. The statement provides details of the performance and financial position of each of the subsidiaries as on 31st March 2026.

SCHEME OF MERGER / AMALGAMATION

During the financial year 2025-26, Profectus Capital Private Limited ("Profectus") became a wholly owned subsidiary of the Company on 8 December 2025. Thereafter, the Board of Directors, at its meeting held on 8 January 2026, approved the Scheme of Amalgamation of Profectus Capital Private Limited with the Company.

The Company has received No Objection Certificate (NOC) from the Reserve Bank of India (RBI) for the aforesaid merger and has applied to the Stock Exchanges to obtain their No Objection Certificate (NOC) in accordance with applicable under Regulations 37(1) and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Upon receipt of such NOC(s), the Company shall proceed with filing the Scheme of Amalgamation before the Hon'ble National Company Law Tribunal (NCLT) in terms of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The appointed date of the Scheme is 1st April 2026.

RESERVES

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

As required by Section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared.

CHANGE IN SHARE CAPITAL

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

Director's Report (Contd.)

From the existing Rs. 2,15,00,00,000/- (Rupees Two Hundred Fifteen Crores Only) divided into 19,45,00,000 (Nineteen Crores Forty-Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,05,00,000 (Two Crores Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 2,70,00,00,000/- (Rupees Two Hundred Seventy Crores only) divided into 24,95,00,000 (Twenty-Four Crores Ninety-Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 2,05,00,000 (Two Crores Five Lakhs) preference shares of Rs. 10/- (Rupees Ten) each, vide special resolution passed by the shareholders of the Company though postal ballot on 20th July 2025.

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

- **RIGHTS ISSUE:**

  2,35,01,363 Equity Shares on rights basis having face value of Rs. 10 each at an issue price of Rs. 162 each aggregating to Rs. 38,072.21 lakh in June 2025. The allotment was made on 24th June, 2025.

- **ESOP**

  171,000 fully paid-up equity shares of face value of Rs. 10/- each, to employees pursuant to exercise of stock options under "CSL Employee Stock Option Scheme 2017.

- **COMPULSORILY CONVERTIBLE DEBENTURES**

  i. **Compulsorily Convertible Debentures issued in June 2024.**

  The Company had raised funds through allotment of 97,70,757 Compulsory Convertible Debentures (CCDs) and 3,81,32,474 share warrants both having face value of Rs. 10 each at an issue price of Rs. 264 each aggregating to Rs. 1,26,464.53 lakh in June 2024.The allotment was made in 2 tranches on 06th June, 2024 and 18th June, 2024. Each of the CCD and share warrant was convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD and share warrant.

  Further, during the financial year 2024-25, the Company converted 37,878 CCDs into equity shares pursuant to requests received from a CCD holder. During the financial year 2025-26, (a) an additional 75,757 CCDs were converted into equity shares based on requests from other CCD holders and (b) the remaining 96,57,122 CCDs, being issued with a tenure of 18 months, were converted into equity shares upon maturity in accordance with the terms of issue.

  Accordingly, all the 97,70,757 CCDs stands converted into equity shares.

  ii. **Compulsorily Convertible Debentures issued in October 2025.**

  The Company had raised funds through allotment of 2,88,99,481 Compulsory Convertible Debentures (CCDs) having face value of Rs. 10 each at an issue price of Rs. 185 each aggregating to Rs. 53,464.04 lakh in October 2025. The allotment was made on October 08, 2025. Each of the CCD is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD.

  Further, pursuant to conversion requests received from CCD holders, the Company converted such CCDs into equity shares in accordance with the terms of issue. Accordingly, during the financial year, the Company allotted 2,86,99,487 fully paid-up equity shares of face value of Rs. 10 each.

The issued, subscribed and paid-up Equity Share Capital as on 31st March 2026 was Rs. 1,552,883,230/- (Rupees One Hundred Fifty-Five Crores Twenty-Eight Lakhs Eighty-Three Thousand Two Hundred and Thirty Only) consisting of 15,52,88,323 Equity Shares of the face value of Rs. 10/- each, fully paid-up.

Director's Report (Contd.)

As on 31st March 2026, the following instruments remain outstanding and convertible into equity shares:

Sr. No	Type of Securities	Period of Issuance	No. of CCD Allotted	Converted during FY 2024-25	Converted during FY 2025-26	Balance to be Converted
1	Compulsorily Convertible Debentures	June 2024	97,70,757	37,878	97,32,879	0
2	Warrants*	June 2024	3,81,32,474	1,89,393	0	0
3	Compulsorily Convertible Debentures	October 2025	2,88,99,481	0	2,86,99,487	1,99,994

* Out of the 3,81,32,474 warrants issued by the Company, 1,89,393 warrants were exercised by a warrant holder. The remaining 3,79,43,081 warrants lapsed upon expiry of their tenure of 18 (eighteen) months from the date of allotment in December 2025.

FUND RAISING

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

Commercial Papers

The Company has issued and allotted listed/unlisted commercial papers aggregating up to Rs. 99,300 Lakhs on private placement basis in multiple tranches.

Private Placement of Non-Convertible Debentures

The Company has issued and allotted senior, subordinated, secured/unsecured, rated, listed, redeemable, taxable, transferable, Non-Convertible Debentures aggregating up to Rs. 1,07,610 Lakhs on private placement basis in multiple tranches.

Public Issue of Non-Convertible Debentures

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

Your Company had total borrowings (including NCDs) of Rs.9,20,787.80 lakhs as on 31st March 2026.

Your Company also raised Rs. 171,894.27 lakhs and Rs. 3401.58 lakhs through transfer of loan exposures and securitisation route respectively during the financial year 2025-26.

Preferential Issue

In accordance with Chapter V of the SEBI (ICDR) Regulations 2018 read with the Companies Act, 2013 and rules made thereunder the Company had issued and allotted 2,88,99,481 Compulsorily Convertible Debentures ("CCDs") having face value of Rs 10 each at an issue price of Rs 185 each aggregating to Rs. 53,464.04 lakh in October 2025, on a preferential basis. The allotment was made on October 08, 2025. Each of the CCD is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD.

Rights Issue

In accordance with Section 62(1)(a) of the Companies Act, 2013 read with Chapter III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of Directors of the Company, at its meeting held on May 20, 2025, approved the Rights Issue of Rs. 40,000 Lakhs, at an issue price of Rs. 162/- per share (including a premium of Rs. 152/- per share), ("Equity Shares") to the eligible existing equity shareholders (including public/retail category) of the Company as on the record date and/ or the specific investors.

Accordingly, the Company has successfully raised funds of Rs. 38,072.21 lakh through issuance of Equity shares by way of Rights Issue and has duly complied with all the necessary formalities with the Stock Exchanges and RBI.

CREDIT RATING

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

Director's Report (Contd.)

CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio as of 31st March 2026, stood at 21.17 % of the aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items, which is well above the regulatory minimum of 15%. Out of total CRAR, the Tier 1 capital stood at 15.42% and Tier II Capital at 5.75%.

PUBLIC DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Board Composition

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

As on 31st March 2026, your Company has 9 (Nine) Directors on the Board, out of which 6 (Six) are Independent Directors including 1 (One) Woman Director, 1 (One) Executive Director and 2 (Two) are Non- Executive (Nominee) Directors. The Board composition is in compliance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rohit Goyal (Non-Executive Nominee Director) (DIN: 05285518), retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for the approval of the shareholders

Appointment / Re-appointment of Directors during the financial year

Mr. Ramanathan Subramanian Arun Kumar was appointed as Additional Non-Executive (Nominee) Director by the Board w.e.f. 17th December 2025. The shareholders regularised the said appointment on 13th March 2026 through Postal Ballot.

Resignation of Directors during the financial year

Mr. Suresh Prabhala resigned as Non-Executive (Nominee) Director w.e.f. 11th August 2025 due to his other professional commitments. Mr. Ramanathan Subramanian Arun Kumar was nominated by Clearsky Investment Holdings Pte Limited as its nominee in place of Mr. Suresh Prabhala.

Mr. Chetan Gupta resigned as Non-Executive (Nominee) Director w.e.f. 7th February 2026 due to his other professional commitments.

Key Managerial Personnel

The details of Key Managerial Personnel of the Company during the year are given below:

Key Managerial Personnel	Designation
Mr. Shachindra Nath	Vice Chairman & Managing Director
Mr. Anuj Pandey*	Chief Executive Officer
Mr. Kishore Lodha**	Chief Financial Officer
Ms. Shilpa Bhatter***	Chief Financial Officer
Mr. Satish Kumar	Company Secretary and Compliance Officer

* Mr Anuj Pandey was appointed as CEO with effect from 01st July 2025

** Mr. Kishore Lodha resigned as CFO with effect from 16th July 2025

*** Ms. Shilpa Bhatter was appointed as CFO with effect from 16th July 2025.

COMPLIANCE OF RBI REGULATIONS / GUIDELINES / DIRECTIONS

Your Company is a non-deposit taking non-banking financial company registered with the Reserve Bank of India ("RBI") and classified as NBFC – Middle Layer under Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

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

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

Director's Report (Contd.)

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

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

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

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report of the Company for FY 2025-26 is forming part of the Annual Report.

The Company is presently outside the top 1,000 listed entities based on market capitalisation for the second consecutive year as per the list published under Regulation 3(2) of the SEBI Listing Regulations. However, in terms of Regulation 3(2A) and 3(2B), the applicability of provisions based on market capitalisation continues until the Company remains outside the specified threshold for three consecutive years, and accordingly, the BRSR requirement continues to be applicable to the Company for the current financial year.

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

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

1. Macro-economic view of the industry in which the Company operates;
2. Budgets, operations and performance of the businesses and relevant regulatory / legal updates in the statutes applicable to the Company;
3. Business model of the Company, risks and opportunities for the businesses and the growth levers for them;
4. Strategic future outlook and the way forward.
5. Regulatory updates, including changes in applicable laws, SEBI regulations, RBI Guidelines, Circulars/ Notifications issued by Ministry of Corporate Affairs and other statutory requirements impacting the Company.

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

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

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age, and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills, and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended from time to time.

DECLARATION OF INDEPENDENCE

The Company has received Declaration of Independence as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations

Director's Report (Contd.)

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

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

ANNUAL EVALUATION BY THE BOARD OF DIRECTORS

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

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017.

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

CODE OF CONDUCT

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

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

The Board meets at regular intervals to discuss and decide on the Company's business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings. The Board / Committee meetings are pre-scheduled well in advance to help them plan their schedule and ensure meaningful participation in the meetings.

The Board of Directors of the Company met 10 (ten) times during the financial year 2025-26. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

As required under the Act, SEBI Listing Regulations and RBI Master Directions, the Company has constituted the following statutory committees of the Board: 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholders Relationship Committee 4) Risk Management Committee 5) Corporate Social Responsibility Committee 6) Asset Liability Committee 7) IT Strategy Committee 8) Customer Service Committee and 9) Review Committee of Wilful Defaulters and Large Defaulters.

The Company also has non-mandatory committees viz. Securities Allotment and Transfer Committee, Investment and Borrowing Committee and Compliance Committee.

Details of all statutory committees such as terms of reference, composition and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards had been followed along with proper explanations relating to material departure;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2026 and of the profit and loss of the Company for that year;

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

d. the financial statements of the Company had been prepared on a going concern basis;

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

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

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

Your Company, being a Non-Banking Financial Company registered with the RBI and engaged in the business of giving loans, is exempt from the provisions of Section 186 of the Act by virtue of Section 186(11) thereof.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

Director's Report (Contd.)

compliance with the Related Party Transaction Policy of the Company.

Disclosure of the related party transactions as required under Regulation 34(3) and 53 (f) of SEBI Listing Regulations and INDAS - 24 are reported in Notes of the audited financial statements of the Company for the financial year ended 31st March 2026.

The policy on 'Related Party https://www.ugrocapital.com/view-investor-relation/2263/1272.

PARTICULARS OF EMPLOYEES AND REMUNERATION

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

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

Name of Director	Ratio to median remuneration
Mr. Shachindra Nath	103.7:1

b) The percentage increase in remuneration of each Director, CEO, CFO, Company Secretary in the financial year:

Designation	% of increase in remuneration
Vice Chairman & Managing Director	100%
Chief Executive Officer*	35%
Chief Financial Officer**	NA
Company Secretary	18%

*Mr. Anuj Pandey was appointed as CEO w.e.f. 01 July 2025

** Ms. Shilpa Bhatter joined as CFO w.e.f. 16 July 2025

c) Percentage of increase in the median remuneration of employees during the financial year ended 31st March 2026: 0.04%

d) Number of permanent employees on the rolls of the Company as on 31st March 2026: 2095

e) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year was 12% vis-a-vis an increase of 17% in the salaries of Managerial Personnel.

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

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

The statement containing particulars of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available at the registered office of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED AFTER 31st MARCH, 2026

There are no material changes and commitments affecting the financial position of the Company subsequent to the close of the financial year 2025-26 till the date of this report.

CONSERVATION OF ENERGY

A. Conservation of Energy and Technology Absorption

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

B. Foreign Exchange Earnings and Outgo

Director's Report (Contd.)

(Rs. in Lakhs)

Sr. No.	Particulars	Financial Year ended 31st March, 2026	Financial Year ended 31st March, 2025
1.	Exchange earned	-	-
2.	Exchange outgo		
	- Debt securities	-	269.98
	- Borrowings (other than debt securities)	9,515.69	575.41
	- Finance costs	7,386.66	4,512.04
	- Other expenses	60.51	55.69
	- Other non-financial assets / Property, plant and equipment	126.88	127.84
	- Equity component of compound financial instruments	**1,190.00**	**-**
	- Investment in Subsidiaries	1,36,430.92	-
	Total	**1,54,710.46**	**5,540.96**

REMUNERATION POLICY OF THE COMPANY

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the SEBI Listing Regulations and the same has been hosted on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1162/1272.

Any incidents that are reported are investigated and suitable action is taken in line with the said Policy. A report indicating the number of cases reported, investigations conducted including the status update is presented before the Audit Committee, on a quarterly basis. This Policy, inter alia, provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for the Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Company has also taken software containing structural digital database for maintaining names of persons with whom unpublished price sensitive information (UPSI) is shared. The Code is available on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1156/1272.

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

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

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year ended 31st March 2026, is as follows:

Number of complaints filed during the financial year	2
Number of complaints disposed during the financial year	2
Number of complaints pending at the end of the financial year	0

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

During the year under review, the Company affirms its compliance with the provisions of the Maternity Benefit Act, 1961, for the financial year ended March 31, 2026. The Company has ensured that all eligible women

Director's Report (Contd.)

employees were extended the statutory maternity benefits, including paid maternity leave and maternity cover through insurance, in accordance with the applicable maternity laws.

STATUTORY AUDITOR AND THEIR REPORT

M/s Sharp & Tannan, Chartered Accountants (Firm Registration No. 109983W) was appointed as Statutory Auditors at the 30th Annual General Meeting ("AGM") held on 8th August 2023 for a period of three years commencing from the conclusion of the 30th AGM till the conclusion of the 33rd AGM of the Company. Accordingly, the term of M/s Sharp & Tannan concludes at the ensuing 33rd AGM.

The Company has received an intimation from M/s. Sharp & Tannan Associates regarding the completion of their term. Based on the recommendation of the Audit Committee, the Board has approved the appointment of M/s G.P. Kapadia & Co as the Statutory Auditors of the Company for a term of 3 (three) years, from the conclusion of the ensuing 33rd AGM until the conclusion of the 36th AGM (covering the audits for FY 2026-27, 2027-28, and 2028–29), subject to the approval of the shareholders at the AGM.

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

INTERNAL AUDIT

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

At the beginning of each financial year, an annual risk-based internal audit plan is prepared and basis the risk assessment conducted by the internal audit department and approved by the Audit Committee. Internal audit reports, prepared in accordance with the approved plan, are reviewed by the Audit Committee on a quarterly basis.

SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made thereunder, Pankaj Nigam & Associates, Company Secretaries, has been appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor for the financial year 2025-26 is enclosed as Annexure II to this report.

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

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

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year ended 31st March 2026.

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

Acquisition of Profectus Capital Private Limited (PCPL)

The Board of Directors and Shareholders, vide their approvals dated June 17, 2025, and July 20, 2025, respectively, approved the acquisition of Profectus Capital Private Limited ("PCPL"). In line with these approvals, the Company executed a Share Purchase Agreement on June 17, 2025. The acquisition process was successfully concluded on December 8, 2025, following which Profectus became a Wholly Owned Subsidiary of the Company. The Company paid an aggregate consideration of Rs. 139,860 lakhs for the said acquisition.

Acquisition of Datasigns Technologies Private Limited (DTPL)

The Board of Directors and Shareholders, vide their approvals dated May 2, 2024, and June 1, 2024, respectively, approved the acquisition of Datasigns Technologies Private Limited (“DTPL”). While under the initial structure, consideration amount was defined at Rs. 4,500 lakhs to be discharged through a combination of cash and share swap in two tranches, the Company, utilizing the flexibility provided in the shareholder approval, subsequently amended the structure. Pursuant to the amended Share Purchase Agreement dated March 5, 2026, the revised consideration of Rs. 3,823 Lakhs was discharged entirely in cash in a single tranche. The acquisition was successfully concluded on March 18, 2026, following which DTPL became a Wholly Owned Subsidiary of the Company.

Scheme of Merger

During the financial year 2025-26, Profectus Capital Private Limited ("Profectus") became a wholly owned subsidiary of the Company on 8 December 2025. Thereafter, the Board of Directors, at its meeting held on 8 January 2026, approved the Scheme of Amalgamation of Profectus Capital Private Limited with the Company.

The Company has received No Objection Certificate (NOC) from the Reserve Bank of India (RBI) for the aforesaid merger and has applied to the Stock Exchanges to obtain their No Objection Certificate (NOC) in accordance with applicable under Regulations 37(1) and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Upon receipt of such NOC(s), the Company shall proceed with filing the Scheme of Amalgamation before the Hon'ble National Company Law Tribunal (NCLT) in terms of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The appointed date of the Scheme is 1st April 2026.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March 2026 is available on the Company's website at https://www.ugrocapital.com/view-investor-relation/2334/1272.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee ("RMC") to frame, implement and monitor the risk management plan of the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Risk Management Policy is available on the website of the Company at https://www.ugrocapital.com/view-investor-relation/1946/1280. Further details on RMC are furnished in the Corporate Governance Report.

EMPLOYEE STOCK OPTIONS DISCLOSURE

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

The Board of Directors confirms that the ESOS 2017 and ESOS 2022 are in compliance with the provisions of the Act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations ("SBEB"), 2021, as amended.

During the financial year 2025-26, the Company granted 36,43,037 stock options under ESOS 2017 and 20,04,426 stock options under ESOS 2022.

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

CORPORATE SOCIAL RESPONSIBILITY

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and based on the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 ("the Act"), the Company was not required to incur any CSR expenditure for the financial year 2025 - 26 under Section 135(5) of the Act.

However, in alignment with the Company's ongoing commitment to social responsibility, an amount of Rs. 3,95,000/- (Rupees Three Lakh Ninety-Five Thousand Only) was voluntarily spent on CSR activities during the financial year 2025 26. A report pursuant to Section 135 of the Act & Rules made thereunder is annexed to this report as Annexure I.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

Director's Report (Contd.)

INVESTOR EDUCATION AND PROTECTION FUND

The Company had declared an interim dividend of Rs. 3.50 per share on its fully paid-up equity shares for the Financial Year 2018-19.

In compliance with the provisions of the Companies Act, 2013, the Company had, within the prescribed timeline, opened an "Unpaid/Unclaimed Dividend Account" and transferred the unclaimed portion of the declared dividend to this account within seven days from the date of expiry of 30 days from the declaration of the dividend.

As per Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any dividend amount remaining unpaid or unclaimed for a continuous period of seven years is mandatorily required to be transferred to the Investor Education and Protection Fund (IEPF).

Accordingly, the amount of Rs. 1,18,146 lying in the Unpaid Dividend Account pertaining to the interim dividend for the financial year 2018-19, has been transferred to the Investor Education and Protection Fund (IEPF) on 08th August 2025, upon completion of the prescribed seven-year period.

Further, as per sub-section (6) of section 124 of the Companies Act, 2013 all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to the IEPF.

Accordingly, the 28,359 shares has been transferred to the IEPF in compliance with the said requirements.

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the IEPF Rules, every company is required to appoint a Nodal Officer for the purpose of coordination with the Investor Education and Protection Fund Authority (IEPFA) and for verification of claims filed by shareholders seeking to reclaim their shares and/or dividend from the IEPF. The Company has appointed Mr. Satish Kumar, Company Secretary and Compliance Officer as the Nodal Officer of the Company.

MAINTENANCE OF COST RECORDS

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

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL

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

DETAILS OF FRAUD REPORTED BY AUDITORS

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

GENERAL DISCLOSURES

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

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

ACKNOWLEDGMENT

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

For and on behalf of Board of Directors

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

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

Place: Mumbai
Date: 20th April 2026

Annexure-I

ANNUAL REPORT ON CSR ACTIVITIES

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

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

   The Committee has adopted CSR policy and same is uploaded on the Company's website at https://www.ugrocapital.com/view-investor-relation/1175/1272.

2. **Composition of CSR Committee as on 31st March, 2026:**

Sr. No.	Name of Director	Designation Nature Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Satyananda Mishra	Chairman, Independent Director	1	1
2	Mr. Rajeev Kumar Agarwal	Member, Independent Director	1	1
3	Mr. Shachindra Nath	Member, Vice Chairman & Managing Director	1	0

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

   Composition of the CSR committee shared above and is available on the Company's website on https://www.https://www.ugrocapital.com/view-investor-relation/2300/1272

   CSR Policy- https://www.ugrocapital.com/view-investor-relation/1175/1272

   CSR Project Approved by the Board- https://www.ugrocapital.com/view-investor-relation/2078/1280

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

5. **(a) Average net profit of the company as per sub-section (5) of section 135:** Rs. (539.79) Lakhs

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs.(10.80) Lakhs

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

   (d) Amount required to be set off for the financial year, if any: Rs.0.65 Lakhs

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 3.95 Lakhs (Voluntary Basis)

   (b) Amount spent in Administrative overheads: NA

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

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs.3.95 Lakhs

Director's Report (Contd.)

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 3.95 lakhs	-			-	

(f) **Excess amount for set off, if any**

Sr. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	(10.80) lakhs
(ii)	Total amount spent for the Financial Year	3.95 Lakhs*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3.95 Lakhs*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	4.60 Lakhs**

**Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and based on the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 ("the Act"), the Company was not required to incur any CSR expenditure for the financial year 2025 - 26 under Section 135(5) of the Act.*

However, In alignment with the Company's ongoing commitment to social responsibility, an amount of Rs. 3,95,000/- (Rupees Three Lakhs Ninety-Five Thousand Only) was voluntarily spent on CSR activities during the financial year 2025-26.

*** Includes additional CSR spent of Rs. 0.65 Lakh in the previous year*

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

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

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

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

For and on behalf of Board of Directors

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

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

Place: Mumbai
Date: 20th April 2026

Annexure - II

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026

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

To,
The Members,
UGRO Capital Limited
B-17, Fourth Floor, Art Guild House,
Phoenix Market City, Kurla (West),
Mumbai- 400070

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter;

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

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

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

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; including the RBI Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations (RBI/FED/2018-19/67 FED Master Direction No.5/2018-19) to the extent applicable in respect of the foreign currency denominated Non-Convertible Bonds (EUR and USD denominated) issued by the Company during the year;

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021;

  (f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

  (h) SEBI Master Circular: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dt. May 21, 2024

Director's Report (Contd.)

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

(vii) All Master Directions, Master Circulars, Notifications, Guidelines issued by the Reserve Bank of India to the extent applicable to a Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI), including in particular the RBI Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (RBI/DNBR/2016-17/44 Master Direction DNBR.PD.008/03.10.119/2016-17) as amended from time to time, covering capital adequacy, credit concentration norms, Fair Practices Code, KYC/AML guidelines, and other prudential norms;

(viii) Prevention of Money Laundering Act, 2002

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

a) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – no open offer was triggered during the period under review;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – excluding Chapter III (Rights Issue), where compliance was examined in relation to the allotment of equity shares pursuant to a rights issue, and Chapter V (Preferential Allotment), where compliance was examined in relation to the allotment of Compulsorily Convertible Debentures on a preferential basis. No public issue of equity shares was undertaken during the period under review;

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India, namely SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings)

b) Listing compliances under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited and National Stock Exchange of India Limited.

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

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

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

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

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

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

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

Director's Report (Contd.)

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

i) The Company's Board of Directors and shareholders through their approval dated May 02, 2024, and June 01, 2024, respectively had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), for an enterprise value through a combination of equity and cash consideration. After obtaining the necessary approvals, DTPL has become a wholly owned subsidiary of the Company with effect from March 18, 2026. Consequently, Ekagrata Finance Private Limited, being a wholly owned subsidiary of DTPL, has become a subsidiary (step-down subsidiary) of the Company with effect from the same date.

ii) In accordance with Section 62(1)(a) of the Companies Act, 2013 read with Chapter III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of Directors of the Company, at its meeting held on May 20, 2025, approved the Rights Issue of Rs.400 crores, at an issue price of Rs. 162/- per share (including a premium of Rs. 152/- per share), ("Equity Shares") to the eligible existing equity shareholders (including public/retail category) of the Company as on the record date and/ or the specific investors,

Accordingly, the Company has successfully raised funds of Rs. 380.72 crores through issuance of Equity shares by way of Rights Issue and has duly complied with all the necessary formalities with the Stock Exchanges and RBI.

iii) The Board of Directors, vide resolution dated 26 April 2025, approved issuance of listed / unlisted Commercial Papers aggregating up to Rs. 500 Crores. Subsequently, the Board of Directors, vide resolution dated 8 January 2026, further approved an increase in the said borrowing limit for listed / unlisted Commercial Papers aggregating up to Rs. 800 Crores (Rupees Eight Hundred Crores only).

iv) The Company has issued and allotted senior, subordinated/unsubordinated, secured/unsecured, rated, unlisted/listed, redeemable, taxable, transferable Non-Convertible Debentures aggregating up to Rs. 1,076.10 Crores on private placement basis in multiple tranches.

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

vi) The Company has allotted 171,000 equity shares of face value of Rs. 10/- each under the CSL Employee Stock Option Scheme 2017 to its eligible employees who exercised the stock options.

vii) The Company, vide resolutions passed by the Board of Directors on June 16, 2023, and April 26, 2025, and by the Investment and Borrowing Committee on December 16, 2025, has allotted up to 1,000 Senior, Unsecured, EUR Denominated, Non-Convertible, Redeemable foreign currency Bonds having a face value of EUR 10,000/- (Euro Ten Thousand only) each, of an aggregate nominal value of up to EUR 10,000,000/- (Euro Ten Million only) on a private placement basis..

viii) The Company, vide resolutions passed by the Board of Directors on June 16, 2023, and April 26, 2025, and by the Investment and Borrowing Committee on December 16, 2025, has allotted up to 2,000 Senior, secured, rated, listed, redeemable, United States Dollar denominated non-convertible foreign currency bond(s) having a face value of USD 10,000/- (USD Ten Thousand only) each, of an aggregate nominal value of up to USD 20,000,000/- (USD Twenty Million only) on a private placement basis.

ix) The Company vide resolution passed by the Securities Allotment & Transfer Committee has allotted Compulsorily Convertible Debentures ("CCD") on a preferential basis for an amount aggregating up to Rs. 534.64 Crores.

x) The Company vide special resolution passed by the shareholders of the Company by way of postal ballot on 20th July 2025, had altered clause (v) of the Memorandum of Association of the Company by increasing the authorised share capital of the Company from Rs. 2,15,00,00,000/- (Rupees Two Hundred Fifteen Crores Only) divided into 19,45,00,000 (Nineteen Crores Forty-Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,05,00,000 (Two Crores Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 2,70,00,00,000/- (Rupees Two Hundred Seventy Crores only) divided into 24,95,00,000 (Twenty-Four Crores Ninety-Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 2,05,00,000 (Two Crores Five Lakhs) preference shares of Rs. 10/- (Rupees Ten) each.

Director's Report (Contd.)

xi) The Board of Directors, vide resolution dated 13 March, 2026, approved the shifting of Registered Office of the company from Equinox Business Park, Tower-3, 4th Floor, LBS Marg, Kurla (West), Mumbai - 400070 to B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai - 400070.

xii) **Scheme of Amalgamation:**

Profectus Capital Private Limited ("Transferor Company") became a wholly owned subsidiary of UGRO Capital Limited on 8 December 2025. Thereafter, the Board of Directors, at its meeting held on 8 January 2026, approved the Scheme of Amalgamation of Profectus Capital Private Limited with UGRO Capital Limited.

The Company has applied to the Stock Exchanges for obtaining their No Objection Certificate (NOC) in accordance with applicable regulations. Upon receipt of such NOC(s), the Company shall proceed with filing the Scheme of Amalgamation before the Hon'ble National Company Law Tribunal (NCLT) in terms of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Accordingly, the necessary steps in this regard are under process as on the date of this report.

Further, the Company has made the requisite disclosures and complied with the applicable SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021, pertaining to schemes of arrangement by listed entities.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343H000144315

Date: 20th April, 2026
Place: Ghaziabad

Encl: Annexure A

Annexure A

To,

The Members
UGRO Capital Limited

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

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

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343H000144315

Date: 20th April, 2026
Place: Ghaziabad

Director's Report (Contd.)

Annexure - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS — FY 2025-26

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

To,
The Members of
UGRO Capital Limited
B-17, Fourth Floor, Art Guild House,
Phoenix Market City, Kurla (West),
Mumbai- 400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UGRO Capital Limited having CIN L67120MH1993PLC070739 and having registered office at B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai- 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Shachindra Nath	00510618	22/06/2023
2	Satyananda Mishra	01807198	05/07/2023
3	Hemant Bhargava	01922717	08/02/2022
4	Karuppasamy Singam	03632212	05/07/2023
5	Karnam Sekar	07400094	08/02/2022
6	Rajeev Krishnamuralilal Agarwal	07984221	05/07/2023
7	Tabassum Abdulla Inamdar	07637013	01/08/2023
8	Rohit Goyal	05285518	25/04/2024
9	Ramanathan Subramanian Arun Kumar	09101691	17/12/2025

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

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

sd/-

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979
UDIN: F007343H000145173

Date: 20th April, 2026
Place: Ghaziabad

CORPORATE GOVERNANCE REPORT

A Report for the financial year ended 31st March 2026 on compliance by the Company with the Corporate Governance requirements in accordance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and amendments thereto, is furnished below:

Company's Philosophy on Corporate Governance

Corporate Governance is a combination of compliance with laws and regulations and voluntary practices leading to effective control and better management of the organisation. Good Corporate Governance not only enhances long-term stakeholder value but also the interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating sustainable wealth and enhanced stakeholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of Knowledge, Action, Care and Impact.

The Board fully supports and endorses the Corporate Governance practices as envisaged in the SEBI Listing Regulations.

BOARD OF DIRECTORS AND COMPOSITION

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

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

The composition of the Board of your Company is in conformity with the provisions of the Act, Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and SEBI Listing Regulations, as amended from time to time, and is also governed by the Articles of Association of the Company.

As on 31st March, 2026, the Board comprised of Nine Directors, viz.one Executive Director (Vice Chairman & Managing Director), six Independent Directors and two Non-Executive (Nominee) Directors. The Chairman of the Board is a Non-Executive (Independent) Director.

The Company believes in providing appropriate representations to the large shareholders in the proceedings of the Board and Committees. Accordingly, our existing Articles of Association read with the Code on Corporate Governance, allows each Large Shareholder as defined therein the right to nominate a representative as Non- Executive Director on the Board of the Company. Pursuant to the same, the Board has representation from ClearSky Investment Holdings Pte Ltd and Danish Sustainable Development Goals Investment Fund ('IFU').

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors (IDs), the Board of Directors have confirmed that the Independent Directors meet the criteria of independence as mentioned under the Act and the SEBI Listing Regulations. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website https://www.ugrocapital.com/. During the financial year 2025-26, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual

Corporate Governance (Contd.)

members with the objective of having a Board with diverse background and diverse experience.

As on 31st March 2026, Mr. Satyananda Mishra was the Non-Executive (Independent) Chairman and Mr. Shachindra Nath was the Vice Chairman & Managing Director of your Company. Mr. Rohit Goyal and Mr. Ramanathan Subramanian Arun Kumar are Non- Executive (Nominee) Directors of your Company. Non-Executive Directors do not receive any sitting fees or remuneration from the Company.

Mr. Satyananda Mishra, Mr. Rajeev Krishnamuralilal Agarwal, Mr. Karuppasamy Singam, Mr. Karnam Sekar, Mr. Hemant Bhargava and Ms. Tabassum Abdulla Inamdar were the Independent Directors of your Company.

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

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

Name of the Directors	Category of Director	DIN	Details of Attendance			Total Number of Directorships and Committee Memberships/ Committee Chairmanships/ Chairpersonship of public limited companies #			Directorships in other listed entities and Category	
			Number of Board Meetings		Last AGM (08.08.2025)	Directorships	Committee Memberships+	Committee Chairmanships/ Chairpersonship+		
			Held	Attended						
Mr. Satyananda Mishra	Non-Executive Chairman (Independent Director)	01807198	10	10	Yes	3	3	1	1. Paradeep Phosphates Ltd	Independent Director
Mr. Shachindra Nath	(Vice Chairman & Managing Director)	00510618	10	10	Yes	1	0	0	Nil	Nil
Mr. Karuppasamy Singam	Independent Director	03632212	10	10	Yes	1	2	0	Nil	Nil
Mr. Karnam Sekar	Independent Director	07400094	10	10	Yes	4	4	1	Laurus Labs Limited	Independent Director
Mr. Hemant Bhargava	Independent Director	01922717	10	10	Yes	3	3	2	1. ITC Limited 2. SMC Global Securities Limited	1. Independent Director 2. Independent Director
Mr. Rajeev Krishnamuralilal Agarwal	Independent Director	07984221	10	10	Yes	6	9	4	1. Star Health and Allied Insurance Company Ltd. 2. ACC Ltd. 3. MKVentures Capital Limited 4. One 97 Communications Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director
Ms. Tabassum Abdulla Inamdar	Independent Director	07637013	10	7	Yes	1	0	0	Nil	Nil
Mr. Chetan Gupta%	Non-Executive Director (Nominee- Equity investor)	07704601	10	10	No	1	0	0	Nil	Nil
Mr. Rohit Goyal	Non-Executive (Nominee- Equity investor)	05285518	10	8	No	1	1	0	Nil	Nil

Name of the Directors	Category of Director	DIN	Details of Attendance			Total Number of Directorships and Committee Memberships/ Committee Chairmanships/ Chairpersonship of public limited companies #			Directorships in other listed entities and Category	
			Number of Board Meetings		Last AGM (08.08.2025)	Director-ships	Committee Memberships+	Committee Chairmanships/ Chairpersonship+		
			Held	Attended						
Mr. Suresh Eshwara Prabhala*%	Non-Executive (Nominee-Equity investor)	02130163	10	2	N.A.	3	0	0	Tarsons Product Limited	Non- Executive Director
									Page Industries Limited	Independent Director
Mr. Ramanathan Subramanian Arun Kumar*	Non-Executive (Nominee-Equity investor)	09101691	10	2	N.A.	2	0	0	Tarsons Product Limited	Non- Executive (Nominee) Director

***Notes**:*

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

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

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

%Mr. Suresh Prabhala and Mr. Chetan Gupta ceased to be Non- Executive (Nominee) Director w.e.f. from 11th August 2025 and 07th February 2026 respectively.

! Mr. Ramanathan Subramanian Arun Kumar was appointed as Non- Executive (Nominee) Director w.e.f. from 17th December 2025.

NUMBER OF BOARD MEETINGS

The Board of Directors met ten (10) times during the financial year under review on 11th April 2025, 26th April 2025, 20th May 2025, 17th June 2025, 20th June 2025, 16th July 2025, 11th August 2025, 7th November 2025, 8th January 2026, and 7th February 2026.

The requisite quorum was present during all the meetings.

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

SHARES/CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

As on 31st March 2026, the Company has not allotted shares or Convertible instruments to its Non-Executive Directors.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

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

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

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

BOARD PROCEDURE

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

To enable the Board to discharge its responsibilities effectively and take informed decisions, the management apprises the Board at every meeting about performance

Corporate Governance (Contd.)

of the Company, as well as the current market conditions including the Company's business, key milestones and challenges.

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

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

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

COMMITTEES OF THE BOARD

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

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

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

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

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

a) Audit Committee

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

As on 31st March 2026, the Committee comprised of three Independent Directors and one Non- Executive (Nominee) Director.

The Committee met six (6) times during the financial year on 26th April 2025, 16th July 2025, 11th August 2025, 7th November 2025, 8th January 2026 and 6th February 2026. The gap between two meetings did not exceed one hundred and twenty days.

The composition of the Audit Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of Meetings Held	No. of Meetings attended
1	Mr. Hemant Bhargava	Chairman of the Committee (Independent Director)	6	6
2	Mr. Karuppasamy Singam	Member (Independent Director)	6	6
3	Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	6	6
4	Mr. Rohit Goyal	Member (Non-Executive Director)	6	3

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

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

The Committee acts as a link between the Statutory Auditors/ Internal Auditors and the Board of Directors of the Company.

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

The Committee recommends to the Board the appointment and remuneration payable to the Statutory Auditors.

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

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

Mr. Hemant Bhargava, Chairman of the Audit Committee was present at the 32nd Annual General Meeting of the Company held on 8th August 2025 through video conferencing and other audio-visual means.

b) Nomination and Remuneration Committee

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

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

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

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

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

As on 31st March 2026 the Committee comprised of five Independent Directors.

The Committee met four (4) times during the financial year on 24th April 2025, 16th July 2025, 7th November 2025, 8th January 2026.

All the meetings were well attended by all the Directors.

The composition of the Nomination and Remuneration Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of meetings held	No. of meetings attended
1	Mr. Rajeev Krishnamuralilal Agarwal	Chairman of the Committee (Independent Director)	4	4
2	Mr. Hemant Bhargava	Member (Independent Director)	4	4
3	Mr. Satyananda Mishra	Member (Independent Director)	4	4
4	Mr. Karnam Sekar	Member (Independent Director)	4	4
5	Mr. Karuppasamy Singam	Member (Independent Director)	4	4

Performance Evaluation Criteria for Independent Directors:

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

Corporate Governance (Contd.)

Stakeholders' Relationship Committee

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

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

As on 31st March 2026 the Committee comprised of all three Independent Directors.

The Committee met twice during the financial year on 7th May 2025 and 3rd November 2025. The meetings were attended by all the Directors.

The composition of the Stakeholders Relationship Committee and particulars of attendance at the meeting of the Committee held in FY 2025-26 is given below:

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

Mr. Satish Kumar, Company Secretary and Compliance Officer is the Compliance Officer. Mr. Rajeev Krishnamuralilal Agarwal, Chairman of the Committee was present at the 32nd Annual General Meeting of the Company held on 8th August 2025 through video conferencing and other audio-visual means.

Details of complaints/grievances received from Investors and attended by the Company during the financial year 2025-26 are given below.

Status of Investor Complaints

Sr. No.	Nature of Security	No. of complaints pending as on 1st April 2025	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on 31st March 2026
1	Equity Shares	0	4	4	0.
2	Non-Convertible Debentures	0	3	3	0

Corporate Social Responsibility Committee

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

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

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

https://www.ugrocapital.com/view-investor-relation/1175/1272.

As at 31st March 2026, the CSR Committee comprised of two Independent Directors and the Vice Chairman & Managing Director. The Chairman of the Committee is an Independent Director.

The Committee met once during the financial year. The Committee met on 1st August 2025. The composition of the Committee and particulars of attendance at the meeting of the Committee held in FY 2025-26 is given below:

Sr. No.	Name of Director	Category	No. of meetings held	No. of meetings attended
1	Mr. Satyananda Mishra	Chairman of the Committee (Independent Director)	1	1
2	Mr. Rajeev Krishnamuralilal Agarwal	Member (Independent Director)	1	1
3	Mr. Shachindra Nath	Member (Vice Chairman & MD)	1	0

Asset Liability Committee

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

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

As at 31st March 2026, the Committee comprised of four Independent Directors and the Vice Chairman & Managing Director.

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

Corporate Governance (Contd.)

The Committee met five (5) times during the financial year on 26th April 2025, 11th August 2025, 7th November 2025, 8th January 2026 and 6th February 2026.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Shachindra Nath	Chairman of the Committee (Vice Chairman & MD)	5	5
2	Mr. Satyananda Mishra	Member (Independent Director)	5	5
3	Mr. Karnam Sekar	Member (Independent Director)	5	5
4	Mr. Chetan Gupta*	Member (Non-Executive Director)	5	3
5	Mr. Hemant Bhargava	Member (Independent Director)	5	5
6	Ms. Tabassum Abdulla Inamdar	Member (Independent Director)	5	5

**ceased to be a member w.e.f. 7th February 2026*

Risk Management Committee

The constitution of the Risk Management Committee is in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

The role and terms of reference of the Committee also covers the areas as contemplated under Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations viz.to formulate a detailed risk management policy; to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; to periodically review the risk management policy; to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken etc.

As at 31st March 2026 the Risk Management Committee comprised of three Independent Directors and the Vice Chairman & Managing Director.

The Committee met five (5) times during the financial year on 26th April 2025, 11th August 2025, 7th November 2025, 8th January 2026 and 6th February 2026.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karnam Sekar	Chairman of the Committee (Independent Director)	5	5
2	Mr. Shachindra Nath	Member (Vice Chairman & MD)	5	5
3	Mr. Satyananda Mishra	Member (Independent Director)	5	5
4	Mr. Chetan Gupta*	Member (Non-Executive Director)	5	3
5	Ms. Tabassum Abdulla Inamdar	Member (Independent Director)	5	5

**ceased to be member w.e.f. 7th February 2026*

IT Strategy Committee

The Company has formulated IT Strategy Committee in compliance with the requirements of Reserve Bank of India ("RBI") Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for NBFC sector dated 7th November, 2023.

The scope of the Committee, inter alia, includes review and approval of IT strategy and policy documents, information security and IT Infrastructure arrangements and other matters as specified under the above referred Directions.

The Committee met 3 (three) times during the financial year on 26th August 2025, 31st December 2025 and 13th March 2026.

Corporate Governance (Contd.)

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karuppasamy Singam	Chairman of the Committee (Independent Director)	3	3
2	Mr. Shachindra Nath	Member (Vice Chairman & MD)	3	1
3	Ms. Tabassum Abdulla Inamdar	Member (Independent Director)	3	3
4	Mr. Karnam Sekar	Member (Independent Director)	3	3
5	Mr. Rohit Goyal	Member (Non-Executive Director)	3	1

CUSTOMER SERVICE COMMITTEE

The Company has formulated Customer Service Committee in compliance with the requirements of Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026 dated January 14, 2026.

The scope of the Committee, inter alia, to oversight on the internal grievance redressal system and internal ombudsman mechanism of the Company.

The Committee met 4 (four) times during the financial year on 4th June 2025, 5th August 2025, 3rd November 2025 and 13th March 2026.

The composition of the Committee and particulars of attendance at the meetings of the Committee held in FY 2025-26 are given below:

Sr. No.	Name of Director	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Karuppasamy Singam	Chairman of the Committee (Independent Director)	4	4
2	Mr. Shachindra Nath	Member (Vice Chairman & MD)	4	4

SENIOR MANAGEMENT/KEY MANAGERIAL PERSONNEL

Particulars of Senior Management Personnel as on 31st March 2026 are given below:

Sr. No.	Name of Key Managerial Personnel/ Senior Management Personnel	Designation
1	Mr. Shachindra Nath (KMP)	Vice Chairman & Managing Director
2	Mr. Anuj Pandey (KMP)	Chief Executive Officer
3	Ms. Shilpa Bhatter (KMP)	Chief Financial Officer
4	Mr. Satish Kumar (KMP)	Company Secretary and Compliance Officer
5	Mr. Sameer Nanda	Chief Revenue Officer
6	Mr. Sunil Lotke	Chief Legal and Compliance Officer
7	Ms. Irem Sayeed	Chief Risk Officer
8	Mr. Sharad Agarwal	Chief Operations and Technology Officer
9	Ms. Rajni Khurana	Chief People Officer
10	Ms. Kavita Shedge	Head - Internal Audit

During the financial year, Mr. Anuj Pandey was elevated and appointed as the Chief Executive Officer of the Company w.e.f. 1st July 2025. Ms. Irem Sayeed was elevated as the Chief Risk Officer of the Company with effect from 16th July 2025. Mr. Amit Mande resigned as the Chief Revenue Officer of the Company with effect from 16th July 2025 and Mr. Sameer Nanda was elevated as the Chief Revenue Officer of the Company with effect from 16th July 2025. Mr. Kishore Kumar Lodha resigned as Chief Financial Officer w.e.f. 16th July 2025 and Ms. Shilpa Bhatter appointed as Chief Financial Officer with effect from 16th July 2025.

REMUNERATION

Policy on Remuneration for Directors and senior management and criteria for determining qualifications, positive attributes and independence of a Director:

The success of an organisation in achieving good performance and good governing practices depends on its ability to attract and retain quality individuals with requisite knowledge and experience as Executive and Non-Executive Directors and employees.

The NRC reviews and assesses Board composition and recommends the appointment of new Directors, Senior Management Personnel and Key Managerial Personnel. In evaluating the suitability of an individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes:

i. All Board appointments shall be based on merit, considering the candidate's integrity, skills, experience, industry knowledge, and ability to contribute to the overall effectiveness of the Board.

ii. The candidate should possess strong leadership and management capabilities, sound decision-making ability, and a strategic perspective to identify opportunities and risks for the Company.

iii. The candidate should have the ability to contribute to the Company's growth and effectively represent the Company before various stakeholders, supported by relevant networks and external contacts

Based on recommendations of the NRC, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

Your Company has a well-defined Remuneration Policy for its Directors, Key Managerial Personnel and Senior Managerial Personnel.

The Policy is guided by a reward framework and principles as envisaged under Section 178 of the Companies Act, 2013, including criteria relating to qualifications, positive attributes, integrity and independence of Directors, and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 on compensation of Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Committee, while determining remuneration, ensures that it is reasonable and sufficient to attract, retain and motivate personnel required for the effective management of the Company.

While considering the remuneration, the NRC ensures a balance between fixed and performance-linked variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and it shall ascertain that some part of the remuneration is linked to the achievement of corporate performance targets.

The Nomination and Remuneration Policy is available on the website of the Company i.e. https://www.ugrocapital.com/view-investor-relation/1160/1272.

The Board and the NRC regularly keep track of the current and emerging market trends in terms of compensation levels and practices within the relevant industries. This information is used to review the Company's remuneration policies from time to time.

The cost to company is reviewed annually and increments are given to eligible employees based on their position, performance and market dynamics as decided from time to time.

Service Contracts, Notice Period, Severance Fees:

The Company has re-appointed Mr. Shachindra Nath, as the Vice Chairman & Managing Director of the Company for a period of three years w.e.f. 22nd June 2023 to 21st June 2026 and his notice period for resignation is 360 (three hundred and sixty) days.

Details of Stock Options granted to Executive Directors

Name of Director	No. of Options granted	Grant Price	Grant Date
Mr. Shachindra Nath	Nil	N.A.	N.A.

For disclosures with respect to remuneration of Mr. Shachindra Nath, Vice Chairman & Managing Director, please refer Directors Report.

During the financial year 2025-26, the Company did not advance loans to any of its Directors.

REMUNERATION PAID TO INDEPENDENT DIRECTORS

Independent Directors are paid remuneration in the form of sitting fees within the limits prescribed under the Act and as approved by the Board of Directors. The details of the sitting fees paid to the Independent Directors during the financial year are as follows:

Sr. No.	Name of the Director	Sitting Fees (INR)
1	Mr. Satyananda Mishra	35,00,000/-
2	Mr. Karuppasamy Singam	37,00,000/-
3	Mr. Karnam Sekar	31,00,000/-
4	Mr. Hemant Bhargava	28,00,000/-
5	Mr. Rajeev Krishnamuralilal Agarwal	41,00,000/-
6	Ms. Tabassum Abdulla Inamdar	24,00,000/-

The Non-Executive Directors (other than Independent Directors) are not entitled to receive sitting fees and any other monetary benefits.

None of the Non-Executive Directors and the Independent Directors has any material pecuniary relationship or transactions with the Company, its promoters, its Directors and its senior management. None of the directors are inter-related to each other.

CODE OF CONDUCT

The Board has laid down Code of Conduct for the Board members, Senior Management and Employees of the Company ("Code"). The Code have been posted on the Company's website at the web-link: https://www.ugrocapital.com/view-investor-relation/1154/1272.

Corporate Governance (Contd.)

The Board has also laid down a Code of Conduct for Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Vice Chairman & Managing Director to this effect is enclosed at the end of this Report as an Annexure A.

MD, CEO & CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Vice Chairman & Managing Director, Chief Executive Officer and Chief Financial Officer of the Company have jointly certified to the Board regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March 2026. The said Certificate is attached herewith to this Report as an Annexure C.

The Vice Chairman & Managing Director, Chief Executive Officer and Chief Financial Officer also jointly give quarterly certification on financial results and the same is placed before the Board along with the financial results.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings and Special Resolutions passed:

Financial Year	Date and Time	Venue	Business Transacted by Special Resolutions
2024-25	8th August 2025 11:00 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1) Authorisation for borrowing money under Section 180(1)(c) of the Companies Act, 2013 2) Authorisation to sell, lease, charge and/or mortgage property/assets of the company under Section 180(1)(a) of the Companies Act, 2013 3) To borrow funds by way of issuance of Non-Convertible Debentures
2023-24	8th August 2024 11:30 AM	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1) Authorisation for borrowing money under Section 180(1)(c) of the Companies Act, 2013 2) Authorisation to sell, lease, charge and/or mortgage property/assets of the company under Section 180(1)(a) of the Companies Act, 2013 3) To borrow funds by way of issuance of non-convertible debentures 4) To consider and approve raising of funds to the tune of INR 500 crores (Indian rupees five hundred crores only) by way of qualified institutions placement ("QIP") or through any other method, in compliance with applicable laws.
2022-23	8th August 2023 03:30 PM	BSE International Convention Hall, 1st Floor, Phiroze Jeejee bhoy Towers, Dalal Street, Fort, Mumbai- 400001.	1) To approve alteration of Articles of Association of the Company. 2) Authorisation for borrowing money under Section 180(1)(C) of the Companies Act, 2013. 3) Authorisation to sell, lease, charge and/or mortgage property/ assets of the Company under Section 180(1)(a) of the Companies Act, 2013. 4) To borrow funds by way of issuance of Non-Convertible Debentures. 5) To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores Only) by way of Qualified Institutions Placement ("QIP") or through any other method, in compliance with applicable laws. 6) Appointment of Mr. Satyananda Mishra as a Director and his re-appointment as an Independent Director of the Company for the second term. 7) Appointment of Mr. Rajeev Krishnamuralilal Agarwal as a Director and his re-appointment as an Independent Director of the Company for the second term. 8) Appointment of Mr. Karuppasamy Singam, as a Director and his re-appointment as an Independent Director of the Company for the second term. 9) To approve appointment of Mrs. Deepa Agar Hingorani as Director of the Company.

Corporate Governance (Contd.)

Details of Extra-ordinary General Meetings held during the Financial Year:

No Extra-ordinary General Meetings of the Shareholders were held during the financial year 2025-26.

Postal Ballot:

During the financial year 2025-26, the Company passed the following Resolutions through Postal Ballot:

Postal Ballot No. 1

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 1	1	Acquisition of the Profectus Capital Private Limited	Special Resolution
	2	Issuance of Compulsory Convertible Debentures (CCDs) on Preferential Basis to the Identified Investors	Special Resolution
	3	Increase in Authorised Share Capital of the Company	Special Resolution
	4	Alteration in Capital clause of the Memorandum of Association of the Company	Special Resolution

a) **Scrutinizer details:**

Mr. Pankaj Kumar Nigam (ICSI Membership No. FCS 7343) was appointed as Scrutinizer to conduct and scrutinize the postal ballot process and votes cast (through remote e-voting only) in a fair and transparent manner.

b) **Details of Voting Pattern:**

Particulars	Percentage of Total Votes Polled (in %)				Result
	Item no. 1	Item no.2	Item no.3	Item no.4	
Votes in favour of the resolution	76.8476	76.8616	76.8655	76.8548	Passed with requisite majority on 20th July 2025.
Votes against the resolution	23.1524	23.1384	23.1345	23.1452	
Total	100.00	100.00	100.00	100.00	

c) **Procedure for Postal Ballot:**

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 20th June 2025 and corrigendum to Notice of Postal Ballot dated 16th July 2025 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on cut-off date i.e. Friday, 13th June 2025 and who had registered their e-mail addresses with Company/ RTA/Depositories/Depository Participants. Hard copy of the Postal Ballot Notice along with the Postal Ballot Form and pre-paid business reply envelope were not sent to the Members for the Postal Ballot in accordance with the MCA Circulars and Members were required to communicate their assent or dissent only through the remote e-voting system.

The newspaper advertisements in connection with postal ballot notice and corrigendum to the Notice of Postal Ballot were published, both in Business Standard newspaper (English) having nation-wide circulation and Navshakti (Marathi) having circulation in the State of Maharashtra on 21st June 2025 and 17th July 2025, respectively in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.

The remote e-voting facility was provided by National Securities Depository Limited. The remote e-voting period commenced from 9.00 a.m. (IST) on 21st June 2025 and concluded at 5:00 p.m. (IST) on 20th July 2025. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 21st July 2025. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 21st July 2025 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company (www.ugrocapital.com).

Corporate Governance (Contd.)

Postal Ballot No. 2

Sr. No.	Item no. of Postal Ballot Notice	Resolution	Ordinary/Special Resolution
Postal Ballot No. 2	1	Appointment of Mr. Ramanathan Subramanian Arun Kumar (DIN: 09101691) as a Non-Executive (Nominee) Director of the Company	Ordinary Resolution

a) Scrutinizer details:

Mr. Pankaj Kumar Nigam (ICSI Membership No. FCS 7343) was appointed as Scrutinizer to conduct and scrutinize the postal ballot process and votes cast (through remote e-voting only) in a fair and transparent manner.

b) Details of Voting Pattern:

Particulars	Percentage of Total Votes Polled (in %)	Result
	Item no. 1	
Votes in favour of the resolution	99.9705	Passed with requisite majority on 12th March 2026
Votes against the resolution	0.0295	
Total	100.00	

c) Procedure for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 7th February 2026 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on cut-off date i.e. Friday, 6th February 2026 and who had registered their e-mail addresses with Company/ RTA/Depositories/Depository Participants. Hard copy of the Postal Ballot Notice along with the Postal Ballot Form and pre-paid business reply envelope were not sent to the Members for the Postal Ballot in accordance with the MCA Circulars and Members were required to communicate their assent or dissent only through the remote e-voting system.

The newspaper advertisement to this effect were published, both in Business Standard newspaper (English) having nation-wide circulation and Navshakti (Marathi) having circulation in the State of Maharashtra on 9th February 2026 in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.

The remote e-voting facility was provided by National Securities Depository Limited. The remote e-voting period commenced from 9.00 a.m. (IST) on 11th February 2026 and concluded at 5:00 p.m. (IST) on 12th March 2026. The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 12th March 2026. A copy of which was received by the Company Secretary duly authorised by the Chairman of the Board.

The voting results were announced on 13th March 2026 and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company (www.ugrocapital.com)

There is no matter proposed to be conducted through Postal Ballot, by way of a special resolution, as on the date of the report.

Further, during the financial year, the Company had issued a Postal Ballot Notice dated 20th May 2025 proposing for consideration and approval of issuance of Compulsorily Convertible Debentures (CCDs) on Preferential Basis to the identified investors. However, the said Postal Ballot was subsequently withdrawn by the Company vide the letter dated 17th June 2025 filed with the stock exchanges, before the conclusion of the voting process.

MEANS OF COMMUNICATION

The Company, from time to time and as may be required, interacts with its shareholders, debenture holders and investors through multiple channels of communication such as announcement of financial results, annual report, media releases, dissemination of information on the website of the Company, BSE Limited and National Stock Exchange of India Limited. The details of unpaid/unclaimed Dividend are also uploaded on the website at the web-link: https://www.ugrocapital.com/view-investor-relation/1863/1272

i. The Company publishes its quarterly, half-yearly and annual results in Business Standard/ Free Press Journal (all India editions), and Navshakti (Mumbai edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.

ii. The Company also publishes certain key Notices as per statutory requirements in Business Standard and/or Free Press Journal and/or Navshakti.

iii. The Annual Report of the Company, the quarterly/half yearly and the annual financial results and official press releases are displayed on the Company's website at https://www.ugrocapital.com/investor-relation#ANNUAL_REPORTS.

iv. The Company discloses to the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), all information required to be disclosed under Regulation 30 and 51 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the online portal of BSE and NSE.

v. The Company also makes presentations to international and national institutional investors and analysts which are also uploaded on stock exchanges.

These presentations and other disclosures which are required to be disseminated on the Company's website under the SEBI Listing Regulations have been uploaded on the website of the Company and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures.

vi. The Company has provided a dedicated e-mail address (whistleblower@ugrocapital.com) under its Vigil Mechanism, for reporting concerns by all employees, directors, customers, dealers, vendors, suppliers or other stakeholders associated with the Company.

vii. The Company's website is a comprehensive reference on the organisation's management, vision, mission, policies, corporate governance, corporate social responsibility, sustainability, investors, corporate benefits, products and services, updates and news.

GENERAL SHAREHOLDERS INFORMATION:

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L67120MH1993PLC070739.

33rd Annual General Meeting

Date: 29th May 2026

Time: 11:00 A.M.

Venue/Mode of AGM: Video Conferencing ("VC") /Other Audio Visual Means ("OAVM")

Financial year of the Company

The financial year covers the period from 1st April to 31st March.

Book Closure

Book Closure will be from 23rd May 2026 to 29th May 2026 (both days inclusive) for the purpose of AGM.

Registered Office and Corporate Office of the Company

During the financial year under review, the Registered Office and Corporate Office of the Company was changed from Equinox Business Park, Tower-3, 4th Floor, LBS Marg, Kurla (West), Mumbai - 400070 to B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai - 400070.

Listing Details

B. Equity Shares

The Company has listed its equity shares on the following Stock Exchanges:

Name and Address of the Stock Exchange	Stock Symbol / Scrip Code	ISIN
BSE Limited Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001	511742	INE583D01011
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	UGROCAP	

The requisite listing fees for FY 2025-26 have been paid in full to both the Stock Exchanges.

None of the Company's securities have been suspended from trading.

C. Non-Convertible Debentures (NCDs) and Commercial Papers

The Non-Convertible Debentures (NCDs') of the Company comprise Secured/Unsecured, Rated, Redeemable, Listed, NCDs issued by the Company through private placement and public issuances. The NCDs are listed on the National Stock Exchange of India Limited and the BSE Limited. During the financial year 2025-26, the Company issued EURO and US dollar denominated bonds. The Commercial Papers are listed on the Debt Market Segment of BSE Limited.

Corporate Governance (Contd.)

The Company has paid the requisite listing fees for FY 2025-26 in full.

Debenture Trustee

Pursuant to Regulation 53 of the SEBI Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed and public NCDs are given below:

Sr. No.	Debenture Trustee	Contact Details
1.	Beacon Trusteeship Limited	5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400051 Tel no. 022-26558759
2	Catalyst Trusteeship Limited	901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013 Tel no. 022-49220555
3	MITCON Credentia Trusteeship Services Limited	1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 Tel no. 022-22828200
4	Vardhman Trusteeship Private Limited	3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal - 700001 Tel no. 022 - 4264 8335

Distribution of Shareholding:

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2026 is given below:

A. Shareholding pattern by size as on 31st March 2026:

Category (shares)	Number of Shareholders	Number of Shares held	% of Total Share Capital
1 to 500	33,572	35,20,321	2.27
501 to 1000	2,678	20,19,828	1.30
1001 to 2000	1,410	20,70,755	1.33
2001 to 3000	534	13,31,766	0.86
3001 to 4000	263	9,22,830	0.59
4001 to 5000	184	8,59,405	0.55
5001 to 10000	368	26,94,252	1.73
10001 and above	602	14,18,69,166	91.36
TOTAL:	**39,611**	**15,52,88,323**	**100.00**

B. Shareholding pattern by ownership as on 31st March 2026:

Sr. No.	Category	Total shareholding	% of holding
1	Promoter / Promoter Group	3,097,687	1.99
2	Foreign Company	5,20,40,404	33.51
3	Foreign Portfolio Investors	1,01,81,527	6.56
4	Hindu Undivided Family	10,33,185	0.67
5	Insurance Companies	14,29,997	0.92
6	Foreign Direct Investment	2,44,97,354	15.78
7	Key Managerial Personnel	1,27,807	0.08
8	Non-Resident Indians (NRIs)	58,25,655	3.75
9	Other Bodies Corporate	1,17,98,389	7.60
10	Employee Benefit Trust	24,72,820	1.59
11	Public	4,27,83,498	27.55
	TOTAL	**15,52,88,323**	**100.00**

Dematerialisation of Shares and Liquidity

As on 31st March 2026, 93.52 % of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

The details are as follows:

	No. of Shares as on 31st March, 2026	Percentage (%)
Dematerialised	14,52,28,363	93.52
Physical	1,00,59,960*	6.48
Total	15,52,88,323	100.00

**The Company clarifies that the physical shares pertain to the allotment of equity shares issued pursuant to the conversion of compulsorily convertible debentures during January 2026 and February 2026 and shares allotted pursuant to ESOP during January 2026. The listing applications and related corporate actions for credit of these allotments are currently under process with the stock exchanges & depositories. Upon completion of the same, the shares will be reflected in dematerialised form. Excluding this, the physical holding is 0.01%.*

Corporate Governance (Contd.)

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

As on 31st March 2026, the Company did not have any outstanding GDRs/ADRs. Further, details of the outstanding Compulsory Convertible Debentures as on 31st March 2026 mentioned below:

Sr. no.	Type of Convertible Security	Total no. of Convertible Securities issued during FY 2025-26	No. of Securities converted as on 31st March 2026	Conversion date	No. of Securities outstanding for conversion as on 31st March 2026	Impact on Equity
1.	Compulsory Convertible Debentures ("CCDs")	2,88,99,481	2,86,99,487	28th October 2025, 14th November 2025, 28th November 2025, 12th December 2025, 12th January 2026, 11th February 2026	1,99,994	Increase in paid up share capital post conversion of CCDs

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

The Company enters into derivative transactions to hedges its exposure to foreign exchange risk and interest rate risk on account of foreign currency loans. The Company has hedged all its foreign currency borrowings and is in compliance with applicable RBI guidelines in this regard.

Credit Rating

During the year under review, rating agencies reaffirmed/ issued ratings to the Company, as under:

Rating agency	Type	Rating
India Ratings & Research Private Limited	Bank Loan (Long Term)	IND A + / Positive
India Ratings & Research Private Limited	Non-Convertible Debentures	IND A + / Positive
India Ratings & Research Private Limited	Subordinated Debt	IND A + / Positive
India Ratings & Research Private Limited	Commercial Paper	IND A 1+
CRISIL Ratings Limited	Bank Loan (Long Term)	CRISIL A / Stable
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A / Stable
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A / Stable

Plant Locations

The Company is a Non-Banking Financial Company having its Registered Office and Corporate office at B-17, Fourth Floor, Art Guild House, Phoenix Market City, Kurla (West), Mumbai- 400070.

However, there are no plants as the Company is not a manufacturing entity.

Registrar and Share Transfer Agent and Share Transfer System

The Company's Registrar and Share Transfer Agent is MUFG Intime India Private Limited. All shares transfers and related operations are conducted by:

MUFG Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli (W),
Mumbai - 400 083
Tel: +91 22 49186000
Website: www.in.mpms.mufg.com
E-mail: rnt.helpdesk@in.mpms.mufg.com

Share Transfer System

In terms of Regulation 61(4) read with Regulation 40(1) of SEBI Listing Regulations, securities can be transferred only in dematerialised form. All requests for transfer and/ or dematerialisation of securities held in physical form should be lodged with the office of the Company's RTA for dematerialisation.

Appointment of Secretarial Auditor

The shareholders at the 32nd Annual General Meeting held on 8th August 2025 have approved the appointment of M/s. Pankaj Nigam & Associates, Peer Reviewed Firm of

Corporate Governance (Contd.)

Company Secretaries in Practice, as Secretarial Auditors of the Company for a term of five (5) consecutive years, to hold office from the financial year 2025-26 till the financial year 2029-30.

The Secretarial Audit Report is annexed to the Board's Report.

There is no Material Unlisted Subsidiary of the Company as on 31st March 2026 and the requirement under Regulation 24(A) of the Listing Regulations regarding the Secretarial Audit of Material Unlisted Indian Subsidiary is not applicable to the Company for the Financial Year 2025-26.

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter by M/s. Pankaj Nigam & Associates and the reconciliation of share capital audit report thereon issued by them is submitted to the Stock Exchanges.

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the financial year 2025-26 issued by Pankaj Nigam & Associates, Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, will be submitted to the BSE and NSE within 60 days of the end of the financial year.

Address for Correspondence

1. **Equity Shares**

   Shareholders may correspond with the Registrar and Transfer Agents at:

   MUFG Intime India Private Limited
   C 101, 247 Park,
   L B S Marg, Vikhroli (W),
   Mumbai - 400 083
   Tel: +91 22 49186000
   Website: www.in.mpms.mufg.com
   E-mail: rnt.helpdesk@in.mpms.mufg.com

   on all matters relating to transfer, transmission, dematerialisation of shares, payment of dividend, change of address, change in bank details and any other query relating to the equity shares of the Company.

   Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised mode.

2. **Non-Convertible Debentures**

   MUFG Intime India Private Limited also acts as Registrar and Transfer Agents for the Non-Convertible Debentures of the Company.

   Complaints or queries/requests relating to public issuances of Debentures can be forwarded to Email Id: bonds.helpdesk@in.mpms.mufg.com

   Complaints or queries/ requests with respect to the Company's Privately Placed Debentures may be directed to Email Id: cs@ugrocapital.com

   Debenture holders would have to correspond with the respective Depository Participants for debentures held in dematerialised mode.

OTHER DISCLOSURES

Disclosures of transaction with related parties:

All transactions entered into with Related Parties as defined under the Act and SEBI Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis. The details of the transactions entered with related parties are placed before the Audit Committee for their review on quarterly basis.

During FY2026, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large.

In addition to the above, as per the SEBI Listing Regulations, your Company has also submitted disclosures of Related Party Transactions to the Stock Exchanges in the prescribed format and also published it on the website of the Company.

Statutory Compliance, Penalties and Strictures during the last three years

Details of fines paid during FY 2025-26:

Nil

Details of fines paid during FY 2024-25:

1. BSE and NSE imposed fine of Rs. 23,600/- (Incl. GST @18%) each, for non-compliance of regulation 60 of SEBI (LODR) Regulations, 2015. The Company had submitted clarification to the Exchanges within prescribed timeline and fine was paid by the Company within the prescribed timeline. The Company allotted NCDs under Series I and IV of issuance, the first interest payment date was due on 27th March 2024 and the record date intimation was due to be made on

28th February 2024. However, since the said ISINs of series I (INE583D07414) and IV (INE583D07463) were not available on the BSE listing portal and NSE NEAPs portal, the Company was unable to file/upload the intimation on the prescribed due date i.e., 28th February, 2024. Nevertheless, once the said ISINs were available on both the exchanges portals, the Company filed the requisite intimation with NSE and BSE on 4th March 2024. Hence, the fine was levied.

2. BSE and NSE imposed fine of Rs. 99,120/- (Incl. GST @18%) each for non-compliance of regulation 17(1A) of SEBI (LODR) Regulations, 2015. The Company had submitted clarification to the Exchanges within prescribed timeline and fine was paid by the Company. The Company believes that it has complied with Regulation 17(1A) of SEBI (LODR) Regulations, 2015 as applicable on the date of his appointment. It is pertinent to note that SEBI vide SEBI (LODR) (Third Amendment) Regulations, 2024 dated 13.12.2024 amended Regulation 17(1A) by inserting a proviso that stated 'the listed entity shall ensure compliance with this sub-regulation at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy- five years'. This amendment reinforces the Company's interpretation of the regulation as it stood at the time of the appointment. Furthermore, Company had referred to the ruling in Nectar Life Sciences Ltd. vs SEBI & NSE, where the Hon'ble SAT clarified that "prior" approval is not a mandatory condition under the said Regulation.

   Subsequently during September 2024, Company had launched its public issue of Non-Convertible Debenture and in order to meet the eligibility criteria i.e., to clear all outstanding fines/penalties as given in the Regulation (5) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Company had, without prejudice to its legal position and the waiver application already file, paid the penalty under protest.

Details of fines paid during FY 2023-24:

1. BSE and NSE imposed fine of Rs. 11,800/- (incl. GST@18%) each, for non-compliance of Regulation 29(2)/(3) of SEBI (LODR) Regulations, 2015. The Company had submitted clarification to the Exchanges within prescribed timeline and fine was paid by the Company.

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

   No other penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets during the last 3 years.

Whistle Blower Policy

The Company has a Whistle Blower Policy and has established necessary vigil mechanism for Directors, employees, customers, dealers, vendors and suppliers or other stakeholders associated with the Company to report concerns about unethical behaviour. No individual has been denied access to the Audit Committee.

All employees, Directors, customers, dealers, vendors, suppliers or other stakeholders associated with the Company can make protected disclosures by sending an email at the designated email id: whistleblower@ugrocapital.com

The Whistle Blower Policy has been hosted on the Company's website at the web-link: https://www.ugrocapital.com/view-investor-relation/1162/1358.

Details of Compliance with mandatory requirement and adoption of the non-mandatory requirements:

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company.

The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations, is as under:

- **Modified opinion(s) in Audit Report**:

  The auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

- **Separate Posts of Chairman and Managing Director and CEO**:

  As on the date of this report, the Chairman of the Board is a Non-Executive (Independent) Director and his position is separate from that of the Vice-Chairman & Managing Director and Chief Executive Officer. They are not related to each other.

Corporate Governance (Contd.)

Policy for determining Material Subsidiaries:

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at https://www.ugrocapital.com/view-investor-relation/1179/1358.

Policy on dealing with related party transactions:

The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.ugrocapital.com/view-investor-relation/1167/1358.

Disclosure of commodity price risks and commodity hedging activities: Not applicable

Certificate from Company Secretary in Practice for non-debarment/disqualification and on Corporate Governance:

The Company has received certificate of non-disqualification of directors from M/s Pankaj Nigam and Associates, Practicing Company Secretaries. The same is enclosed as Annexure III to the Director report. The certificate on Corporate Governance is enclosed with this report as an Annexure B.

Disclosure in relation to recommendation made by Committees of the Board

During the year under review, all recommendations of the Board Committees have been accepted by the Board.

Total fees paid to the Statutory Auditors

During the FY 2025-26, total fees paid by the Company to the Statutory Auditors for all the services are given below:

Statutory Auditor	Nature	Amt in Rs (in Lakhs)
M/s Sharp and Tannan Associates, Chartered Accountants	Statutory audit fees	73.00
	Tax audit	5.00
	Limited Review + Reimbursement of Expenses	12.00
	Certification + Reimbursement of Expenses	5.91
	TOTAL	**95.91**

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Please refer the Directors Report for the said disclosure.

Details of subsidiaries/material subsidiary:

During the financial year under review, your Company acquired 100% shareholding in Profectus Capital Private Limited and Datasigns Technologies Private Limited. Consequently, Profectus Capital Private Limited and Datasigns Technologies Private Limited became wholly owned subsidiaries of the Company. Further, Ekagrata Finance Private Limited, being a wholly owned subsidiary of Datasigns Technologies Private Limited, became a subsidiary (step-down) of the Company. As on 31st March 2026, your company has no material subsidiary.

Disclosure on loans or advances:

There have been no loans or advances extended by the Company, in the nature of loans, to any firms or companies where the Directors of the Company hold an interest.

The disclosures of the compliance with corporate governance requirements:

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

Disclosure with respect to demat suspense account/ unclaimed suspense accounts:

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the SEBI Listing Regulations, the details in respect of the unclaimed Equity Shares lying in the suspense account are as under:

Sr. No.	Description	No. of shareholders	No. of shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on date of Listing	0	0
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2026	0	0

Unclaimed Dividend transferred to Investor Education and Protection Fund Authority ("IEPF")

In accordance with Sections 124 and 125 of the Companies Act, 2013 read with the IEPF Rules, dividends remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF"), along with the corresponding shares. Accordingly, an amount of Rs. 1,18,146 pertaining to the interim dividend for FY 2018-19 and 28,359 equity shares were transferred to the IEPF on August 8, 2025, upon completion of the prescribed period.

The Company had duly issued notices to the concerned shareholders and published newspaper advertisements prior to such transfer, in compliance with the applicable provisions. Shareholders may claim their dividend/shares from the IEPF Authority as per the prescribed procedure.

Disclosure of Accounting Treatment in Preparation of Financial Statements

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

Corporate Governance (Contd.)

Annexure A

DECLARATION REGARDING CODE OF CONDUCT OF THE COMPANY

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March 2026.

For UGRO Capital Limited

Sd/-
Shachindra Nath
Vice Chairman & Managing Director

Date: 20/04/2026
Place: Mumbai

Annexure B

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

UGRO Capital Limited
B-17, Fourth Floor, Art Guild House,
Phoenix Market City, Kurla (West),
Mumbai- 400070

We have examined the compliance of the conditions of Corporate Governance by UGRO Capital Limited ('the Company') for the year ended on 31st March, 2026 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para-C, D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI LODR Regulations during the financial year ended on 31st March, 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

Date: 20.04.2026
Place: Ghaziabad

Sd/-
(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No.: 7979
UDIN: F007343H000145118

Corporate Governance (Contd.)

Annexure C

MD, CEO & CFO CERTIFICATE

To,
The Board of Directors
UGRO Capital Limited
B-17, Fourth Floor, Art Guild House,
Phoenix Market City, Kurla (West),
Mumbai- 400070

Dear Madam/Sir(s),

A. We have reviewed audited financial statements (Standalone & Consolidated) for the quarter and year ended 31st March 2026 and that to the best of our knowledge and belief:

   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and financial year ended 31st March 2026 which are fraudulent, illegal or violative of the Company's code of conduct;

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

D. We have indicated to the auditors and the Audit Committee:

   (i) significant changes, if any, in internal control over financial reporting during the quarter and year ended 31st March 2026;

   (ii) significant changes in accounting policies, if any, during the quarter and year ended 31st March 2026 and that the same have been disclosed in the notes to the financial statements;

   (iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and

   (iv) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-
Anuj Pandey
Chief Executive Officer

Sd/-
Shilpa Bhatter
Chief Financial Officer

Date : 20/04/2026
Place: Mumbai

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I.	Details of the listed entity	
1.	Corporate Identity Number (CIN) of the Listed Entity	L67120MH1993PLC070739
2.	Name of the Listed Entity	UGRO Capital Limited
3.	Year of incorporation	1993
4.	Registered office address	B-17, 4th floor, Art Guild House, Behind Phoenix Market City, Kurla (W), Mumbai - 400070.
5.	Corporate address	B-17, 4th floor, Art Guild House, Behind Phoenix Market City, Kurla (W), Mumbai - 400070.
6.	E-mail	cs@ugrocapital.com
7.	Telephone	+91 22 49194400
8.	Website	www.ugrocapital.com
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ('BSE') National Stock Exchange of India Limited ('NSE')
11.	Paid-up Capital as on 31st March, 2026	Rs. 155,28,83,230/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Satish Kumar-Company Secretary and Compliance Officer cs@ugrocapital.com +91 22 49194400
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14,	Name of assessment or assurance provider	Not applicable
15.	Type of assessment or assurance obtained	Not applicable

Business Responsibility & Sustainability Report (Contd.)

II. Products/services

16 Details of business activities *(accounting for 90% of the turnover)*:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured loans, micro enterprises loans, machinery loans, unsecured business loans and supply chain financing.	96%

17 Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*:

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Non-Banking Finance Company engaged in lending and allied activities	64990 Other financial service activities, except insurance and pension funding activities.	96%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Offices	Number of branches	Total
National	7	317	324
International	0	0	0

19 Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States and union territories)	15
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable: The Company is a Non-Banking Finance Company and is into lending business in India

c. A brief on types of customers:

As a financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable segments of our society i.e. MSME. We typically cater MSMEs that have turnover ranging from Rs. 10 lacs to Rs 200 crores.

Business Responsibility & Sustainability Report (Contd.)

These could be engaged in trading, manufacturing or service industry. Mostly these MSMEs come from target sectors like healthcare, Light Engineering, FMCG and food processing etc. Almost all our customers are credit tested and have existing credit history and bureau presence.

IV. Employees

20 Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	2095	1921	91.7%	174	8.3%
2.	Other than Permanent (E)	1	1	100%	0	0
3.	**Total employees (D + E)**	2096	1922	91.7%	174	8.3%

Note - Details related to workers are not applicable as we have not employed any workers during the reporting period

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	1	1	100%	0	0

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11%
Key Management Personnel	4	1	25%

22 Turnover rate for permanent employees and worker ***(Trends for the past 3 years)***

	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in previous FY)			FY 2024 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32%	31%	31%	28%	31%	29%	40%	28%	39%

Business Responsibility & Sustainability Report (Contd.)

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Profectus Capital Private Limited (WOS of the Company)	Subsidiary	100	No
2	Datasign Technologies Private Limited (WOS of the Company)	Subsidiary	100	No
3	Ekagrata Finance Private Limited (WOS of Datasign Technologies Private Limited)	Subsidiary (Step Down)	0	No

WOS : Wholly Owned Subsidiary

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes*

(ii) Turnover - 1,766.24 Crores

(iii) Net worth - 2,844.71 Crores

** Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and based on the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 ("the Act"), the Company was not required to incur any CSR expenditure for the financial year 2025 - 26 under Section 135(5) of the Act.*

However, in alignment with the Company's ongoing commitment to social responsibility, an amount of Rs. 3,95,000/- (Rupees Three Lakh Ninety-Five Thousand Only) was voluntarily spent on CSR activities during the financial year 2025 26. The said voluntary expenditure has been disbursed and utilised for the purpose specified herein, in accordance with Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

Details of CSR expenditure has been separately given in the CSR annexure report.

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*#	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)*	Yes	4	0	-	3	0	-
Shareholders	Yes	3	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	477	5	-	500	16	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	No	0	0	-	0	0	-

* *Investors includes debenture holders of the Company*

\# *All applicable grievance policies are available on the website of the Company https://www.ugrocapital.com/investor-relation#subcategory-policies*

Business Responsibility & Sustainability Report (Contd.)

26 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion	Opportunity	MSME sector is backbone of Indian economy contributing 30% to GDP and employing ~ 11 Cr people, MSME's are expected to play a crucial role in India's overall economic growth to its mission to become a $5 trillion GDP country however, only 35% of total addressable demand is currently served through formal credit channel and thus credit availability is a huge pain point for MSMEs in India and acts as one of the deterrents to their growth. Currently there is a wide credit gap of ~ INR 40 Lakh Cr in MSME financing which is currently reliant on informal sources of finance and cannot be completely addressed by traditional underwriting models.	-	Positive. UGRO has developed a unique credit underwriting model which is scalable and templatised by adopting a sectoral lending approach. The Company through its Data analytics prowess and technology strength has automated the lending tripod of Banking, Bureau and GST in its AI / ML driven scoring model GRO Score which support < 60 mins of in principle credit decisioning for MSMEs.
2	Climate Change	Opportunity	The Sustainable Development Goals (SDGs), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. To support UN in achieving SDG's, the Government of India is implementing the National Action Plan on Climate Change which provides an overarching policy framework for all climate actions including mitigation and adaptation. It comprises eight core Missions in specific areas of solar energy, enhanced energy efficiency, sustainable habitat, water, sustaining Himalayan ecosystems, Green India, sustainable agriculture and strategic knowledge for climate change.		Positive. UGRO through its sectoral lending approach is naturally equipped to create an impact by lending to businesses engaged in supporting Green Energy. By virtue of the sectoral lending approach UGRO's lending directly promotes use of Electric Vehicles and Rooftop Solar which are instrumental in reducing the overall carbon footprint.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Data Security and Privacy	Risk	The Company has access to vast amount of data related to its borrowers. A data leak in any form or through any medium poses a large threat to company and it can suffer from financial loss, reputational harm, loss of consumer trust and brand erosion.	The Company has implemented the following controls for data security: -Robust encryption protocols and data masking mechanisms to protect client personal data. -Strict access control procedures, based on need-to-know and least privilege principles. -Regular Information Security audits and vulnerability assessments, to identify and eliminate potential data security risks in the company's systems. -Regular data backups and disaster recovery plans are defined, to ensure data integrity and availability in case of system failures or breaches. In addition to this, the Company has a well defined information security framework, that provides overall strategy to protect data, infrastructure and IT systems.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1 a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	https://www.ugrocapital.com/investor-relation#CORPORATE_GOVERNANCE								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Nil. However, the Company adheres to Fair Practices Code issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organisation acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC) and may over a period develop tangible commitments, goals and targets.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements -

- Obtaining data is a huge challenge. First identifying and then how to obtain this. For an organisation like UGRO that is focused on funding MSME sector, this is the biggest problem as this is an unorganised sector with borrowers having limited records/ reported information. There is no standard format that can be used to extract data that is credible. Hence, we have to rely on crude methods like survey.
- Data storage and analysis. ESG analysis by investors and others and ESG integration within companies require a huge talent pool and it is a big challenge as it is a relatively newer field. Most companies lack qualified internal resources to implement ESG initiatives effectively. Instead, they must rely on external consultants. While this comes at a cost, it may be an effective way to outsource and comply with the need.
- Implementation at borrower level. The real impact will come only if borrowers agree to changes suggested by us in the way they do business. But this is hindered by two things. First, the lender's influence on borrower. If UGRO is not the only / biggest lender to the borrower, chances that we will be able to influence borrower behavior are very low. Second, borrower's capacity to undertake / implement the suggested changes, as our target segment is small MSME who may not be able to spare funds from their already limited working capital.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors of the Company
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	As a governance practice, all the policies of the Company are reviewed on an annual basis or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the BOD as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																	

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	Evaluation is a continuous process and is done internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable								
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next financial year (Yes/No)	Not applicable								
Any other reason (please specify)	Not applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	On an ongoing basis, the Company carries out familiarisation programs for its directors, as required under the SEBI Listing Regulations and on an ongoing basis keeps the Directors and KMP abreast on matters relating to the industry, business models, risk metrices, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel	All the Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Directors and Senior Management'. A declaration signed by the Vice Chairman and Managing Director to this effect is enclosed to the Corporate Governance Report forming part of the Annual Report.		

Employees other than BOD and KMPs	UGRO is committed to continuous learning and capability building. New employees are onboarded through a structured induction program designed to equip them with essential knowledge and skills from day one. We invest considerable time and resources in employee training and development to ensure our teams remain at the forefront of industry trends and emerging technologies. In addition, periodic awareness campaigns on key topics are conducted through internal communication channels such as emails, physical and digital posters, and banners. These initiatives cover a wide range of subjects, including Anti-Money Laundering (AML), Information Security, and Prevention of Sexual Harassment (POSH).	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding fee	Nil				

Non Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	

Business Responsibility & Sustainability Report (Contd.)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-

The aspects about Anti-Corruption/Anti-bribery are a part of 'Code of Conduct and Business Ethics' of the Company.

UGRO CAPITAL LIMITED strictly prohibits any form of bribery or corruption, whether direct or indirect. The Company expects all individuals associated with it to comply with applicable anti-bribery laws and regulations. UGRO is unwavering in its commitment to promoting ethical business practices and maintaining a corruption-free environment.

UGRO CAPITAL LIMITED is dedicated to conducting its business in a fair, honest, ethical, and integrity-driven manner. This Anti Bribery and Anti-Corruption Policy delineates the principles and guidelines that all employees, agents, contractors, and representatives must strictly adhere to when conducting business on behalf of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. : NA

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

	FY 2025-26	FY 2024-25
Number of Days of accounts payables	The Company being an NBFC, this is not applicable	

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Being a financial services company, these disclosures are not applicable to us.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	86.29%	Nil

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not Applicable		
Capex			

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** - No

   b. If yes, what percentage of inputs were sourced sustainably? - NA

Business Responsibility & Sustainability Report (Contd.)

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. -**

   Given the service-oriented nature this is not applicable for our Company.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. -**

   Given the nature of our operations, Extended Producer Responsibility (EPR) does not apply to our business.

PRINCIPLE 3	Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits**		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1921	1921	100%	1921	100%	-	-	1921	100%	-	-
Female	174	174	100%	174	100%	174	100%	-	-	174	100%
Total	2095	2095	100%	2095	100%	174	100%	1921	100%	174	100%
Other than Permanent employees											
Male	1	1	100%	1	100%	NA	NA	NA	NA	NA	NA
Female	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	100%	1	100%	NA	NA	NA	NA	NA	NA

* The Maternity Leave benefit has been extended to all female employees of the Company.

** The Paternity Leave benefit has been extended to all male employees of the Company

b. **Details of measures for the well-being of workers:** NA

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company*	0.34%	0.49%

Note Total Revenue = Revenue from Operations + Other Income.
Expense includes Group Term Life +Group Medical Insurance + Group Accidental insurance for the vendors.
The expenses considered above are as per Financial Statements (Amortised expenses and does not represent actual fund flow)

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

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	3.2%	NA	Y	3.3%	NA	Y
Others-please specify	0	0	0	0	0	0

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. - Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.-** Yes, the Company has in place a policy on equal opportunities, and dedicated Policy on the Rights Person with Disability which are made accessible to all the employees through the Company's intranet. We strive to provide equal opportunities to all employees and qualified applicants without discrimination on the grounds of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or special ability.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	82%	NA	NA
Female	83%	67%	NA	NA
Total	99%	84%	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No *(If Yes, then give details of the mechanism in brief)*
Permanent Employees	Yes - The Company has in place a Grievance Redressal policy (Applicable only to employees of the Company)
Other than Permanent Employees	NA

Business Responsibility & Sustainability Report (Contd.)

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**2095**	**0**	**0**	**2149**	**0**	**0**
- Male	1921	0	0	1944	0	0
- Female	174	0	0	205	0	0

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1921	1025	53%	1349	70%	1944	1105	56.8%	1130	58.1%
Female	174	73	42%	96	55%	205	95	46.3%	65	31.7%
Total	2095	1098	52%	1445	69%	2149	1200	55.8%	1195	55.6%

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

Category	FY (2025-26)			PY (2024-25)		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	1921	1415	73.6%	1944	1413	72.7%
Female	174	156	89.6%	205	156	76.1%
Total	2095	1571	74.9%	2149	1569	73.01%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes/ No)***. -

No, however, all our corporate offices and branches have basic provisions for proper ventilation, branch hygiene & sanitation, emergency exits, first aid boxes etc.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?-

As a responsible business entity, we understand the importance of providing a workplace that is free of work-related hazards and risks. In order to ensure the best interest of our employees and to safeguard the health and wellbeing of all, we put active efforts towards providing a work environment that uplifts the mental and physical wellness of all. We comply with all necessary requirements of a safe workplace, and we conduct routine checks to eliminate any possible risk that might exist in our premises

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)- Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-

Yes. UGRO has insured its employees under group term insurance, health insurance and accidental insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place-

We adhere to all the relevant regulations and laws governing workplace health and safety. The Company has provided Fire Extinguishers to all the locations and briefed employees on how to use it. Also, company has provided water dispenser where we use water jars.

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	11%*
Working Conditions	11%*

*Calculated basis number of branches as on March 31, 2026

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. -

No corrective actions pertaining to above mentioned parameters was necessitated by UGRO during the year under review.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity-**

   Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. Based on this, the key stakeholders identified by the Company are its customers, investors, lenders, shareholders, regulators, value chain partners, employees and the society.

   Your Company understands the impact of its policies, decisions, products & services and associated operations on the stakeholders. In line with its policies, practices and processes, the Company engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

   The Company also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	To foster transparent and proactive communication with investors, UGRO Capital ensures regular updates through quarterly financial results, investor call / meetings and Annual General Meetings. Key information is shared via stock exchanges, press releases, participation in investor conferences, interactive WhatsApp bot and the Company's website. The Company is also proactive in communicating important updates all investors via individual emails. In addition, the Company also share insights and financial updates to its prospective investors, shareholders and debenture holders. Dedicated IR team handles Investors queries.	Frequent and need based	To inform about the performance, major developments and other relevant updates regarding the Company.

Customers	No	Omnichannel experience through digital, hybrid, and human touchpoints. Support via chatbots, WhatsApp services, self-help website, and customer care hotlines.	Frequent and need based	Servicing throughout the lifecycle of the customer and address queries / grievances that the customer may have.
Employees	No	Structured communication, feedback loops, capability-building programs, recognition initiatives, and engagement surveys. Townhalls and periodic events foster alignment and morale.	• Ongoing • Continuous • Quarterly • Annually • Continuous	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth.
Regulators	No	To maintain strong regulatory adherence, the organisation prioritises prompt reporting, continuous communication, and active participation in policy consultations. This commitment is further demonstrated through periodic interactions during audits and inspections, as well as by playing active role in industry bodies to address regulatory challenges and business policy matters.	As prescribed under regulations and need based	Compliance with regulatory standards Ethical and responsible corporate conduct Transparency in financial and operational performance Fair treatment of employees and customers
Vendors	No	Existing procurement policy ensures fair onboarding, confidentiality, and sustainability alignment. Collaboration includes technical support and training.	As needed	Fair and ethical business contracts Transparent and long-term partnerships ESG-conscious procurement and sustainability alignment Technical collaboration and training support

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26* Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/ C)
Employees						
Permanent	2095	1098	52%	1359	1305	96%
Other than permanent	0	0	0	0	0	0
Total employees	2095	1098	52%	1359	1305	96%

*For FY205-26, total number of employees considered as per requirement.

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

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F/ D)
Employees										
Permanent	2095					2149				
Male	1921	0	-	1921	100%	1944	0	-	1944	100%
Female	174	0	-	174	100%	205	0	-	205	100%
Other than permanent	1									
Male	1	0	-	1	100%	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration/ wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) *	1	7,00,00,000	0	0
Key Managerial Personnel **	2	1,86,10,000	1	1,45,00,000
Employees other than BoD and KMP	1918	6,72,996	173	7,16,508

* Remuneration of Vice Chairman & Managing Director has been considered.

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

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

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	11.02%	11.55%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? -** Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
Yes, The Company has in place a Grievance policy.

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	Disposed	3	0	Disposed
Discrimination at workplace	0	0		0	0	0
Child Labour	0	0		0	0	0
Forced Labour/ Involuntary Labour	0	0		0	0	0
Wages	0	0		0	0	0
Other human rights related issues	0	0		0	0	0

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	3
Complaints on POSH as a % of female employees / workers	1%	1%
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

UGRO has formed a Grievance Redressal Committee for all employees including the persons with disabilities and transgender persons to report any discrimination. The mechanism will be easily accessible and ensure confidentiality and non-retaliation. All complaints will be investigated promptly, and appropriate action will be taken by the Grievance Redressal Committee.

9. **Do human rights requirements form part of your business agreements and contracts?** - Yes

Business Responsibility & Sustainability Report (Contd.)

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others - please specify	0

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. - Not applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**FY 2025-26 *(Current Financial Year)***	**FY 2024-25 *(Previous Financial Year)***
From renewable sources		
Total electricity consumption (A)	234.74 GJ	0
Total fuel consumption (B)	0	0
Energy consumption sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	234.74 GJ	0
From non-renewable sources		
Total electricity consumption (D)	3617.14 GJ	5070.80 GJ
Total fuel consumption (E)	0	0
Energy consumption sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	3617.14 GJ	5070.80 GJ
Total energy consumed (A+B+C+D+E+F)	3851.88 GJ	5070.80 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000000218	0.000000363
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000498	0.00000831
Energy intensity in terms of physical output	NA	NA
Energy intensity *(optional)* - the relevant metric may be selected by the entity	NA	NA

***The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **No**

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - No**

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26 *(Current Financial Year)*	FY 2024-25 *(Previous Financial Year)*
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	25,642	23,600
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	25,642	23,600
Total volume of water consumption (in kilolitres)	25,642	23,600
Water intensity per rupee of turnover *(Water consumed / Revenue from operations)*	0.00000145	0.00000188
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.0000332	0.00003868
Water intensity in terms of physical output	NA	NA
Water intensity *(optional)* - the relevant metric may be selected by the entity	NA	NA

**** The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.***

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26 *(Current Financial Year)*	FY 2024-25 *(Previous Financial Year)*
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	
- No treatment		
- With treatment - please specify level of Treatment		
(ii) To Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Note:Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Business Responsibility & Sustainability Report (Contd.)

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

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	***Please specify unit***	**FY 2025-26** ***(Current Financial Year)***	**FY 2024-25** ***(Previous Financial Year)***
NOx		NA	
SOx		NA	
Particulate matter (PM)		NA	
Persistent organic pollutants (POP)		NA	
Volatile organic compounds (VOC)		NA	
Hazardous air pollutants (HAP)		NA	
Others - please specify		NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NA**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	***Unit***	**FY 2025-26** ***(Current Financial Year)***	**FY 2024-25** *(Previous Financial Year)*
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	NA	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensityper rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity *(optional)* - the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

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

9. Provide details related to waste management by the entity, in the following format: **The Company being an NBFC the below matrices are not applicable**

Parameter	**FY 2025-26 *(Current Financial Year)***	**FY 2024-25 *(Previous Financial Year)***
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	Not Applicable	
E-waste ***(B)***		
Bio-medical waste ***(C)***		
Construction and demolition waste ***(D)***		
Battery waste ***(E)***		
Radioactive waste ***(F)***		
Other Hazardous waste. Please specify, if any. ***(G)***		
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G+ H)		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity *(optional)* - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

Business Responsibility & Sustainability Report (Contd.)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. - ***NA***

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).
    If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, your Company is in compliance with applicable environmental norms				

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. - 12

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Associated Chambers of Commerce and Industry of India	National
2	Confederation of Indian Industry	National
3	Fintech Association for Consumer Empowerment	National
4	Finance Industry Development Council	National
5	PHD Chamber of Commerce and Industry	National
6	Unified Fintech Forum (DLAI)	National
7	IMA CEO/CFO Forum	National
8	IMC Chamber of Commerce	National
9	Federation of Indian Chambers	National
10	PSL Association of India	National
11	Sahamati	National
12	Federation of Indian Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not applicable	

PRINCIPLE 8	Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Nil		

Business Responsibility & Sustainability Report (Contd.)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

   The Company, being an NBFC, has put in place a Board approved grievance redressal mechanism under the RBI's Fair Practices Code which prima facie deals with the grievances of the customers. The said mechanism also receives and deals with the grievances received from public at large.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	28.15%	44.02%
Sourced directly from within the district and neighbouring districts	We ensure to source all input materials locally, wherever feasible.	

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	-	-
Semi-urban	30%	4%
Urban	13%	14%
Metropolitan	57%	82%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. -

   The Company has in place Grievance Redressal Mechanism (GRM) to resolve the issues/ complaints/ grievances raised by the customers. The GRM includes multiple channels of raising complaints and escalation matrix to resolve the complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA*
Safe and disposable usage	NA
Recycling and/or safe disposal	NA

*The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like Emerging Market Loan, Machinery Loan, and Embedded Finance.

Business Responsibility & Sustainability Report (Contd.)

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending during the year		Received during the year	Pending during the year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	477	5	-	500	16	-

4. Details of instances of product recalls on account of safety issues:

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

Note: The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured loans, emerging market loans, machinery loans, unsecured business loans and supply chain financing and does not manufacture any products.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

   Yes, your Company being a Non-Banking Finance Company has implemented Cyber Security framework as per RBI's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The Company has developed Cyber security and Privacy policies, related controls are monitored through tools and governance methods.

   The link to online privacy policy is https://www.ugrocapital.com/privacy-Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services :

   Establishment of 24x7 Security Operations Center (SOC):

   A dedicated 24x7 in-house SOC has been implemented to actively monitor, detect, and respond to cybersecurity threats in real-time. This ensures round-the-clock visibility and faster incident handling to protect customer data and critical systems.

   Deployment of Extended Detection and Response (XDR):

   To enhance advanced threat detection capabilities, we have implemented an XDR solution that integrates telemetry across endpoints, servers and network. This provides better correlation, faster threat hunting, and improved response to sophisticated threats such as malware and ransomware.

   Secure VPN Access with MFA:

   Access to our infrastructure is strictly restricted through a secure Virtual Private Network (VPN). To further enhance security, Multi-Factor Authentication (MFA) has been enforced specifically for elevated and privileged access, ensuring only authorised and verified users can connect to critical internal systems.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: No data breach instances were observed

   b. Percentage of data breaches involving personally identifiable information of customers: Not applicable

   c. Impact, if any, of the data breaches: Not applicable

INDEPENDENT AUDITOR'S REPORT

To The Members of UGRO Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Ugro Capital Limited** (the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material and other accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, of its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Impairment of loans including Expected Credit Loss (ECL)	
Total loans as at March 31, 2026 was Rs. 10,29,316.55 lakh (net of ECL), (Refer Note 6 to the consolidated financial statements) Impairment provision as at March 31, 2026: Rs. 17,542.60 lakh, (Refer Note 6 to the consolidated financial statements) *Ind AS 109, Financial Instruments* requires the Company to provide for impairment of its financial assets using the ECL approach. The Company has Board approved Policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to ECL model. ECL model involves an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the loans and advances. In the process, a significant degree of judgement has been applied by the management of the Company including but not limited to the following matters: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; c) Staging of loans and estimation of behavioural life; d) Models developed by the Company that derive key assumptions used within the provision calculation such as Probability of Default (PD) and Loss Given Default (LGD). Since, the impairment of loans including ECL requires a significant level of estimation and given its significance to the overall audit, we have ascertained impairment of loans including ECL as a key audit matter.	Our audit procedures were focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following: Process understanding and Test of Controls: 1. Read the Company's Board approved Policy on ECL and accounting policies for estimation of ECL loss on financial assets (as explained in Note 2B - (14)(c) to the consolidated financial statements) and evaluated the appropriateness of the same with the principles of the Standard Ind AS 109 and Prudential Norms laid down by Reserve Bank of India (RBI). 2. Tested the design and effectiveness of internal controls over the completeness and accuracy of the Exposure At Default (EAD) and the classification thereof into stages consistent with the definitions applied in accordance with the approved Policy, including the appropriateness of the qualitative factors to be applied. Test of details: 3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following: a. Evaluated underlying data related to estimates and judgements used for developing ECL models. b. Verified that PD is computed as per the internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time. Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach and an internal model which factors post default recovery rates and collateral value in case of secured loans. c. Verified whether appropriate staging of assets have been performed basis their days past due. Ensured the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. d. Verified the impairment provision for Stage 3 exposures considering the management's estimate of future cash flows for those exposures and checked the resultant provision. e. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan. f. Verified the ECL provision on restructured cases pursuant to the RBI Circular, on a sample basis. g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy. h. Verified the impairment provision under the Standard, Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning Norms (IRACP) (including standard asset provisioning) to determine the need to create an Impairment Reserve. i. Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness. j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Standard.

Independent Auditor’s Report (Contd.)

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group and of its associate or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and its associate are responsible for overseeing the financial reporting process of the Group and its associate.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements of three (3) subsidiaries, whose financial statements reflect total assets of Rs. 298,718.01 lakh as at March 31, 2026; total revenues of Rs. 20,200.26 lakh and net cash inflows amounting to (Rs. 2,169. 20 lakh) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with

Independent Auditor's Report (Contd.)

the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Indian Accounting Standards specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary companies incorporated in India, where applicable, to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - (Refer Note 41 to the consolidated financial statements);

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India;

(iv) (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in 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 Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.

(v) The Holding Company has not declared nor paid any dividend during the year. Further, based on the audit reports of the subsidiary companies incorporated in India, those entities have not declared nor paid any dividend during the year. Accordingly, reporting on the compliance with Section 123 of the Act is not applicable; and

(vi) Based on our examination, which included test checks, we observed that the Holding Company has used accounting software systems to maintain its books of account for the financial year ended March 31, 2026. Certain softwares are operated and maintained by third parties and the Holding Company does not have direct access to system programs or the databases of such softwares. Therefore, without an independent auditor's report or a SOC 2 Report pertaining to related systems covering the audit period regarding controls at the service organisation, we are unable to comment upon on whether the audit trail (edit log) feature was enabled and operated for all relevant transactions recorded in the specified softwares, including any instance of audit trail being tampered with and its statutory requirements for record retention. In case of other softwares: (a) the Holding Company has enabled the audit trail (edit log) for transactions accounted for throughout the year; and (b) we have not come across any instance of the audit trail being tampered with and the same has been preserved by the Holding Company as per the statutory requirements for record retention.

With respect to subsidiary companies incorporated in India, the respective auditors whose reports have been furnished to us by the management of the Holding Company, have reported that those subsidiaries who have used accounting software systems for maintaining their books of account for the financial year ended March 31, 2026 have enabled the audit trail (edit log) feature and the same was operated for all the relevant transactions recorded in the specified softwares. Further, the respective auditors have reported that they have not come across any instance of the audit trail feature being tampered with and the same has been preserved by the subsidiary companies incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on our audit of Holding Company and on the consideration of the report of other auditors on separate financial statements of the subsidiaries incorporated in India as noted in the 'Other Matter' paragraph, there are no matters to be specified in paragraphs 3(xxi) of the Order.

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

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 26037457RBWBCF1289

Mumbai, April 20, 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the **Ugro Capital Limited** (the 'Holding Company') as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three (3) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 26037457RBWBCF1289

Mumbai, April 20, 2026

CONSOLIDATED BALANCE SHEET
as at March 31, 2026

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2026
I. ASSETS		
Financial assets		
Cash and cash equivalents	3	137,752.72
Bank balances other than cash and cash equivalents above	4	44,735.35
Derivative financial instruments	5	9,500.90
Loans	6	1,029,316.55
Investments	7	73,737.83
Other financial assets	8	13,516.11
		1,308,559.46
Non-financial assets		
Current tax assets (net)	9	1,597.27
Property, plant and equipment	10	3,304.75
Non-current assets held for sale	11	25,548.17
Right-of-use assets	12	7,533.67
Intangible assets under development	13	2,403.35
Goodwill on consolidation		34,163.29
Other intangible assets	14	6,162.08
Other non-financial assets	15	18,230.10
		98,942.68
TOTAL ASSETS		**1,407,502.14**
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	5	41.74
Payables	16	
(A) Trade payables		
(I) total outstanding dues of micro enterprises and small enterprises		2.95
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		4,493.46
(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		1,356.66
Debt securities	17	322,022.08
Borrowings (other than debt securities)	18	710,331.56
Subordinated liabilities	19	45,874.69
Other financial liabilities	20	12,288.86
		1,096,412.00

CONSOLIDATED BALANCE SHEET
as at March 31, 2026

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2026
Non-financial liabilities		
Current tax liabilities (net)	21	2,330.02
Provisions	22	11,759.91
Deferred tax liabilities (net)	23	4,826.62
Other non-financial liabilities	24	1,571.68
		20,488.23
TOTAL LIABILITIES		**1,116,900.23**
EQUITY		
Equity share capital	25	15,281.56
Other equity	26	275,320.35
TOTAL EQUITY		**290,601.91**
TOTAL LIABILITIES AND EQUITY		**1,407,502.14**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2026
Revenue from operations		
Interest income	27	137,024.11
Fees and commission income	28	10,362.38
Net gain on fair value changes	29	1,819.20
Net gain on derecognition of financial instruments under amortised cost category	30	44,500.45
Total revenue from operations		**193,706.14**
Other income	31	8,404.99
Total income		**202,111.13**
Expenses		
Finance costs	32	95,429.07
Net loss on fair value changes	33	1,001.59
Impairment on financial instruments	34	20,939.40
Employee benefits expenses	35	29,632.64
Depreciation and amortisation	36	7,032.77
Other expenses	37	23,725.16
Total expenses		**177,760.63**
Profit before exceptional items and tax		**24,350.50**
Exceptional items		**-**
Profit before tax		**24,350.50**
Tax Expense:		
(1) Current tax		3,968.01
(2) Deferred tax		2,908.52
(3) (Excess)/Short provision of tax of earlier years		(7.45)
Total tax expenses		**6,869.08**
Profit for the year (A)		**17,481.42**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2026
Other comprehensive income		
Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans		459.58
- Income tax relating to items that will not be reclassified to profit or loss		(131.58)
Sub-total (B)		**328.00**
Items that will be reclassified to profit or loss		
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		(298.60)
- Income tax relating to items that will be reclassified to profit or loss		86.95
- Debt instruments through OCI		(96.95)
- Income tax relating to items that will be reclassified to profit or loss		24.40
Sub-total (C)		**(284.20)**
Other comprehensive income for the year (net of tax) (D) = (B) + (C)		**43.80**
Total comprehensive income for the year (E)= (A) + (D)		**17,525.22**
Earnings per equity share (Face Value of Rs.10 each)	40	
Basic (Rs.)		**14.08**
Diluted (Rs.)		**13.18**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee

DIN : 01922717

Shilpa Bhatter
Chief Financial Officer
Place : Mumbai
Date : April 20, 2026

Satish Kumar Chelladurai
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2026

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Cash flow from operating activities :	
Profit before tax	**24,350.50**
Adjustments for:	
Interest income on loans	(130,659.20)
Cash inflows from interest on loans	128,249.02
Interest income on debt securities	(1,536.88)
Employee stock option expense	373.67
Depreciation and amortisation	7,032.64
Impairment on financial instruments	20,939.39
Net gain on sale of financial instruments / fair valuation of financial instruments	(45,824.19)
Net loss on fair value changes	1,001.59
Finance cost on borrowings	85,220.22
Cash outflow towards finance cost borrowings	(84,929.17)
Provision for gratuity and compensated absences (net of payment)	866.28
Interest on other financial assets	(147.15)
Interest on lease liabilities	1,100.75
Gain on pre-closure of lease	(180.21)
Operating profit before working capital changes	**5,857.26**
Changes in working capital:	
(Increase)/decrease in loans	40,143.72
(Increase)/decrease in other non-financial assets	(8,212.67)
(Increase)/decrease in other financial assets	(8,548.72)
(Increase)/decrease in derivative financial assets	(7,639.69)
Increase/(decrease) in derivative financial liabilities	41.74
Increase/(decrease) in trade payables	4,692.65
Increase/(decrease) in other non-financial liabilities	483.75
Increase/(decrease) in other financial liabilities	1,069.09
Increase/(decrease) in provisions	(1,516.43)
Cash generated from / (used in) operating activities	**26,370.70**
Income taxes paid	(5,018.13)
Net cash generated from / (used in) operating activities (A)	**21,352.57**
Cash flow from investing activities :	
Purchase of property, plant and equipment (including capital work-in-progress)	(1,265.28)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	6,650.80
Sale/realisation of investments	408,400.29
Purchase of investments	(465,124.62)
Interest received from investments	1,627.07
Payments for intangible assets	(3,035.56)
Investment in subsidiary	(143,683.12)
Net cash generated from / (used in) investing activities (B)	**(196,430.42)**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2026

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Cash flow from financing activities :	
Proceeds from issuance of equity share capital during the year (net)	41,508.36
Proceeds from money received against share warrants (net)	(3,536.43)
Proceeds from compound financial instruments (net)	34,831.97
Share issue expense	(6,802.13)
Principal payment of lease liabilities	(2,897.41)
Total borrowing and debt securities repaid	(385,897.14)
Total borrowing and debt securities availed	597,891.18
Net cash generated from / (used in) financing activities (C)	**275,098.40**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**100,020.55**
Cash and cash equivalents as at the beginning of the year	**37,734.95**
Cash and cash equivalents as at the end of the year	**137,755.50**
Components of cash and cash equivalents:	
Cash on hand	0.08
Balance with banks :	
in current accounts	126,737.79
in fixed deposits (maturing within a period of three months)	11,017.63
TOTAL	**137,755.50**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee

DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2026

A. Equity Share Capital (Refer Note 25)
As at March 31, 2026

(Rupees in lakh)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the current reporting period
9,194.54	-	9,194.54	6,087.02	15,281.56

B. Other equity (Refer Note 26)
As at March 31, 2026

Particulars	Reserves & Surplus									Total
	Statutory reserve u/s 45-IC	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Money received against share warrants	
Balance at the beginning of the current reporting period	8,462.51	19,458.55	1,046.00	107,688.16	32,399.63	1,082.97	-	264.15	25,042.43	195,444.40
Total Comprehensive Income for the current year	-	-	-	-	328.00	-	(72.55)	(211.65)	-	43.80
Transfer to retained earnings	-	-	-	-	17,481.42	-	-	-	-	17,481.42
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	3,496.28	-	-	-	(3,496.28)	-	-	-	-	-
Share based Payment for the year	-	-	-	-	-	373.67	-	-	-	373.67
Premium on ESOP exercised during the year	-	-	-	205.20	-	-	-	-	-	205.20
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	-	89.96	-	(89.96)	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	-	12.70	(12.70)	-	-	-	-
Share issue expense	-	-	-	(6,802.13)	-	-	-	-	-	(6,802.13)
Equity component of Compulsorily Conertible Debentures	-	36,894.28	-	-	-	-	-	-	-	36,894.28
Issue of shares through right issue	-	-	-	33,845.53	-	-	-	-	-	33,845.53
Forfeiture of application money received against share warrants	-	-	21,506.00	-	-	-	-	-	(25,042.43)	(3,536.43)
Issue of shares through private placement upon Conversion of CCD	-	(56,097.51)	-	57,468.12	-	-	-	-	-	1,370.61
Balance at the end of the current reporting period	**11,958.79**	**255.32**	**22,552.00**	**192,494.84**	**46,725.47**	**1,353.98**	**(72.55)**	**52.50**	**-**	**275,320.35**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner
Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee

DIN : 01922717

Shilpa Bhatter
Chief Financial Officer
Place : Mumbai
Date : April 20, 2026

Satish Kumar Chelladurai
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2026

1. Corporate Information

UGRO Capital Limited ('the Parent Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Parent Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of registration bearing ref. no. 13.00325 as non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation dated November 28, 2025, issued by the Reserve Bank of India ("RBI"). The Parent Company is also registered under Registration of Factors (Reserve Bank) Regulations, 2022 dated January 14, 2022, as NBFC – Factor, vide Certificate of registration bearing ref. no. N-13.02475 dated January 9, 2024, issued by RBI, authorising the Company to commence and carry out the factoring business. The Company together with its subsidiaries (collectively, the Group) 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, Enterprise Mortgage Loans, School Funding Program, Machinery and Equipment Financing, Supply Chain Finance, NBFC Onward Lending and operates a fintech platform which forms part of the embedded finance ecosystem.

The subsidiaries of the Parent Company are listed below:

Name of the Entities	Relationship	Percentage holding
Profectus Capital Private Limited	Subsidiary Company	100%
Datasigns Technologies Private Limited (MyShubhLife)	Subsidiary Company	100%
Ekagrata Finance Private Limited	Step-down Subsidiary	100%

The Consolidated financial statements are approved for issue by the Company's Board of Directors on April 20, 2026.

2A. Material Accounting Policies

(1) Statement of compliance

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

The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 dated November 28, 2025, as amended.

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

(2) Basis of preparation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group considers the characteristics of the asset or liability if market participants would take

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(3) Presentation of consolidated financial statements

The Balance Sheet and the Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (the 'Act') applicable for Non-Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, *Statement of Cash Flows*. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards and the Stock Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(4) Principles of Consolidation

The Parent Company is able to exercise control over the operating decision of the investee companies, resulting in variable returns to the Parent Company and accordingly, the same are classified as investment in subsidiary and line by line consolidation is carried out under the principles of consolidation. The consolidated financial statements of the Group have been prepared on the following basis:

a) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e., March 31, 2026.

b) Subsidiaries are entities controlled by the Parent Company. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements of the Group have been combined on a line-by-line basis by grouping together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

c) The excess of cost to the Parent Company of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as "Goodwill on Consolidation" and is tested for impairment on annual basis.

(5) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.) which is also the group'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 consolidated 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 consolidated 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 group 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.

(7) Key accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires that the management of the group 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 consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment and intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2B. Other Accounting Policies:

(1) Revenue recognition

Revenue (other than those items to which Ind AS 109, *Financial Instruments* is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115, *Revenue from Contracts with Customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Standard.

Specific policies for the Group's different sources of revenue are explained below:

(a) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets.

(b) Other financial charges:

Cheque bouncing charges, pre-payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(c) Dividend income:

Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(d) Net gain or loss on fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain/ loss in the

Notes forming part of the consolidated financial statements
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statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

(e) Advisory fees and other income:

Advisory fees and Other Income are recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. The Group recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(f) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and prepayment.

(2) Property, plant and equipment (PPE)

Tangible property, plant and equipment acquired by the Group 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 group and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets 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. Total Asset Invoice 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 Group	Estimated useful life under Schedule II to the Act
Office equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(3) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated 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 the balance sheet are disclosed as Intangible assets under development.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of Software's is considered as 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(4) Impairment of tangible and intangible assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/ amortisation if there were no impairment.

(5) Leases

The Group 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 Group'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.

Group as a lessee

The Group 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 Group recognises right-of-use asset representing it's right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group 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

Notes forming part of the consolidated financial statements

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and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group 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 Group recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Group has elected not to apply the requirements of the Standard to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Finance lease

The Group does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Group does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

(6) Taxes

Income tax expense represents the sum of the tax currently payable, deferred tax and any excess/ short provision of earlier years.

(a) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Group.

(e) Goods and Services Input Tax Credit

Goods and Services Input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted.

(7) Employee Benefits

(a) Retirement benefit costs and termination benefits

Defined contribution plans –

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed Provident Fund Scheme, Employee State Insurance Scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans –

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out half yearly. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(b) Short term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Group 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.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(c) Compensatory Payments (Loss of Earned Bonus)

The Group amortises the compensatory payments over the period of twelve months, since the amount is recoverable if an employee leaves the organisation within a year.

(d) Share-based Payment

The Group recognises compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, *Share-based payment*. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding amount. The share price of the Group 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expdected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the retained earnings within equity and if the grant lapses before the vesting period, the cumulative discount recognised as expense in respect of such grant is credited to the statement of profit and loss.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(8) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fees, arranger fees, stamping expense and rating expense etc. The Group recognises interest expense and other ancillary costs on the borrowings as per Effective Interest Rate Method (EIR) which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the statement of profit and loss.

(9) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

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

(10) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

(11) Foreign currencies

(i) The functional currency and presentation currency of the Group is Indian Rupee (Rs.). Functional currency of the Group has been determined based on the primary economic environment in which the Parent Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

(12) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(13) Segment reporting

The Group is primarily engaged in the business of lending, with a focus on financing the MSME sector. The management monitors the Group's business as a single segment, i.e. financing, for the purpose of resource allocation and performance assessment. Accordingly, in accordance with Ind AS 108 – *Operating Segments*, the Group has determined that it operates in a single reportable segment, namely financing activities, and hence no separate segment disclosures are required.

The Group has no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no single external customer contributes 10% or more of the total revenue of the Group.

(14) Financial instruments

(a) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

(b) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(c) **Classification and subsequent measurement of financial instruments**

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets carried at amortised cost (AC)**

  A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

  • the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

  • the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Effective Interest Rate Method

  The Effective Interest Rate Method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

  • the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

  • the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed-off, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

  A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument at FVTPL.

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

Impairment of financial assets

The Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

Impairment methodology:

Overall impairment methodology

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

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

For loans, cash credit and term loans measured at amortised cost

(1) Definition of default:

A default shall be considered to have occurred when any of the following criteria are met:

i) An account shall be tagged as NPA once the day end process is completed for the 90th day past due.

ii) If one facility of borrower is NPA, all the facilities of that borrower with the respective entities are to be treated as NPA.

For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

(2) Portfolio segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

(3) Probability of Default (PD):

An internally developed statistical model that computes rating at a loan level and categorises them from Least Risk to High Risk is used for the computation of PD. These internal credit score bands along with external default performance from bureau have been observed and calibrated to derive benchmarked 12-month PD rates. These benchmarked 12-month PD rates have been categorised across 5 Bands viz Risk Band 1 (RB1 – Least Risk) to Risk Band 5 (RB5 – Highest Risk) for secured and unsecured asset types respectively.

Since, PD benchmarks for each Risk band have been determined separately for “Secured” and “Unsecured” category, therefore, from a segmentation point, all the business segments are classified into either Secured or Unsecured category. Business segments, wherever risk coverage is available, is factored over and above the PD benchmarks depending on the nature of coverage.

The PD applied in the ECL (Expected Credit Loss) computation model is based on the recomputed/refreshed/updated Risk band/rating at a loan level. All the loans are rated and Risk Bands are recomputed every quarter using the latest credit bureau scrub. For the loan disbursed in the current/latest quarter, wherever the band from credit bureau scrub is not available, the Risk Band at point of origination is applied. Wherever the band is not available at a loan level (either at origination/scrub), the average PD across the 5 Risk Bands shall be applicable for the respective Secured and Unsecured categories.

The 12-month PD shall continue to be applicable in calculating expected credit loss for Stage 1 assets and Lifetime PD shall be applicable for Stage 2 assets.

Life-time PD:

Life-time PD is applied for Stage 2 accounts.

Life-time PDs are computed based on survival approach. Survival analysis is statistics for analysing the expected duration of time until default event happens.

(4) Loss given default:

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults. UGRO Capital Limited calculates LGD at a loan level considering the type of advance (Secured/Unsecured) & the collateral (financial/ property/ machine/ physical) available.

Derecognition of financial assets

The Group derecognises 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 Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

Financial liabilities and equity instruments

- **Classification as debt or equity**

  Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

  An Equity Instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

- **Compound financial instruments**

  The component parts of compound financial instruments issued by the Group 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 group's own equity instruments is an equity instrument.

  At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

Financial liabilities

A financial liability is any liability that is:

➢ Contractual obligation:

  • to deliver cash or another financial asset to another entity; or

  • to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

➢ a contract that will or may be settled in the entity's own equity instruments.

  All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

- **Derecognition of financial liabilities**

  The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

Write-off

Loans and debt securities are written-off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group 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 Group may apply enforcement activities to financial assets written-off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

(15) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

(16) Hedge

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(17) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Group'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 Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(18) Non-current assets held for sale

Assets acquired in satisfaction of debt (SOD) are treated as non-current assets held for sale. Assets acquired in satisfaction of debts are disclosed in the balance sheet at outstanding principal loan amount or fair market value (as per valuation reports) whichever is lower. In case the fair market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the statement of profit and loss under impairment on financial instruments. In case of sale of repossessed assets, the gain/ loss on sale is adjusted in the statement of profit and loss under impairment on financial instruments.

(19) Earnings per share

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

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

(20) Statement of cash flows

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

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities.

In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

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

(21) Business combinations

The Parent Company applies the acquisition method of accounting in accordance with Ind AS 103, *Business Combinations*, for business combinations where common control does not exist or where such common control, if any, is transitory.

The consideration transferred by the Parent Company for the acquisition of a business is measured at fair value as at the acquisition date (i.e., the date on which the Parent Company obtains control of the acquiree in accordance with Ind AS 110, *Consolidated Financial Statements)* and comprises the fair value of assets transferred, liabilities incurred and equity interests issued by the Parent Company. The consideration transferred includes the fair value of any contingent consideration arrangement and amounts related to settlement of pre-existing relationships, where applicable.

Identifiable assets acquired and liabilities assumed in a business combination are recognised separately from goodwill and are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Goodwill is initially measured at cost as the excess of (i) the aggregate of the consideration transferred, the amount of any non-controlling interests and the fair value of the previously held equity interest in the acquiree (if any), over (ii) the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill is not

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

amortised and is tested for impairment at least annually, and more frequently when events or changes in circumstances indicate that it may be impaired, in accordance with Ind AS 36, *Impairment of Assets*.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are recognised and are retrospectively adjusted during the measurement period (not exceeding one year from the acquisition date) to reflect new information about facts and circumstances that existed as at the acquisition date.

Business combinations involving entities or businesses under common control are accounted for in accordance with Appendix C to Ind AS 103 using the pooling of interest method.

Business combinations effected pursuant to a scheme of arrangement approved by a court or tribunal are accounted for in accordance with the accounting treatment prescribed in such scheme and the applicable requirements of Ind AS.

(22) Event After reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(23) Recent accounting pronouncements

The Ministry of Corporate Affairs (‘MCA’) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For the year ended March 31, 2026, the MCA has notified amendments to (Ind AS 1, *Presentation of Financial Statements*) and (Ind AS 7, *Statement of Cash Flows* and Ind AS 107, *Financial Instruments: Disclosures*), amendments relating to Classification of liabilities as current or non-current and non-current liabilities with Covenants and Disclosure of supplier finance arrangements, applicable to the Company, w.e.f., April 1, 2025. The Group has reviewed the new pronouncements and based on its evaluation, has determined that the new pronouncement is not applicable to the Group.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

3. Cash and cash equivalents

(Rupees in lakh)

Particulars	As at March 31, 2026
Cash on hand	0.08
Balances with banks	
- in current accounts*	126,737.79
- in fixed deposits with banks (original maturity less than 3 months) #	11,017.63
Less: Impairment loss allowance**	2.78
Total	**137,752.72**

* Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.
# Earmarked balances with banks and financial institutions are to the tune of Rs. 10,517.57 lakh.
** Impairment loss allowance is calculated on fixed deposits with banks.

4. Bank balances other than cash and cash equivalents above

(Rupees in lakh)

Particulars	As at March 31, 2026
Fixed deposits with banks and financial institutions*	44,747.12
Less: Impairment loss allowance**	11.77
Total	**44,735.35**

* Earmarked balances with banks and financial institutions are to the tune of Rs. 44,243.92 lakh
** Impairment loss allowance is calculated on fixed deposits with banks and financial institutions

5. Derivative financial instruments

(Rupees in lakh)

Particulars	As at March 31, 2026		
	Notional Amounts	Fair value - Assets	Fair value - Liabilities
Part I			
(i) Currency derivatives:			
- Currency swaps*	86,877.31	9,500.90	38.32
(ii) Interest rate derivatives	-	-	-
(iii) Forward Contract	18,945.94	-	3.42
Total Derivative Financial Instruments	**105,823.25**	**9,500.90**	**41.74**
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*	86,877.31	9,500.90	38.32
(iii) Forward Contract	18,945.94	-	3.42
Total Derivative Financial Instruments	**105,823.25**	**9,500.90**	**41.74**

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

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

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

6. Loans

(Rupees in lakh)

Particulars	As at March 31, 2026
Loans at amortised cost	
(A)	
Supply chain receivables	15,189.37
Term loans	1,031,669.78
Total Gross Loans	**1,046,859.15**
Less: Impairment loss allowance	17,542.60
Total Net Loans	**1,029,316.55**
(B)	
Secured by book debts	19,102.94
Secured by property	562,022.70
Secured by machinery	116,366.69
Unsecured	349,366.82
Total Gross Loans	**1,046,859.15**
Less: Impairment loss allowance	17,542.60
Total Net Loans	**1,029,316.55**
(C)	
Loans in India	
Public sector	-
Others	1,046,859.15
Total Gross Loans	**1,046,859.15**
Less: Impairment loss allowance	17,542.60
Total - Net (a)	**1,029,316.55**
Loans outside India (b)	**-**
Total - Net (a)+(b)	**1,029,316.55**

Notes **:**

1. There are no loans due by directors or other officers of the Group 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, 2026.
2. Loans classified as unsecured include loans covered under **Default Loss Guarantee (DLG)** arrangements in accordance with the Reserve Bank of India (Default Loss Guarantee in Digital Lending) Directions, 2023, and loans sanctioned under Government credit guarantee schemes, including those administered by the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** and **the National Credit Guarantee Trustee Company Limited (NCGTC)**. These loans are classified as unsecured in accordance with extant RBI prudential guidelines, as the Company does not hold a direct charge on the underlying borrower assets. The guarantee arrangements provide partial credit risk mitigation but do not alter the security classification of the loans.

7. Investments

(Rupees in lakh)

Particulars	As at March 31, 2026
Investments - at Amortised Cost	
Debt securities*	5,578.01
Less: Impairment loss allowance	8.49
Investments - at FVTPL	
Security receipts	35,957.14
Mutual funds#	1,246.71
Debt securities	30,964.46
Total Net Investments	**73,737.83**
Investments in India	73,746.32
Investments outside India	-

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026
Total - Gross	**73,746.32**
Less: Impairment loss allowance	8.49
Total - Net	**73,737.83**

Note : For valuation methodology Refer Note 52.

* Investment in Bonds aggregating to ₹2,112.48 lakhs are pledged against Bank Overdraft availed by the company.

Investments in Mutual funds aggregating to ₹67.66 lakhs are under lien.

8. Other financial assets

(Rupees in lakh)

Particulars	As at March 31, 2026
Security deposits	1,909.95
Other receivables	7,933.25
Less: Impairment loss allowance	3.17
Other assets	3,676.08
Total	**13,516.11**

9. Current tax assets (net)

(Rupees in lakh)

Particulars	As at March 31, 2026
Current tax assets	
Advance tax and tax deducted at source (Net of provision for tax Rs. 8,172.54 lakh)	1,597.27
Total	**1,597.27**

10. Property, plant and equipment

(Rupees in lakh)

Particulars	As at March 31, 2026				
	IT and Office equipments	Leasehold improve-ments	Furniture and fixtures	Motor Vehicle	Total
At cost as at the beginning of the year	**2,485.44**	**1,245.57**	**987.74**	**18.24**	**4,736.99**
Additions during the year	364.15	376.10	524.12	-	1,264.37
Disposals during the year	(116.81)	-	-	-	(116.81)
At cost as at the end of the year	**2,732.78**	**1,621.67**	**1,511.86**	**18.24**	**5,884.55**
Accumulated depreciation as at the beginning of the year	**1,243.23**	**433.11**	**139.96**	**8.35**	**1,824.65**
Depreciation/amortisation for the year	444.28	309.59	117.78	0.31	871.96
Disposals during the year	(116.81)	-	-	-	(116.81)
Accumulated depreciation as at the end of the year	**1,570.70**	**742.70**	**257.74**	**8.67**	**2,579.80**
Net carrying amounts as at the end of the year	**1,162.08**	**878.97**	**1,254.12**	**9.57**	**3,304.75**

11. Non-current assets held for sale

(Rupees in lakh)

Particulars	As at March 31, 2026
Non-current assets held for sale	25,548.17
Total	**25,548.17**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

'Non-current assets held for sale' covers immovable property and machinery which are repossessed in satisfaction of debts. These assets are classified as 'Non-Current Assets held for sale ' till the time assets acquired are finally disposed.

Non-current assets held for sale is measured at lower of principal outstanding of the loan and fair market value of the repossessed assets against the said loan account. If fair market value is less then the principal outstanding, then impairment loss is recorded for the difference amount.

Impairment loss recorded for measuring Non-current assets held for sale for the year ended March 31, 2026 is Rs. 44.45 lakh.

12. Right-of-use assets

(Rupees in lakh)

Particulars	As at March 31, 2026
As at the beginning of the year	**14,589.90**
Remeasurement of assets	180.21
Additions during the year	3,489.86
Deletion during the year	(1,117.60)
As at the end of the year	**17,142.37**
Accumulated depreciation as at the beginning of the year	**7,159.61**
Depreciation for the year	2,449.09
Accumulated depreciation as at the end of the year	**9,608.70**
Net carrying amount as at the end of the year	**7,533.67**

13. Intangible assets under development

(Rupees in lakh)

Particulars	As at March 31, 2026
Softwares	2,403.35
Total	**2,403.35**

The ageing for Intangible assets under development as on March 31, 2026 is as follows :

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,457.24	946.11	-	-	2,403.35
Projects temporarily suspended	-	-	-	-	-
Total	**1,457.24**	**946.11**	**-**	**-**	**2,403.35**

14. Other intangible assets

(Rupees in lakh)

Particulars	As at March 31, 2026
Softwares :	
At cost as at the beginning of the year	**15,166.38**
Additions during the year	3,363.01
Disposal during the year	(8,257.67)
At cost as at the end of the year	**10,271.72**
Accumulated amortisation as at the beginning of the year	**7,636.76**
Amortisation for the year	3,711.39
Disposal during the year	(7,238.51)
Accumulated amortisation as at the end of the year	**4,109.64**
Net carrying amounts as at the end of the year	**6,162.08**

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

15. Other non-financial assets

(Rupees in lakh)

Particulars	As at March 31, 2026
Advances to vendors and employees	10,712.71
Goods and services tax input credit receivable	5,438.54
Prepaid expenses	2,078.85
Total	**18,230.10**

16. Payables

(Rupees in lakh)

Particulars	As at March 31, 2026
Trade payables	
Due to micro and small enterprises	2.95
Due to creditors other than micro and small enterprises	4,493.46
Other payables	
Due to micro and small enterprises	-
Due to creditors other than micro and small enterprises	
- Accrued employee benefits	1,343.02
- Payable to customers	13.64
Total	**5,853.07**

The ageing for trade payables as on March 31, 2026 is as follows :

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2.95	-	-	-	-	2.95
Others	4,489.22	-	4.24	-	-	4,493.46
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4,492.17**	**-**	**4.24**	**-**	**-**	**4,496.41**

Details of dues to micro, small and medium enterprises

The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

Particulars	As at March 31, 2026
1. The principal amount remaining unpaid at the end of the accounting year.	**2.95**
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	**2.95**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

17. Debt securities

(Rupees in lakh)

Particulars	As at March 31, 2026	
	At amortised cost	Total
Secured		
Redeemable non-convertible debentures	257,214.51	257,214.51
Liabilities arising out of securitisation transactions	13,727.55	13,727.55
Unsecured		
Commercial Paper	50,449.47	50,449.47
Redeemable non-convertible debentures	630.55	630.55
Liability component of compound financial instruments	-	-
Total	**322,022.08**	**322,022.08**
Debt securities in India	322,022.08	322,022.08
Debt securities outside India	-	-
Total	**322,022.08**	**322,022.08**

Redeemable non-convertible debentures (Secured) :

Particulars	Face Value	Quantity	Date of Redemp-tion	Date of Allotment	Terms of Repayment	As at March 31, 2026
10.28% Secured Rated Listed Redeemable Non Convertible Debentures	100,000	26,000	20/Feb/29	20/Feb/25	25% of issue size after 1.5 years after issue date 25% of issue size after 3 years after issue date 25% of issue size after 3.5 years after issue date 25% of issue size after 4 years after issue date	26,000.00
10% Secured Rated Listed Redeemable Non Convertible Debentures	100,000	7,500	30/Jan/29	30/Jan/25	Bullet Repayment	7,500.00
10.27% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	24,990	30/Jan/28	30/Jan/24	Half-Yearly Repayment	14,280.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	350	12/Jan/28	12/Jan/22	Bullet Repayment	3,500.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	260	29/Dec/27	29/Dec/21	Bullet Repayment	2,600.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	460	17/Dec/27	17/Dec/21	Bullet Repayment	4,600.00

(Rupees in lakh)

Redeemable non-convertible debentures (Secured) :

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026
10.38% Secured Rated Unlisted Redeemable Non-Convertible Debentures	100,000	24,960	12/Dec/27	12/Dec/23	Half-Yearly Repayment starting from June 2025 followed by moratorium of 2 instalments	18,720.00
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	3,500	25/Jun/27	25/Jun/24	Half-Yearly Repayment	1,750.00
10.40% Secured Rated Listed Redeemable Non-Convertible Debentures	1,000	343,942	24/Apr/27	24/Oct/24	Bullet Repayment	3,439.42
Reset Rate Secured Rated Listed Redeemable Taxable Non Convertible Debentures	100,000	7,500	11/Jan/27	11/Jul/24	Quarterly Repayment	3,000.00
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	690,819	24/Oct/26	24/Oct/24	Bullet Repayment	6,908.19
10.50% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	2,800	26/Sep/26	27/Sep/23	Half-Yearly Repayment	466.67
10.02% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,000	50,000	07/Aug/26	07/Feb/25	Bullet Repayment	5,000.00
11% Secured Rated Listed Redeemable Non-Convertible Debentures Series V	1,000	464,198	27/May/26	27/Feb/24	Bullet Repayment	4,641.98
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures Series IV	1,000	341,527	27/May/26	27/Feb/24	Bullet Repayment	3,415.27
10.15% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	965,239	24/Apr/26	24/Oct/24	Bullet Repayment	9,652.39
G-Sec Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	250	15/Apr/26	19/Dec/22	Bullet Repayment	2,500.00
10% Secured Rated Listed Redeemable Non Convertible Debentures Series I	1,000	444,946	24/Oct/26	24/Apr/25	Bullet Repayment	4,449.46

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Redeemable non-convertible debentures (Secured) :

Particulars	Face Value	Quantity	Date of Redemp-tion	Date of Allotment	Terms of Repayment	As at March 31, 2026
10.39% Secured Rated Listed Redeemable Non Convertible Debentures Series II	1,000	279,866	24/Oct/26	24/Apr/25	Bullet Repayment	2,798.66
10.15% Secured Rated Listed Redeemable Non Convertible Debentures Series III	1,000	394,169	24/Apr/27	24/Apr/25	Bullet Repayment	3,941.69
10.25% Secured Rated Listed Redeemable Non Convertible Debentures Series IV	1,000	331,654	24/Apr/27	24/Apr/25	Bullet Repayment	3,316.54
10.50% Secured Rated Listed Redeemable Non Convertible Debentures Series V	1,000	549,365	24/Oct/28	24/Apr/25	Bullet Repayment	5,493.65
9.75% Secured Rated Listed Redeemable Non Convertible Debentures Series II	10,000	150,000	16/Oct/27	17/Oct/25	Bullet Repayment	15,000.00
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	150,000	27/Feb/27	27/Nov/25	Bullet Repayment	15,000.00
9.99% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	150,000	16/Jun/29	16/Dec/25	Bullet Repayment	15,000.00
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	45,000	18/Apr/27	18/Mar/26	Bullet Repayment	4,500.00
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	135,000	18/Apr/27	27/Mar/26	Bullet Repayment	13,500.00
Profectus Capital Private Limited 10.48 LOA 25MY26 FVRS1LAC	100,000	3,500	25/May/26	12/Apr/23	Bullet payment	3,500.00
Profectus Capital Private Limited 10.48 LOA 28MY26 FVRS1LAC	100,000	1,450	28/May/26	19/May/23	Bullet payment	1,450.00
Profectus Capital Private Limited 10.157 NCD16JL27 FVRS1LAC	100,000	4,900	16/Jul/27	18/Jul/23	8 quarterly installments after 1 year moratorium	3,675.00
Profectus Capital Private Limited RR NCD 30SP27 FVRS1LAC	100,000	20,500	30/Sep/27	30/Sep/23	Bullet payment	20,500.00

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Redeemable non-convertible debentures (Secured) :

Particulars	Face Value	Quantity	Date of Redemp-tion	Date of Allotment	Terms of Repayment	As at March 31, 2026
Profectus Capital Private Limited 9.75 NCD 17OT27 FVRS1LAC	100,000	7,500	17/Oct/27	17/Oct/25	Bullet payment	7,500.00
Profectus Capital Private Limited 9.75 NCD 30AP28 FVRS10000	10,000	50,000	30/Apr/28	31/Oct/25	Bullet payment	5,000.00
Profectus Capital Private Limited 9 NCD 19JN28 FVRS1LAC	100,000	5,000	19/Jan/28	19/Jan/26	Bullet payment	5,000.00
Profectus Capital Private Limited 9 NCD 20FB28 FVRS10000	10,000	50,000	20/Feb/28	20/Feb/26	Bullet payment	5,000.00
Profectus Capital Private Limited 9 NCD 26FB28 FVRS10000	10,000	50,000	26/Feb/28	26/Feb/26	Bullet payment	5,000.00
Total						**257,598.92**

Redeemable non-convertible debentures (Unsecured) :

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026
10.25% Unsecured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	18/Apr/26	24/Jan/24	Quarterly Repayment	625.00
Total						**625.00**

Commercial papers (Unsecured) :

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026
UGRO/2025-26/CP 62	500,000	28/May/26	29/May/25	Redeemable at PAR at the end of 364 days from the date of allotment	5,000.00
UGRO/2025-26/CP 67	500,000	02/Apr/26	30/Sep/25	Redeemable at PAR at the end of 184 days from the date of allotment	5,000.00
UGRO/2025-26/CP 68	500,000	15/May/26	30/Sep/25	Redeemable at PAR at the end of 227 days from the date of allotment	4,000.00
UGRO/2025-26/CP 71	500,000	05/May/26	4/Nov/25	Redeemable at PAR at the end of 182 days from the date of allotment	1,000.00
UGRO/2025-26/CP 72	500,000	13/Nov/26	13/Nov/25	Redeemable at PAR at the end of 365 days from the date of allotment	10,000.00
UGRO/2025-26/CP 75	500,000	03/Jun/26	5/Dec/25	Redeemable at PAR at the end of 180 days from the date of allotment	3,000.00

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026
UGRO/2025-26/CP 78	500,000	25/Jun/26	26/Dec/25	Redeemable at PAR at the end of 181 days from the date of allotment	1,500.00
UGRO/2025-26/CP 80	500,000	09/Apr/26	9/Feb/26	Redeemable at PAR at the end of 59 days from the date of allotment	5,000.00
UGRO/2025-26/CP 81	500,000	15/Apr/26	25/Feb/26	Redeemable at PAR at the end of 49 days from the date of allotment	5,000.00
UGRO/2025-26/CP 82	500,000	27/May/26	26/Feb/26	Redeemable at PAR at the end of 90 days from the date of allotment	2,000.00
UGRO/2025-26/CP 83	500,000	18/Jun/26	26/Mar/26	Redeemable at PAR at the end of 84 days from the date of allotment	1,500.00
UGRO/2025-26/CP 84	500,000	06/Apr/26	24/Mar/26	Redeemable at PAR at the end of 13 days from the date of allotment	2,500.00
UGRO/2025-26/CP 85	500,000	08/Apr/26	30/Mar/26	Redeemable at PAR at the end of 9 days from the date of allotment	2,500.00
CP 01 FY 25-26	500,000	15/Jun/26	16/Dec/25	Redeemable at PAR at the end of 181 days from the date of allotment	2,500.00
CP 02 FY 25-26	500,000	22/Jul/26	21/Jan/26	Redeemable at PAR at the end of 182 days from the date of allotment	1,000.00
Total					**51,500.00**

Liabilities arising out of securitization transactions :

Terms of repayment	As at March 31, 2026
Monthly Repayment	15,650.20

Notes:-

1) The Rate of Interest on the securitization transactions ranges from 8.50% to 10.75% for the year ended March 31, 2026.
2) The Rate of Interest on the Commercial Papers ranges from 8.25% to 10.75% for the year ended March 31, 2026.
3) All Non Convertible Debentures are redeemable at par.
4) The above Secured Non-Convertible Debentures are secured by hypothecation of receivables arising from financing activities and pledge of shares. The Company has maintained the required Security Cover.
5) Above borrowings were fully utilised for the purpose for which they were obtained.
6) There have been no defaults in the repayment of the above borrowings.
7) The amount disclosed above represent the principal outstanding as at March 31, 2026.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with the books of account.

Liability component of Compound Financial instruments (Unsecured) : (Rupees in lakh)

Tenor/ Period of Maturity (in years)	As at March 31, 2026	As at March 31, 2025	Date of Allotment	Redemption Date/ Schedule
1.5	-	2,036.77	6/Jun/24	5/Dec/25
1.5	-	123.15	18/Jun/24	17/Dec/25

Notes:-

1) The company has raised the funds through total allotment of the 9,770,757 Compulsorily Convertible Debentures (CCDs) having face value Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 25,794.80 Lakhs in June 2024.
2) The allotment was made in 2 tranches on June 06, 2024 and June 18, 2024. Each of the CCD are convertible into 1 equity share within a period of 18 months from the date of allotment of CCD. Further, 9,732,879 CCDs got converted into equity shares during the Financial Year 2025-2026 (Previous Year: 37,878 CCDs).
3) The Rate of Interest on CCDs is at 12.00% XIRR.
4) The CCD is classified as Compound Financial Instruments as it meets the Fixed for fixed test criteria as per IND AS 109 and the above mentioned figures is the Liability component of the Compound financial Instrument.
5) The Company had raised funds through allotment of 28,899,481 Compulsory Convertible Debentures (CCDs) having face value of Rs. 10 each at an issue price of Rs. 185 each aggregating to Rs. 53,464.04 lakh in October 2025. The allotment was made on October 08, 2025. Each of the CCD is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD. In this connection, during the year ended March 31, 2026, pursuant to conversion request received from the CCD holder/s, the Company has allotted 28,699,487 equity shares of face value of Rs. 10 per share at a conversion ratio of 1: 1 and conversion price of Rs. 185 each.

18. Borrowings (other than debt securities)

(Rupees in lakh)

Particulars	As at March 31, 2026	
	At amortised cost	Total
(a) Term loans		
From banks	396,295.36	396,295.36
From other parties	185,364.10	185,364.10
External commercial borrowings	114,236.16	114,236.16
(b) Loans repayable on demand		
Cash credit	838.91	838.91
Bank overdraft	13,597.03	13,597.03
Total	**710,331.56**	**710,331.56**
Borrowings in India	596,095.40	596,095.40
Borrowings outside India	114,236.16	114,236.16
Total	**710,331.56**	**710,331.56**
Secured	699,537.28	699,537.28
Unsecured	10,794.28	10,794.28
Total	**710,331.56**	**710,331.56**

Term Loan from Banks (Secured) :

Terms of repayment	As at March 31, 2026
Bullet Repayment	28,453.00
Monthly Repayment	106,267.02
Quarterly Repayment	268,672.23
Total	**403,392.25**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

Term Loan from Others (Secured) : (Rupees in lakh)

Terms of repayment	As at March 31, 2026
Monthly Repayment	76,268.87
Quarterly Repayment	110,876.33
Total	**187,145.20**

External Commercial Borrowings (Secured) :

Terms of repayment	As at March 31, 2026
Bullet Repayment	17,443.33
Half-yearly Repayment starting from September 2025 onwards	2,457.00
Half-yearly Repayment starting from August 2025 onwards	5,513.33
Yearly Repayment starting from November 2026 onwards	25,309.50
Yearly Repayment	25,448.15
Half-yearly Repayment starting from March 2029 onwards	18,945.94
Total	**95,117.25**

Terms of repayment	As at March 31, 2026
Half-yearly Repayment starting from December 2028 onwards	10,706.00
Total	**10,706.00**

The Company has total External Commercial Borrowing (ECBs) of Rs. 5,742.80 lakh, Rs. 27,150.94 lakh and Rs. 72,929.51 lakh having original maturity of three, four and five years respectively (previous year Rs. 3,495.53 lakh, Rs. 14,014.80 lakh, Rs. 8,205.00 lakh and Rs. 67,613.50 lakh for two, three, four and five years respectively) for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time. In accordance with the RBI guidelines, the borrowings have been swapped into Indian Rupees and are fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The costs incurred in raising the aforesaid ECBs have been amortised over the respective tenures of such ECBs.

Notes:

1) The rate of interest on the above borrowings vary from 8.15% to 13.00% for the year ended March 31,2026.
2) The above secured borrowings are secured by way of hypothecation of receivables arising from financing activities. The Company has maintained the required security cover.
3) Out of the above, the Company holds sanctioned borrowings amounting to Rs.275,000 Lakh (Outstanding Balance - Rs. 182,973.51 Lakh) as at March 31, 2026.
4) The Term Loans have been fully utilised for the purpose for which they were obtained.
5) There have been no defaults in the repayment of the borrowings.
6) The balance tenure on the above borrowings is upto 5 years.
7) The amount disclosed above represent the principal outstanding as at March 31, 2026.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with the books of account.

19. Subordinated liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026	
	At amortised cost	Total
Unsecured		
Privately placed Subordinated (Tier II) Redeemable Non-Convertible Debentures	45,874.69	45,874.69
Total	**45,874.69**	**45,874.69**
Subordinated Liabilities in India	45,874.69	45,874.69
Subordinated Liabilities outside India	-	-
Total	**45,874.69**	**45,874.69**

Subordinated debt (Unsecured) : (Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026
12.5% Unsecured Rated Listed Redeemable Non-Convertible Debentures	100,000	3,500	15/Sep/29	15/Mar/24	Bullet Repayment	3,500.00
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	20,000	15/Mar/31	15/Sep/25	Bullet Repayment	20,000.00
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	5,000	25/Mar/31	25/Sep/25	Bullet Repayment	5,000.00
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures Series I	100,000	10,000	06/May/31	06/Nov/25	Bullet Repayment	10,000.00
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	5,000	17/May/31	17/Nov/25	Bullet Repayment	5,000.00
13.25% Unsecured Rated Listed Redeemable Non Convertible Debentures Series I	100,000	4,610	05/Apr/32	27/Mar/26	Half yearly Starting from Oct 2031	4,610.00
Total						**48,110.00**

Notes :

1) The above non-convertible debentures (Subordinated Debt) are redeemable at par.
2) Subordinated liabilities were used fully for the purpose for which the same were obtained.
3) There is no default in repayment of subordinated liabilities.
4) The amount disclosed above represent the principal outstanding as at 31st March, 2026.

20. Other financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026
Others payables :	
Collateral margin money received	3.35
Lease liabilities (Refer note 47)	8,535.68
Other liabilities	3,524.66
Provision on unrealised gain*	225.17
Total	**12,288.86**

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

21. Current tax liabilities (net)

(Rupees in lakh)

Particulars	As at March 31, 2026
Provision for tax (net of advance tax and tax deducted at source Rs. 1,430.09 lakh)	2,330.02
Total	**2,330.02**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

22. Provisions

(Rupees in lakh)

Particulars	As at March 31, 2026
Provision for employee benefits :	
-Provision for gratuity (Refer Note 45b)	472.83
-Provision for compensated absences (Refer Note 45c)	1,047.71
-Provision for bonus	1,109.56
-Long term incentive plan	291.35
Provision for expenses	8,838.46
Total	**11,759.91**

23. Deferred tax assets/(liabilities) (net)

(Rupees in lakh)

Particulars	As at March 31, 2026
Deferred tax assets	
Tax effect of timing differences on account of -	
Unutilised minimum alternate tax credit entitlement	14,569.76
Income tax losses carried forward	1,699.93
Provision for impairment losses on financial instruments	5,121.34
Deferred revenue income - processing fees allowed upfront in income tax	3,048.48
Employee benefits provisions and expenses	1,015.69
Others	429.56
Total (A)	**25,884.76**
Deferred tax liabilities	
Tax effect of timing differences on account of -	
Receivables on EIS Direct assignment and Co-lending transactions	11,582.08
Deferred loan sourcing cost allowed upfront in income tax	13,078.50
Prepaid fees / charges on borrowings allowed upfront in income tax	5,611.65
Difference in written down value of property, plant and equipment and intangible assets	429.69
Others	9.46
Total (B)	**30,711.38**
Deferred tax liabilities (net) (B)-(A)	**4,826.62**

24. Other non-financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026
Statutory dues payable	1,571.68
Total	**1,571.68**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

25. Equity share capital

a. Details of authorised, issued and subscribed share capital : (Rupees in lakh)

Particulars	As at March 31, 2026	
	No. of Shares	Amount
Authorised capital		
Equity shares of Rs. 10 each	249,500,000	24,950.00
Preference shares of Rs. 10 each	20,500,000	2,050.00
Issued, subscribed and fully paid-up (A)		
Equity shares of Rs. 10 each, fully paid-up	155,288,323	15,528.84
Less:Treasury shares held through ESOP Trust (B)		
Equity shares of Rs. 10 each, fully paid-up	(2,472,820)	(247.29)
Equity shares (Net of Treasury shares) (A-B)	**152,815,503**	**15,281.55**

b. Reconciliation of number of shares and amount outstanding as at the beginning and at the end of the year:
(Rupees in lakh)

Particulars	As at March 31, 2026	
	No. of Shares	Amount
Shares outstanding as at the beginning of the year	93,183,594	9,318.37
Add: Equity shares issued during the year *	62,104,729	6,210.47
Shares outstanding as at the end of the year	**155,288,323**	**15,528.84**

*During the year, the company issued and alloted 23,501,363 equity shares of Rs 10 each under Rights Issue; 171,000 equity shares of Rs 10 each under ESOP scheme and 38,432,366 equity shares of Rs. 10 each on conversion of compulsory convertible debentures

During the previous year, the company issued and alloted 126,502 equity shares of Rs 10 each under ESOP scheme, 37,878 equity shares of Rs. 10 each on conversion of compulsory convertible debentures and 189,393 equity shares of Rs. 10 each on conversion of warrants.

c. Reconciliation of the number of treasury shares outstanding as at the beginning and end of the year :
(Rupees in lakh)

Particulars	As at March 31, 2026	
	No. of Shares	Amount
Shares outstanding as at the beginning of the year	1,238,252	123.83
Add: Equity shares acquired from Rights Issue	1,234,568	123.46
Shares outstanding as at the end of the year	**2,472,820**	**247.29**

An Employee Benefit Trust ("Trust") had been constituted to implement the UGRO Capital Employee Stock Option Scheme 2022. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Own equity instruments so reacquired (treasury shares) are recognised at face value and deducted from Equity Share Capital to the tune of Rs. 247.28 lakh. The amount received in excess of the face value is deducted from the Securities Premium Account. Pursuant to the same, the Company had granted 1,111,929 options on October 10, 2022, during the year ended March 31, 2023. During the year ended March 31, 2025, there has been no secondary market acquisition by the trust. However, during the year ended March 31, 2026, the trust acquired 1,234,568 equity shares through subscription to the Company's Rights Issue, in accordance with the terms of the offer.

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

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

e. Particulars of shareholders holding more than 5% of the equity share capital : (Rupees in lakh)

Particulars	As at March 31, 2026	
	No. of Shares	% of holding
Danish Sustainable Development Goals Investment Fund K/S	24,497,354	15.78%
Newquest Asia Investments III Limited	14,711,997	9.47%
Clearsky Investment Holdings Pte Limited	15,116,279	9.73%
Samena Green Ltd	13,040,139	8.40%
Total	**67,365,769**	**43.38%**

f. Shares reservation :

Particulars	As at March 31, 2026
	No. of Shares
Equity shares of Rs. 10 each	
Number of Shares reserved for ESOPs (Refer Note 46)	4,512,345

g. Objectives for managing capital :

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

h. Shareholding of promoters (including promoter group) disclosure :

Shares held by promoters (including promoter group) as at the end of the year:

Promoter Name	As at March 31, 2026		
	No.of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP (promoter)	2,027,709	1.31%	-
2. Shachindra Nath (person acting in concert of promoter)	58,548	0.04%	-
3. Poshika Financial Ecosystem Private Limited (Promoter Group)	1,011,430	0.65%	0.65%
Total	**3,097,687**	**2.00%**	**0.65%**

26. Other equity

(Rupees in lakh)

Particulars	As at March 31, 2026
(i) Securities premium	192,494.84
(ii) Employee stock options scheme outstanding	1,353.98
(iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	11,958.79
(iv) Capital Reserve	22,552.00
(v) Retained Earnings - other than Remeasurement of Post-Employment Benefit Obligations	46,397.47
(vi) Retained Earnings - Remeasurement of Post- Employment Benefit Obligations	328.00
(vii) Cash Flow Hedges Reserve	52.50
(viii) Equity component of compound financial instruments	255.32
(ix) Debt Instruments through Other Comprehensive Income	(72.55)
Total	**275,320.35**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

Nature and purpose of reserves :

(i) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding
The shares options outstanding is used to recognise the grant date fair value of options issued to employees under stock option schemes of the Company.

(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934
Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

(iv) Capital reserve
Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations
Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations
The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

(vii) Cash flow hedges reserve
It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

(viii) Equity component of compound financial instruments
It represent the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

(ix) Debt Instruments through Other Comprehensive Income
It represent changes in the fair value of debt instruments held to collect and sell are recognised in other comprehensive income and accumulated in the FVTOCI reserve.

27. Interest income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
At Amortised Cost :	
Interest on loans	130,423.54
Interest on deposits with banks	3,929.82
Interest on other financial assets	152.87
Other interest income	1,432.59
Interest on debt securities	1,085.29
Total	**137,024.11**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

28. Fees and commission income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Fees and commission income	10,362.38
Total	**10,362.38**

29. Net gain on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Net gain on financial instruments at fair value through profit and loss:-	
(a) On trading portfolio	
- Gain on sale of investments	1,819.20
Total	**1,819.20**
Fair value changes:	
Realised	1,811.53
Unrealised	7.67
Total	**1,819.20**

30. Net gain on derecognition of financial instruments under amortised cost category

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Gain on derecognition of financial instruments	44,500.45
Total	**44,500.45**

31. Other Income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Technology support fees	551.29
Insurance commission income	1,777.79
Professional Service Income	5,495.37
Profit on sale of portfolio	580.54
Total	**8,404.99**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

32. Finance costs
(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Interest cost	
Interest expense on financial liabilities measured at amortised cost :	
(a) Interest on borrowings	
Interest on borrowings from banks and financial institutions	64,910.45
(b) Interest on debt securities	
Interest on redeemable non-convertible debentures/ discount on commercial paper	26,736.15
(c) Interest on lease liabilities	
Interest on lease liabilities	1,106.47
(d) Interest on subordinated liabilities	
Interest expenses on subordinated liabilities	2,676.00
Total	**95,429.07**

33. Net loss on fair value changes
(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Net loss on financial instruments at fair value through profit or loss	
-On financial instruments	1,001.59
Total	**1,001.59**
Fair value changes :	
Realised	-
Unrealised	1,001.59
Total	**1,001.59**

34. Impairment on financial instruments
(Rupees in lakh)

Particulars	For the year ended March 31, 2026
On financial instruments measured at amortised cost :	
Impairment on financial instruments	
- Loans	20,949.36
- Other assets	-
- Fixed deposits	(0.84)
- Debt securities	3.15
Investments impairment loss allowance / (reversal) at FVOCI	(12.27)
Total	**20,939.40**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

35. Employee benefit expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Salaries, other allowances and bonus	27,537.10
Contribution to provident and other funds (Refer Note 45a)	870.89
Share based payments to employees (Refer Note 46)	373.67
Staff welfare expenses	330.81
Gratuity expenses (Refer Note 45b(ii))	520.17
Total	**29,632.64**

36. Depreciation and amortisation

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Depreciation on property, plant and equipment	878.61
Amortization on intangible assets	3,705.07
Depreciation on right of use assets	2,449.09
Total	**7,032.77**

37. Other expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Rent	453.32
Communication costs	1,541.70
Printing and stationery	136.60
Advertisement and publicity	168.75
Directors' sitting fees	216.71
Auditor's fees and expenses*	139.87
Legal and professional charges	5,779.74
Insurance	835.52
Rates and taxes	3,898.34
Computer maintenance and software	2,762.64
Marketing and brand promotion	179.72
Meeting and event	66.33
Travelling, lodging and boarding	1,535.90
Brokerage	36.81
Miscellaneous	5,875.56
CSR expenditure (Refer Note 38)	97.65
Total	**23,725.16**

*** Payments to auditor :**

Particulars	For the year ended March 31, 2026
a. As Auditor	104.88
b. For taxation matters	8.00
c. For other services	21.08
d. For reimbursement of expenses	5.91
Total	**139.87**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

38. Additional Information

I. Corporate Social Responsibility

The average net profit of the Group as per Section 198 of Companies Act, 2013 for the last three financial years was Rs.4,143.75 lakh, basis which the Group was required to spend Rs.82.91 lakh towards Corporate Social Responsibility (CSR) during the current financial year. However, the Group had spent excess amount of Rs. 0.65 lakhs in previous years, over and above the budget approved by the Board and is now eligible to set off the excess amount. Accordingly the Net CSR obligations were at Rs.82.26 lakh.

Note: The CSR obligation is not applicable to Datasigns Technologies Private Limited, hence the above average net profit does not includes profit of Datasigns Technologies Private Limited computed as per the Section 198 of the Companies Act, 2013.

a) Amount spent during the year on : (Rupees in lakh)

Particulars	For the year ended March 31, 2026		
	Amount Spent	Amount unpaid/ provision	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	97.65	-	97.65

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.65	-	82.91	97.65	15.39

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) The additional disclosures with regard to CSR activities are summarised below :

(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year - Nil

(ii) The total of previous years' shortfall amounts - Nil

(iii) The reason for above shortfalls - Not applicable.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

f) Nature of CSR activities :

The Group is required to contribute towards corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year, the Group has spent Rs. 97.65 lakh against CSR obligation of Rs. 82.91 lakh after setting off the total excess amount of Rs. 0.65 lakhs of previous years. The amount is spent towards poverty alleviation program and focusing on financial literacy.

II. Disclosure in relation to Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2026 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2026.

III. Details of Crypto currency or Virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2026.

39. Additional Regulatory Information (to the extent applicable and reportable)

I. Title deeds of immovable property not held in the name of the Company as at March 31, 2026 :

(Rupees in lakh)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	1,158.22	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award (iv) SARFAESI Act. (v) Superdari Section 457.	-
Non-current assets held for sale	Building	22,562.44	Borrower	No		-
Others	-	-	-	-	-	-

*The borrowers had mortgaged the immovable properties with the Company to secure the loan facility. Consequent to default in repayment of secured loan upon classification of the account as Non-Performing Asset ("NPA"), the proceedings under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("The SARFAESI Act, 2002") are initiated, whereby the immovable property mortgaged by the borrower, is taken into possession of the Company with or without intervention of the Court. The said properties will be sold to the prospective buyer(s) and the sale proceeds shall be appropriated towards the dues in the respective loan account. Meanwhile, if the borrower/co-borrower approaches to settle the dues and closes the loan account, the property may be released to them.

II. Details of Benami Property held :

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2026.

III. Wilful Defaulter :

The Group is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2026.

IV. Details pertaining to transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 is as follows :

The Group does not have any transactions with the struck off companies during the year ended March 31, 2026.

V. Registration of charges or satisfaction with Registrar of Companies (ROC) :

a. The Group does not have any charges or satisfaction which is registered or yet to be registered with ROC beyond the statutory period.

VI. Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 :

(a) - The Group 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 Group (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

(b) - The group 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 Group (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

40. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with the Ind AS 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Basic	
Profit after tax [A]	17,481.42
Weighted average number of equity shares outstanding during the year (Nos.) [B]	124,184,980.36
Basic earnings per share Rs. [A/B]	**14.08**
Diluted	
Profit after tax diluted [A]	17,608.10
Weighted average number of equity shares outstanding during the year (Nos.)	124,184,980
Weighted average number of potential equity shares on account of employee stock options and compulsorily convertible debentures (Nos.)*	9,364,687
Weighted average number of shares outstanding for diluted earning per share (Nos.) [B]	133,549,668
Diluted earnings per share Rs. [A/B]	**13.18**
Face value per share Rs.	10.00

*Share warrants are not included in the diluted EPS because they are anti-dilutive for the year ended March 31, 2026.

The Earnings per share (Basic and Diluted) for the year ended March 31, 2026 has been computed considering the effect of increase in issued capital pursuant to allotment of rights shares during the quarter ended June 30, 2025.

41. Contingent liabilities and capital commitments :

a. Contingent liabilities

All tax related liabilities till July 05, 2018, are covered by a deed of indemnity entered by the existing promoters of the Holding Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

(Rupees in lakh)

Particulars	As at March 31, 2026
Commitments not provided for :	
- Commitments related to loans sanctioned but partially undrawn	10,066.30
- Other commitments*	4,271.76
- Amount of contracts remaining to be executed on capital account	100.00
Total	**14,438.06**

*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Group during the year.

42. Segment Reporting

The Group is primarily engaged in the business of lending, with a focus on financing the MSME sector. The Group also operates a technology platform through its subsidiary, Datasigns Technologies Private Limited.

The management monitors the Group's principal business segment, i.e. financing, for the purpose of resource allocation and performance assessment. Accordingly, in accordance with Ind AS 108 – Operating Segments, the Group has determined that it operates in a single reportable segment, namely financing activities, and hence no separate segment disclosures are required.

The Group has no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no single external customer contributes 10% or more of the total revenue of the Group.

43. Related party disclosures

a. List of related parties and their relationships:- UGRO Capital Limited (Holding Company)

(i) Subsidiaries :

Name of the related party	Nature of relationship
Profectus Capital Private Limited	Wholly Owned Subsidiary (From December 08, 2025)
Datasigns Technologies Private Limited	Wholly Owned Subsidiary (From March 18, 2026)
Ekagrata Finance Private Limited	Step-down Subsidiary (From March 18, 2026)

(ii) Key managerial personnel (KMP)/Directors :

Name of the related party	Nature of relationship
Shachindra Nath	Vice Chairman & Managing Director
Anuj Pandey	Chief Executive Officer (From July 16, 2025)
Kishore Kumar Lodha	Chief Financial Officer (till July 16, 2025)
Shilpa Bhatter	Chief Financial Officer (From July 16, 2025)
Satish Kumar Chelladurai	Company Secretary
Satyananda Mishra	Non- Executive Chairman & Independent Director
Karuppasamy Singam	Independent Director
Rajeev Agarwal	Independent Director
Karnam Sekar	Independent Director
Hemant Bhargava	Independent Director & Chairman - Audit Committee
Tabassum Inamdar	Independent Director

(iii) Enterprises over which KMP has control :

Poshika Financial Ecosystem Private Limited
Poshika Advisory Services LLP

(iv) Other related parties :

Name of the related party	Nature of relationship
Indifi Technologies Private Limited	Common Directorship

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026 (contd.)

a. **List of related parties and their relationships:- Profectus Capital Private Limited (Subsidary Company)**

(i) **Holding Company:**

Name of the related party	Nature of relationship
Actis Global 4 LP	Ultimate Holding Company (till December 8, 2025)
ACTIS PC Investment (Mauritius) Limited	Holding Company (till December 8, 2025)
UGRO Capital Limited	Holding Company (from December 8, 2025)

(ii) **Key managerial personnel (KMP)/Directors :**

Name of the related party	Nature of relationship
Mr. K.V Srinivasan	Whole Time Director & Chief Executive Officer (till December 8, 2025)
Mr. Sharad Agarwal	Chief Executive Officer (from December 8, 2025)
Mr. Sandip Parikh	Chief Financial Officer (till December 8, 2025)
Mr. Rajesh Kumar Thakur	Chief Financial Officer (from December 8, 2025)
Mr. Nitin Pangarkar*	Company Secretary
Asanka Rodrigo	Non-Executive Director (till December 8, 2025)
Pratik Jain	Non-Executive Director (till December 8, 2025)
Hossam Aboumoussa	Non-Executive Director (till December 8, 2025)
Sudarshan Sampath kumar	Independent Director (till December 8, 2025)
Satyananda Mishra	Independent Director (from December 8, 2025)
Karuppasamy Singam	Independent Director (from December 8, 2025)
Rajeev Krishnamuralilal Agarwal	Independent Director (from December 8, 2025)

*Mr. Nitin Pangarkar resigned as Company Secretary of the Company with effect from April 7, 2026, and Mr. Shrikant Harale was appointed as Company Secretary of the Company with effect from April 15, 2026.

(iii) **Other related parties :**

Name of the related party	Nature of relationship
Datasigns Technologies Private Limited	Subsidiary of Holding Company (from March 18, 2026)
Ekagrata Finance Private Limited	Step-down Subsidiary of Holding Company (from March 18, 2026)

a. **List of related parties and their relationships:- Datasigns Technologies Private Limited (Subsidary Company)**

(i) **Holding Company :**

Name of the related party	Nature of relationship
Ugro Capital Limited	Holding Company (From March 18, 2026)

(ii) **Subsidiary :**

Name of the related party	Nature of relationship
Ekagrata Finance Private Limited	Subsidiary Company

(iii) **Key managerial personnel (KMP)/Directors :**

Name of the related party	Nature of relationship
Monish Anand	Director
Rahul Sekar	Director (till March 20, 2026)
Shachindra Nath	Additional (Non-Executive) Director (From March 18, 2026)
Anuj Pandey	Additional (Non-Executive) Director (From March 18, 2026)

(iv) **Other related parties :**

Name of the related party	Nature of relationship
Sonira Gulhati	Wife of Director - Monish Anand
Profectus Capital Private Limited	Subsidiary of Holding Company (from March 18, 2026)

a. **List of related parties and their relationships:- Ekagrata Finance Private Limited (Step-down Subsidiary Company)**

(i) **Holding Company :**

Name of the related party	Nature of relationship
Ugro Capital Limited	Ultimate Holding Company (From March 18, 2026)
Datasigns Technologies Pvt. Ltd	Parent Company

(ii) **Key managerial personnel (KMP)/Directors :**

Name of the related party	Nature of relationship
Monish Anand	Director
Shachindra Nath	Additional (Non-Executive) Director (From March 20, 2026)
Anuj Pandey	Additional (Non-Executive) Director (From March 20, 2026)
Rahul Sekar	Director (Till on March 20, 2026)
Mala Poddar	Company Secretary

b. **Transactions with related parties are as enumerated below :** (Rupees in lakh)

Particulars	For the year ended March 31, 2026
Transactions during the year :	
Sourcing Fee*	
Indifi Technologies Private Limited	651.75
Consultancy fees*	
Sonira Gulhati	0.34
Advance against Salary	
Anuj Pandey	40.00
Repayment of advances	
Anuj Pandey	6.67
Issuanace of Compulsorily Convertible Debentures	
Anuj Pandey	40.00

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Conversion of Compulsorily Convertible Debentures into Equity Shares	
Anuj Pandey	40.00
Director sitting fees	
Hemant Bhargava	28.00
Karnam Sekar	31.00
Karuppasamy Singam	43.00
Rajeev Agarwal	46.00
Satyananda Mishra	42.00
Tabassum Inamdar	24.00
Sudarshan Sampath Kumar	1.00
Short-term employee benefits#	
Shachindra Nath	758.85
Anuj Pandey	280.52
Kishore Kumar Lodha	127.45
Shilpa Bhatter	127.94
Satish Kumar Chelladurai	52.37
K.V Srinivasan	1.47
Sharad Agarwal ##	-
Sandip Parikh	43.49
Rajesh Thakur ##	-
Nitin Pangarkar	10.69
Monish Anand	8.56
Rahul Sekar	**1.77**
Long-term employee benefits	
K.V Srinivasan	77.56
Share Based Payment	
Kishore Kumar Lodha	28.17

* The above figures are excluding GST.

#The above figures excludes provision for gratuity and compensated absences.

Deputed to Profectus Capital Private Limited through a secondment agreement between Profectus Capital Private Limited and UGRO Capital Ltd and their salary & benefits continue to be borne by UGRO Capital Ltd in the capacity of principle employer.

c. **Balance outstanding :**

Particulars	As at March 31, 2026
Other financial assets	
Advances Given	
- Anuj Pandey	33.33

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

d. ESOPs held by Key Managerial Personnel :

Particulars	As at March 31, 2026 (No. of options)
Anuj Pandey	641,634
Shilpa Bhatter	150,000
Satish Kumar	40,000

44. Expenditure in foreign currency :

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Debt securities	-
Borrowings (other than debt securities)	9,515.69
Other expenses	60.51
Finance costs	7,386.66
Other non-financial assets	44.54
Other Intangible Assets	82.14
Equity component of compound financial instruments	1,190.00
Investment in Subsidiaries	136,430.92
Total	**154,710.46**

The above figures are net of tax.

45. Disclosure pursuant to Ind AS 19 'Employee benefits' :

a. Defined contribution plans :

(Rupees in lakh)

Particulars	For the year ended March 31, 2026
Employer's contribution to provident fund	565.43
Employer's contribution to national pension scheme	304.95
Employer's contribution to labour welfare fund	0.79
Total	**871.16**

b. Defined benefit plan (Gratuity)

The Group has a defined benefit gratuity plan (Funded) which is administered through an approved gratuity fund. The entity makes contributions to the gratuity fund, which is managed by trustees and/or administered through an insurance company, to meet its gratuity obligations as they fall due.The Gratuity plan is governed by the "Payment of Gratuity Act, 1972". Under the Act, employee who has completed five years of service is entitled to specific benefit.The subsidiary companies, Profectus Capital Limited and Datasigns Technologies Private Limited (MyShubhLife), had established their gratuity funds in prior years. During the year ended March 31, 2026, the Parent established a gratuity fund and transitioned to a funded plan under the Payment of Gratuity Act, 1972. Accordingly, plan assets are recognised for the first time by the parent company.

The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(i) The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity (Funded Plan) As at March 31, 2026
Discount rate	5.65%-6.87%
Expected rate of return on plan assets	5.65%-6.85%
Salary escalation	5%-10%
Attrition rate	22%-80%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)

(ii) Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows : (Rupees in lakh)

Particulars	Gratuity (Funded Plan) For the year ended March 31, 2026
Service cost:	
Current service cost	348.61
Net interest expense	29.51
Past service cost	146.54
Components of defined benefit costs recognised in the Statement of profit or loss	**524.66**
Remeasurement on the net defined benefit liability:	
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(591.03)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	8.69
Actuarial (Gains)/Losses on Obligations - Due to Experience	122.75
Components of defined benefit costs recognised in other comprehensive income	**(459.59)**
Total	**65.07**

(iii) The amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit plans is as follows : (Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026
Present value of defined benefit obligation	963.76
Fair value of plan assets	(542.04)
Net liability arising from defined benefit obligation	**421.72**

(iv) Movements in the present value of the defined benefit obligation is as follows : (Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026
Opening defined benefit obligation	**1,390.64**
Current service cost	348.61
Interest cost	31.75
Past service cost	146.54
Remeasurement (gains)/Loss	(459.59)
Benefits paid	(494.19)
Closing defined benefit obligation	**963.76**

(v) **Movements in the present value of the Fair value of plan assets is as follows :** (Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026
Fair value of plan assets at the beginning of the year	**779.46**
Interest income	(2.25)
Interest cost	-
Return on plan assets excluding amounts included in interest income	(19.59)
Contributions by the Company	256.58
Benefits paid	(472.16)
Fair value of plan assets as at the end of the year	**542.04**

(vi) **Maturity analysis of the benefit payments :**

Projected benefits payable in future years	As at March 31, 2026
1st following year	317.80
2nd following year	205.04
3rd following year	124.00
4th following year	82.03
5th following year	49.72
Sum of years 6 To 10	65.36
Sum of years 11 and above	218.52

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.

(vii) **Sensitivity analysis (defined benefit obligation) :** (Rupees in lakh)

Particulars	As at March 31, 2026	
	Increase	Decrease
Discount rate (1% movement)	(24.20)	26.84
Future salary growth (1% movement)	13.61	(13.61)
Attrition rate (1% movement)	6.14	(6.52)

Note :

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

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 (Unfunded Plan) As at March 31, 2026
Demographic Assumptions	
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	22%-51.90% p.a. for all service groups.
Retirement Age	60-65 years
Financial Assumptions	
Salary Escalation Rate	5.00%-10.00% p.a.
Discount Rate	5.88% - 6.87% p.a.(Indicative G.Sec referenced on 30-03-2026)

(ii) The amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit plans is as follows :

(Rupees in lakh)

Particulars	Compensated absences (Unfunded Plan) As at March 31, 2026
Present value of defined benefit obligation	1,047.71
Net liability arising from defined benefit obligation	**1,047.71**

Particulars	Compensated absences (Unfunded Plan) As at March 31, 2026
Discontinuance liability	1,068.12
Defined benefit obligation	1,047.71
Funding status	Unfunded
Fund balance	N/A
Current liability	534.56
Non-current liability	513.15

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii) Sensitivity analysis (defined benefit obligation) :

(Rupees in lakh)

Particulars	Compensated absences (Unfunded Plan) As at March 31, 2026	
	Increase	Decrease
Discount rate (1% movement)	(21.93)	24.52
Future salary growth (1% movement)	19.01	(17.07)
Attrition rate (1% movement)	(3.78)	3.23

Note :

Pursuant to the notification by the Ministry of Labour and employment on November 21, 2025 of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"), the Group has recognised a provision towards past service cost on gratuity and compensated absences payable to the employees amounting to Rs. 673.10 lakh during the quarter ended December 31, 2025, which is included under "Employee benefits expenses". As the underlying Rules to the Labour Codes are yet to be notified, the Group will continue to monitor further developments and will evaluate and give effect to any consequential adjustments arising subsequently in this respect.

46. Disclosure relating to Employee Stock Option Scheme

In the Group the Holding Company has two Employee Stock Option Schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Capital Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the Board of Directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extraordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the Board of Directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 45,12,345 options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 during the year ended March 31, 2026 is set below :

Particulars	As at March 31, 2026	Exercise price range
	In numbers	
CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022: (face value of Rs. 10 each)		
Options outstanding as at the beginning of the year	**2,400,501**	**Rs. 130 - Rs. 271.35**
Add: Options granted	5,100,017	Rs. 130 - Rs. 220.73
Less: Options exercised*	171,000	Rs.130- Rs.202
Less: Options lapsed	2,817,173	Rs. 130 - Rs. 271.35
Options outstanding as at the end of the year#	**4,512,345**	**Rs. 130 - Rs. 271.35**
Exercisable as at the end of the year	**222,744**	

*Weighted average share price of options exercised during the year ended March 31, 2026 was Rs.168.40.

#Weighted average remaining contractual life of options outstanding as at March 31, 2026 is 1.05 years.

In the Group the Holding Company follows accounting policy of fair value method for Employee Stock Options (ESOS) valuation. Accordingly, the accumulated expense of Rs.373.67 lakh has been debited to the Statement of Profit and Loss for the year ended March 31, 2026.

Particulars	CSL Employee Stock Option Scheme 2017 - Grant XXXVII	CSL Employee Stock Option Scheme 2017 - Grant XXXVIII	UGRO Capital Employee Stock Option Scheme 2022 - Grant VI
Date of the grant	April 30, 2025	September 26, 2025	July 25, 2025
Number of options granted	2,893,037	750,000	1,456,980
Method of settlement	Equity shares	Equity shares	Equity shares

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

Particulars	CSL Employee Stock Option Scheme 2017 - Grant XXXVII	CSL Employee Stock Option Scheme 2017 - Grant XXXVIII	UGRO Capital Employee Stock Option Scheme 2022 - Grant VI
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date
Vesting pattern		1) 15% (One year from date of grant) 2) 35% (Two years from date of grant) 3) 50% (Three years from date of grant)	100% (One year from date of grant)
Weighted average remaining contractual life			
Granted but not vested (in years)	1.43	1.84	0.32
Vested but not exercised	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.		Can be exercised within 21 months of vesting
Vesting conditions	Time based vesting based on fulfilment of time mentioned in the scheme.		Time based vesting based on fulfilment of time mentioned in the scheme.
Weighted average fair value of options as on the grant date (in Rs)	88.35	79.87	28.99

Exercise pricing formula

The exercise pricing formula for CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer, if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

The key assumptions used in Binomial model for calculating fair value under CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 with respect to various grants :

Particulars	CSL Employee Stock Option Scheme 2017 - Grant XXXVII	CSL Employee Stock Option Scheme 2017 - Grant XXXVIII	UGRO Capital Employee Stock Option Scheme 2022 - Grant VI
Risk-free interest rate	6.08% ##	6.22% ##	6.08%
Expected volatility of share price*	41.06% *##	44.80% *##	39.96% #
Time to maturity (in years)	3.85 ##	3.85 ##	1.75
Dividend yield	-	-	-
The price of equity share as on the grant date considered for valuation (in Rs.)	175.77	161.81	167.4

* Volatilities are calculated using standard deviation of stock price changes of UGRO Capital Limited for duration equal to the life of the option.

\# Volatilities are calculated using market data for price of UGRO Capital Limited.

\## These represent the weighted average risk-free interest rate, expected share price volatility, and time to maturity (in years), computed with reference to the vesting conditions of the grant.

47. Leases (entity as a lessee)

The Group as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation. The Group has entered into leasing arrangements for premises. Majority of the leases are cancellable by the group. Right-of-use asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Balance Sheet.

a. Right-of-use asset :

(Rupees in lakh)

Particulars	As at March 31, 2026
Office Premises :	
As at the beginning of the year	**14,589.90**
Additions during the year	3,489.86
Deletions during the year	(1,117.60)
Remeasurement of assets	180.21
As at the end of the year	**17,142.37**
Accumulated depreciation as at the beginning of the year	**7,159.61**
Depreciation for the year	2,449.09
Accumulated depreciation as at the end of the year	**9,608.70**
Net carrying amount as at the end of the year	**7,533.67**

b. Amount recognised in Statement of Profit and loss :

Particulars	For the year ended March 31, 2026
Depreciation expense on right-of-use assets	2,449.09
Interest expense on lease liabilities	1,106.47
Total expenses recognised in Statement of profit and loss	**3,555.56**

The total cash outflow on account of lease rentals amounting for the current year Rs. 2,897.41 lakh.

The average lease term for the rented office premises is ranging between 1 to 9 years.

c. Lease liabilities :

Particulars	As at March 31, 2026
Lease liabilities	8,535.68
Total	**8,535.68**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2026
Not later than 1 year	2,292.39
Later than 1 year and not later than 5 years	4,800.70
Later than 5 years	1,442.59
Total	**8,535.68**

The Group has adequate liquidity for payment of lease liabilities. The Group regularly monitors and pays lease

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

rentals on a timely manner as per the terms of the respective leave and license agreement.

The Group has the right to extend the lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Group takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

The Group uses certain premises leased by its wholly owned subsidiary from an external lessor, with such use permitted to the Holding Company through a No Objection Certificate in line with the leave and license agreement for most locations, while the same is awaited in certain cases. As the lease is with an external party, it continues to be recognised in the consolidated financial statements. The internal use of the premises does not constitute a separate lease and does not result in any additional recognition or elimination.

48. Impact of hedging activities

a) Disclosure of effects of hedge accounting on the financial position :

As at March 31, 2026 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cash flow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,495.53	-	430.02	-	September 21, 2026	417.39	417.39	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	2,457.00	-	391.78	-	September 28, 2027	265.47	265.47	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,513.33	-	806.81	-	February 16, 2028	674.22	674.22	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,205.00	-	1,280.44	-	June 27, 2027	1,114.00	1,114.00	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	868.36	-	June 28, 2026	754.19	754.19	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,309.50	-	3,025.09	-	November 7, 2029	2,646.71	2,646.71	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,448.15	-	2,698.40	-	December 30, 2029	1,933.77	1,933.77	Borrowings (other than debt securities)

As at March 31, 2026 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cash flow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Full Currency Swap)	10,706.00	-	-	38.32	December 13, 2030	38.32	38.32	Borrowings (other than debt securities)
Currency Derivative (Forward Contract)	18,945.94	-	-	3.42	March 27, 2030	3.42	3.42	Borrowings (other than debt securities)

b) **Disclosure of effects of hedge accounting on the financial performance :**

As at March 31, 2026

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	(298.60)	-	-	Finance Costs

49. Summarised classification of financial assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2026			
	Amortised cost	At fair value through profit and loss ac-count	At fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	137,752.72	-	-	137,752.72
Bank balances other than cash and cash equivalents above	44,735.35	-	-	44,735.35
Derivative financial instruments	-	-	9,500.90	9,500.90
Loans	1,029,316.55	-	-	1,029,316.55
Investments	5,569.52	68,168.31	-	73,737.83
Other financial assets (Refer Note 8)	13,516.11	-	-	13,516.11
Total	**1,230,890.24**	**68,168.31**	**9,500.90**	**1,308,559.46**
Financial liabilities				
Derivative financial instruments	-	-	41.74	41.74
Payables :				

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
(A) Trade payables				
(I) Total outstanding dues of micro enterprises and small enterprises	2.95	-	-	2.95
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,493.46	-	-	4,493.46
(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	1,356.66	-	-	1,356.66
Debt securities	322,022.08	-	-	322,022.08
Borrowings (other than debt securities)	710,331.56	-	-	710,331.56
Subordinated Liabilities	45,874.69	-	-	45,874.69
Other financial liabilities (Refer Note 20)	12,288.86	-	-	12,288.86
Total	**1,096,370.27**	**-**	**41.74**	**1,096,412.00**

50. Financial risk management

The Group has exposure to the following risks from financial instruments :

a. Credit Risk

b. Liquidity Risk

c. Market Risk

d. Operational Risk

The Group is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Group 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 Group. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Group 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 Group believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Group 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 Group has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis:

The Group's policies for computation of expected credit loss (ECL) are set out below :

(I) ECL on Loans and advances

ECL is computed for loans portfolio of the Group :

Loan portfolio :

The Group is primarily engaged into MSME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default :

A default shall be considered to have occurred when any of the following criteria is met:

a) An account shall be tagged as NPA once the day end process is completed for the 90th day past due.

b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria:

(a) External credit rating going below investment grade rating.

(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

(c) Other qualitative parameters :

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.

(d) Any other qualitative parameter.

Definition of low credit risk :

A case which has scores above cut-off norms as set by the Group 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 :

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

Following staging criteria is used for loans :
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-90 DPD and
(iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/DOR/2025-26/356 DOR.STR.REC.No.275/21.04.048/2025-26 on Reserve Bank of India (Non-Banking Financial Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 shall be approved by the audit committee of the board (ACB).

Probability of default (PD%)

PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults.

LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Group determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)

Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the fixed deposits and investments held by the Group, ECL provisioning has been computed taking guidance from the RBI's IRB approach.

The Group has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS :

The Group has prepared the financial statements in accordance with Ind AS and complied with the regulatory guidance specified by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 read with Reserve Bank of India (Non-Banking Financial Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 both dated November 28, 2025, as amended.

b. Liquidity risk

Liquidity risk arises from the Group's inability to meet its cash flow commitments as they fall due. Prudent liquidity risk management involves maintaining an adequate level of cash and marketable securities, along with ensuring access to standby funding through a well-diversified pool of committed credit facilities.

The Treasury function actively manages asset and liability positions in line with the guidelines prescribed under the Board approved Liquidity risk management framework read with Reserve Bank of India (Non-Banking Financial Companies - Asset Liability Management) Directions, 2025 dated November 28, 2025, as amended. The Company continues to maintain a positive ALM position.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

The Asset Liability Committee (ALCO) of the Group regularly monitors asset-liability mismatches to ensure that there are no significant imbalances or undue concentrations on either side of the Balance Sheet. Additionally, the Group continuously monitors market liquidity conditions and takes appropriate measures as part of its ALCO-driven strategy to effectively manage liquidity risk.

The table below summarises the maturity profile of the undiscounted cash flows by contractual maturities of Group's financial assets and financial liabilities as at March 31, 2026 :

(Rupees in lakh)

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow) :							
Cash and cash equivalents	137,755.50	137,755.50	137,755.50	-	-	-	-
Bank balances other than cash and cash equivalents above	44,747.12	44,747.12	1,042.96	13,795.91	25,557.50	3,834.05	516.70
Derivative financial instruments	9,500.90	9,500.90	-	-	-	9,500.90	-
Loans	1,046,859.15	1,031,779.18	42,012.53	69,320.90	268,709.90	440,244.04	211,491.81
Investments	73,746.32	73,746.32	25,705.59	8,360.78	28,871.68	-	10,808.27
Other financial assets (Refer Note 8)	13,519.29	13,519.29	-	7,456.49	-	5,547.53	515.27
Financial liabilities (outflow):							
Derivative financial instruments	41.74	41.74	-	-	41.74	-	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	2.95	2.95	2.95	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,493.46	4,493.46	63.17	4,430.29	-	-	-
(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	1,356.66	1,356.66	101.24	1,255.42	-	-	-
Debt securities	322,022.08	327,267.39	36,440.94	36,107.36	75,143.56	178,601.41	974.12
Borrowings (other than debt securities)	710,331.56	722,261.84	24,262.05	69,591.40	194,883.13	433,525.26	-
Subordinated Liabilities	45,874.69	48,348.83	232.15	-	6.68	28,500.00	19,610.00
Other financial liabilities (Refer Note 20)	12,288.86	14,525.14	2,258.03	411.60	1,854.46	6,788.18	3,212.87

* Carrying amount reported above is on a gross basis.

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2026 :

Notes forming part of the consolidated financial statements
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Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	10,066.30	10,066.30	-	-
Other commitments	-	4,271.76	4,271.76	-	-
Capital commitments (outflow)	-	100.00	100.00	-	-

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 Group primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Group 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 Group's exposure to price risk arises from investments held by the Group and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk :

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group'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 group due to change in the group'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 Group's borrowings to interest rate changes as at the end of the reporting period are as follows :

(Rupees in lakh)

Particulars	As at March 31, 2026*
Variable rate borrowings	564,637.63
Fixed rate borrowings	526,529.95
Total borrowings	**1,091,167.58**

* The Principal outstanding amount as on March 31, 2026 is considered above.

The Group had the following variable rate borrowings outstanding :

Particulars	As at March 31, 2026
Outstanding balance*	564,637.63
% of total borrowings	51.75%

Sensitivity :

Particulars	Impact on profit or loss As at March 31, 2026
Interest rate - increase by 1%**	(5,218.07)
Interest rate - decrease by 1%**	5,218.07

* The Principal outstanding amount as on March 31, 2026 respectively is considered above.
** Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. For the Group, such risk primarily arises from its foreign currency borrowings. The Company manages this risk by entering into appropriate hedging instruments, including cross-currency interest rate swaps, full currency swaps, and forward contracts. When derivatives are used for hedging purposes, the Group ensures that the terms of such instruments are aligned with those of the underlying exposure to achieve effective risk mitigation. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Group holds the derivative financial instruments such as full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management :

The Group's capital management objective is primarily to safeguard the business continuity. The Group's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Group'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 group believes that this approach would create shareholder value in the long run. Also, the group has adopted a conservative approach for ALM management with primacy to adequate liquidity.

The Group maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio : (Rupees in lakh)

Particulars	As at March 31, 2026
The gearing ratio at each date were as follows :	
Debt securities	322,022.08
Borrowings (other than debt securities)	710,331.56
Subordinated liabilities	45,874.69
Total debt	**1,078,228.33**
Total equity*	**290,601.91**
Debt to equity ratio	**3.71**

*Total equity = Equity share capital + Other equity

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

51. Income tax

a. The major components of tax expense for the year ended March 31, 2026:

(Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2026
1	**Statement of profit and loss:**	
	Profit and loss section:	
	Current income tax:	
	Tax for current year	3,968.01
	Deferred tax :	
	Tax expense on origination and reversal of temporary differences	2,908.52
	Excess/ short provision of tax of earlier years:	
	Tax expense for earlier years	(7.45)
	Income tax expense reported in the Statement of profit and loss	**6,869.08**
2	**Other comprehensive income (OCI) section:**	
	Current income tax :	
	Net loss on remeasurement of defined benefit obligations	-
	Deferred tax:	
	Net (loss)/ gain on remeasurement of defined benefit obligations	(131.58)
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	86.95
	Debt instruments through OCI	24.40
	Income tax expense/(gain) reported in the OCI section	**(20.22)**

b. Reconciliation of effective tax rate :

Sr. No.	Particulars	For the year ended March 31, 2026
1	Profit before tax as per books	24,350.50
2	Applicable income tax rate*	29.12%
3	**Tax at the applicable income tax rate on profit before tax (A)**	**7,090.86**
4	**Tax effect of amounts not deductible/not taxable while calculating taxable income**	
	-Corporate social responsibility	28.44
	-Interest /penalty on TDS	0.06
	-Other adjustments	(38.07)
	Impact of consolidated Adjustments	(212.21)
	Total of adjustments (B)	**(221.79)**
5	**Total Tax expense/(refund)(A+B)**	**6,869.08**

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

c. **Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss :**

(Rupees in lakh)

Sr. No.	Particulars	Balance Sheet	Statement of profit and loss and other comprehensive income
		As at March 31, 2026	For the year ended March 31, 2026
A	**Deferred tax assets (DTA)**		
1	Employee benefit provisions and expenses		
	a. Compensated absences	301.64	157.47
	b. Gratuity	135.13	0.22
	c. Bonus	276.64	14.56
	d. Long term incentive plan	84.84	(21.93)
	e. Disallowance on account of Employee stock options scheme outstanding	217.44	(0.01)
2	Deferred revenue income - processing fees allowed upfront in income tax	3,048.48	2,870.83
3	Provision for impairment loss allowances on financial instruments	5,118.65	1,034.73
4	Impact on account of Ind AS 116 Leases	346.92	37.75
5	Preliminary expenses	-	-
6	Unutilised minimum alternate tax credit entitlement	14,569.76	3,659.83
7	Income tax losses carried forward	1,699.93	(10,510.25)
8	Others	85.31	251.38
	Total (A)	**25,884.75**	**(2,505.42)**
B	**Deferred tax liabilities (DTL)**		
1	Difference in between book value and tax base of property, plant and equipment and other intangible assets	429.68	(281.66)
2	Receivables on EIS Direct assignment and Co-lending transactions	11,582.07	(7,022.30)
3	Prepaid fees/ charges on debt securities allowed upfront in income tax	1,834.44	485.41
4	Prepaid fees/ charges on borrowings allowed upfront in income tax	3,777.21	1,662.09
5	Deferred loan sourcing cost allowed upfront in income tax	13,078.50	5,577.22
6	Others	9.46	1.28
	Total (B)	**30,711.37**	**423.32**
C	**Deferred tax asset/ (liability)**	**(4,826.62)**	**-**
D	**Deferred tax expense/ (benefit)**	**-**	**2,928.74**

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 Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. **Fair value hierarchy of financial instruments classified in amortised cost category :** (Rupees in lakh)

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026
	Level 1	Level 2	Level 3	
Assets				
Cash and cash equivalents	137,755.50	-	-	137,755.50
Bank balances other than cash and cash equivalents	44,747.12	-	-	44,747.12
Loans	-	-	973,117.03	1,046,859.15
Investments	2,605.66	-	2,963.59	5,578.01
Other financial assets (Refer Note 8)	-	-	13,519.29	13,519.29
Total	**185,108.28**	**-**	**989,599.91**	**1,248,459.07**
Liabilities				
Payables	-	-	5,853.07	5,853.07
Debt securities	-	254,304.30	70,443.49	322,022.08
Borrowings (other than debt securities)	-	621,609.90	98,938.79	710,331.56
Subordinated Liabilities	-	50,851.48	-	45,874.69
Other financial liabilities (Refer Note 20)	-	-	12,288.86	12,288.86
Total	**-**	**926,765.68**	**187,524.21**	**1,096,370.26**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value :

Short-term financial assets and liabilities :

For financial assets and financial liabilities that are of short-term nature, the carrying amount itself is considered as its fair value. Such instruments include: other financial assets and other financial liabilities.

Cash and cash equivalents and Bank balances other than cash and cash equivalents :

The carrying amount itself is considered as its fair value. Impairment loss allowance is not part of above disclosure.

Loans and advances to customers :

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. For loans having contractual residual maturity less than one year, the carrying value has been considered as fair value.

Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings :

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

b. **Fair value hierarchy of financial instruments classified in Fair Value through Profit or Loss (FVTPL) category :**

(Rupees in lakh)

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026
	Level 1	Level 2	Level 3	
Assets				
Investments in mutual funds	1,246.71	-	-	1,246.71
Investments in security receipts	-	35,957.14	-	35,957.14
Investments in Debt Securities	30,964.46	-	-	30,964.46
Total	**32,211.17**	**35,957.14**	**-**	**68,168.31**

There were no transfers between Level 1 and Level 2 during the year.

c. **Fair value hierarchy of financial instruments classified in Fair Value through other Comprehensive Income (FVTOCI) category :**

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026
	Level 1	Level 2	Level 3	
Assets				
Derivative financial instruments	-	9,500.90	-	9,500.90
Liabilities				
Derivative financial instruments	-	41.74	-	41.74
Total	**-**	**9,542.64**	**-**	**9,542.64**

There were no transfers between Level 1 and Level 2 during the year.

53. Maturity profile of assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2026		
	Within 12 months	After 12 months	Total
Assets:			
Financial assets:			
Cash and cash equivalents	137,752.72	-	137,752.72
Bank balances other than cash and cash equivalents above	41,157.42	3,577.93	44,735.35
Derivative financial instruments	-	9,500.90	9,500.90
Loans	374,028.23	655,288.32	1,029,316.55
Investments	62,929.56	10,808.27	73,737.83
Other financial assets (Refer Note 8)	7,400.57	6,115.54	13,516.11
Non-financial assets:			
Current tax assets (net)	1,597.27	-	1,597.27
Deferred tax asset (net)	-	-	-
Property, plant and equipment	-	3,304.75	3,304.75
Non-current assets held for sale	21,667.88	3,880.29	25,548.17
Right-of-use-asset	1,697.98	5,835.69	7,533.67
Intangible assets under development	1,266.56	1,136.79	2,403.35
Goodwill on Consolidation	-	34,163.29	34,163.29
Other intangible assets	-	6,162.08	6,162.08
Other non-financial assets (Refer Note 15)	15,443.35	2,786.75	18,230.10
Total	**664,941.55**	**742,560.59**	**1,407,502.14**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026		
	Within 12 months	After 12 months	Total
Liabilities :			
Financial liabilities :			
Derivative financial instruments	-	41.74	41.74
(A) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	2.95	-	2.95
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,493.46	-	4,493.46
(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	1,356.66	-	1,356.66
Debt securities	144,886.67	177,135.41	322,022.08
Borrowings (other than debt securities)	284,890.33	425,441.23	710,331.56
Subordinated Liabilities	238.83	45,635.86	45,874.69
Other financial liabilities (Refer Note 20)	3,903.06	8,385.80	12,288.86
Non-financial liabilities :			
Current tax liabilities (net)	2,330.02	-	2,330.02
Provisions	9,988.62	1,771.29	11,759.91
Deferred tax liabilities (net)	-	4,826.62	4,826.62
Other non-financial liabilities (Refer Note 24)	1,571.68	-	1,571.68
Total	**453,662.28**	**663,237.95**	**1,116,900.23**

54. Changes in liabilities arising from financing activities :

Disclosure pursuant to Ind AS 7, Statement of Cash Flows - changes in liabilities arising from financing activities :

(Rupees in lakh)

Particulars	As at April 01, 2025	Cash inflow/ (outflow)	Others*	As at March 31, 2026
Debt securities	252,998.20	72,167.06	(3,143.18)	322,022.08
Borrowings (other than debt securities)	611,338.03	94,967.67	4,025.87	710,331.57
Subordinated Liabilities	3,370.81	44,610.00	(2,106.12)	45,874.69
Other financial liabilities				
Lease liabilities	8,297.63	(2,897.41)	3,135.46	8,535.68

* Others column includes the effect of interest accrued but not paid on borrowing, amortisation of transaction cost as per IND AS 109. This figures also represent net of creation, remeasurement and deletion of right of use assets for lease liability.

55. Events after the reporting period

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

56. The financial statements of the following subsidiaries have been consolidated as per Ind AS 110 on Consolidated Financial Statements as on March 31, 2026 :

Name of the Subsidiary	Country of Incorporation	% of Holding as at March 31, 2026
Profectus Capital Private Limited (Wholly Owned Subisidiary)	India	100
Datasigns Technologies Private Limited (Wholly Owned Subisidiary)	India	100
Ekagrata Finance Private Limited (Step-down Subsidiary)	India	100

57. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	As at March 31, 2026							
	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in lakh)	As % of consolidated profit or loss	Amount (Rs. in lakh)	As % of consolidated other com-prehensive income	Amount (Rs. in lakh)	As % of consolidated total com-prehensive income	Amount (Rs. in lakh)
Parent:								
Ugro Capital Limited	97.89%	284,471.27	64.85%	11,336.77	131.99%	57.81	65.02%	11,394.58
Subsidiaries :								
Profectus Capital Private Limited	40.98%	119,085.64	37.28%	6,516.23	(23.88)%	(10.46)	37.12%	6,505.77
Datasigns Technologies Private Limited (consolidated)	(0.44)%	(1,291.15)	10.14%	1,772.94	(8.11)%	(3.55)	10.10%	1,769.39
Elimination	(38.43)%	(111,663.85)	(12.27)%	(2,144.52)	0.00%	-	(12.24)%	(2,144.52)
Total	**100.00%**	**290,601.91**	**100.00%**	**17,481.42**	**100.00%**	**43.80**	**100.00%**	**17,525.22**

58. Business Acquisition

During the financial year, UGRO Capital Limited ("the Company" or "the Acquirer") completed the acquisition of Profectus Capital Private Limited ("Profectus" or "PCPL"), a non-banking financial company registered with the Reserve Bank of India (RBI) and engaged in lending Enterprise Mortgage Loans, School Funding Program, Machinery and Equipment Financing, Supply Chain Finance, NBFC Onward Lending.

The acquisition was executed pursuant to a Share Purchase Agreement dated June 17, 2025 by way of purchase of 100% of the shares of PCPL for an aggregate purchase consideration of Rs. 1,39,860 lakh through cash consideration which was duly completed on December 08, 2025. Accordingly, PCPL has become Wholly Owned Subsidiary of UGRO Capital Limited with effect from December 08, 2025. The Board of Directors at its meeting held on January 08, 2026 approved the Scheme of Amalgamation of PCPL, with the Company and their respective shareholders and creditors proposing April 01, 2026 as 'Appointed Date', wherein PCPL would be merged with the Company subject to obtaining approvals from various regulators and other authorities, as applicable.

The acquisition of PCPL is aligned with the Company's strategy to scale its MSME lending platform and strengthen its secured asset portfolio. The transaction enhances the Company's presence in key lending segments such as enterprise mortgage loans, school financing, machinery and equipment financing, and supply chain finance. It also supports diversification of the Company's portfolio and is expected to improve resilience and long-term profitability through product and geographic alignment.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

1. **The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed :**

(Rupees in lakh)

Particulars	Amount
ASSETS	
Cash and cash equivalents	18,779.42
Bank balances other than Cash and cash equivalents	15,835.87
Derivative financial instruments	-
Receivables	-
Loans	249,428.88
Investments	9,378.07
Other financial assets	351.79
Current tax assets	1,363.85
Deferred tax assets (net)	498.22
Property, plant and equipment	247.78
Other Intangible assets	110.35
Intangible assets under development	36.81
Right of use assets	1,255.64
Other non-financial assets	436.56
TOTAL ASSETS (A)	**297,723.24**
LIABILITIES	
Derivative financial instruments	-
Payables	391.69
Debt securities	54,726.78
Borrowings (other than debt securities)	122,568.71
Subordinated liabilities	-
Other financial liabilities	1,428.18
Current tax liabilities	695.45
Provisions	5,309.14
Other non-financial liabilities	22.92
TOTAL LIABILITIES (B)	**185,142.87**
Net identifiable Assets Acquired (C)=(A)+(B)	**112,580.37**

2. **Calculation of goodwill**

Particulars	Amount
Purchase Consideration	
-Settlement in Cash	139,860.00
Less: Net identifiable assets acquired	112,580.37
Goodwill arising on Acquisition	**27,279.63**

3. Revenues and profit contributed to the Group for the financial year ended March 31, 2026 are as follows :

(Rupees in lakh)

Particulars	Amount
Revenue from Operations	16,596.17
Profit before Tax	8,741.31

59. Business Combination

Acquisition of Datasigns Technologies Private Limited

During the financial year, the Company completed the acquisition of Datasigns Technologies Private Limited ("DTPL"), a company engaged in operating a technology platform under the brand MyShubhLife, which forms part of the embedded finance ecosystem enabling digital origination of credit to micro and small enterprises.

The acquisition was carried out pursuant to the Share Purchase Agreement dated January 1, 2025, as amended and restated by the Amended and Restated Share Purchase Agreement dated March 5, 2026, executed between UGRO Capital Limited ("the Company" or "the Acquirer"), the selling shareholders and DTPL. Upon completion of the transaction on March 18, 2026, DTPL became a wholly owned subsidiary of the Company. Further, Ekagrata Finance Private Limited, a wholly owned subsidiary of DTPL, consequently became a step-down subsidiary of the Company.

The acquisition is aligned with the Company's strategic objective to strengthen its digital and embedded finance capabilities. It provides scale to the Company's technology-led lending initiatives, strengthens its secured and diversified asset profile, and enables deeper penetration into platform-based credit origination. The transaction is also expected to facilitate operational integration across complementary lending products and enhance long-term profitability through operating efficiencies.

1. The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed :

(Rupees in lakh)

Particulars	Amount
ASSETS	
Cash and cash equivalents	26.46
Bank balances other than Cash and cash equivalents	34.18
Derivative financial instruments	-
Receivables	839.97
Loans	-
Investments	67.48
Other financial assets	160.08
Current tax assets	92.36
Deferred tax assets (net)	-
Property, plant and equipment	26.82
Other Intangible assets	-
Intangible assets under development	1,109.31
Right of use assets	-
Other non-financial assets	206.17
TOTAL ASSETS (A)	**2,562.83**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	Amount
LIABILITIES	
Derivative financial instruments	-
Payables	337.60
Debt securities	-
Borrowings (other than debt securities)	3,500.00
Subordinated liabilities	-
Other financial liabilities	443.81
Current tax liabilities	-
Provisions	262.96
Other non-financial liabilitie	1,079.00
TOTAL LIABILITIES (B)	**5,623.37**
Net identifiable Assets Acquired (C)=(A)+(B)	**(3,060.54)**

2. Calculation of goodwill

Particulars	Amount
Purchase Consideration	
-Settlement in Cash	3,823.12
Less: Net idnetifiable assets acquired	(3,060.54)
Goodwill arising on Acquisition	**6,883.66**

3. Pre-existing relationship details

In accordance with Ind AS 103, DTPL and UGRO Capital Limited had a “pre-existing relationship” prior to the business combination, which was contractual in nature. This relationship involved UGRO Capital limited subscribing to the Optionally Convertible Debentures (OCD) issued by DTPL. Details mentioned below :

Particulars	Amount
Date of Investment	24/03/2025
Date of redemption	31/03/2026
Amount invested (Amt in Lakh)	3,500.00
Rate of Interest (% p.a.)	12.00

4. Revenues and profit contributed to the Group for the financial year ended March 31, 2026 are as follows :

Particulars	Amount
Revenue from Operations	2,540.31
Profit before Tax	1,687.84

60 The Holding Company has acquired Profectus Capital Private Limited on December 8, 2025 and Datasigns Technologies Private Limited (along with Ekagrata Finance Private Limited, a wholly-owned subsidiary Datasigns Technologies Private Limited) on March 18, 2026 and are wholly-owned subsidiary companies of the Holding Company. Accordingly, the Holding Company has to prepare for the first time the Consolidated Financial Statements (the 'CFS') for the year 2025-26.

Further, the CFS for the year includes the accounts / operations of: (a) Holding Company for the year; (b) Profectus Capital Private Limited for the period from December 8, 2025 to March 31, 2026; and (c) Datasigns Technologies Private Limited (including Ekagrata Finance Private Limited) for the period from March 18, 2026 to March 31, 2026.

In view of the above, the CFS does not contain the figures for the previous period / year for comparison.

The accompanying notes are an integral part of the financial statements.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath	**Hemant Bhargava**
Vice Chairman & Managing Director	Independent Director & Chairman - Audit Committee
DIN : 00510618	DIN : 01922717
Shilpa Bhatter	**Satish Kumar Chelladurai**
Chief Financial Officer	Company Secretary

Place : Mumbai
Date : April 20, 2026

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

(Rupees in lakh)

Sr. No.	Particulars	1	2	3
1	Name of the subsidiary	Profectus Capital Private Limited	Datasigns Technologies Private Limited	Ekagrata Finance Private Limited
2	Date since when subsidiary was acquired	December 08, 2025	March 18, 2026	March 18, 2026
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA, same as Holding Company	NA, same as Holding Company	NA, same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA, same as Holding Company	NA, same as Holding Company	NA, same as Holding Company
5	Share capital	75,029.96	311.31	3,510.00
6	Reserves and surplus	44,056.40	1,729.74	(3,332.19)
7	Total assets	292,836.64	9,092.19	299.18
8	Total liabilities	173,751.00	7,051.14	121.37
9	Investments	50,846.67	3,577.66	-
10	Revenue from operation	45,482.92	3,432.25	-
11	Profit before taxation	6,901.89	229.04	18.41
12	Provision for taxation	1,835.49	(85.10)	-
13	Profit after taxation	5,066.61	314.14	18.41
14	Proposed dividend	-	-	-
15	Extent of shareholding (%)	100.00	100.00	100.00

Notes :

1 Subsidiaries yet to commence operations : NA
2 Subsidiaries liquidated or sold during the year : NA

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

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee

DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

INDEPENDENT AUDITOR’S REPORT

To The Members of UGRO Capital Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **UGRO Capital Limited** (the ‘Company’), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor's Report (Contd.)

<table>
<tr><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment of loans including Expected Credit Loss (ECL)</td></tr>
<tr><td>
Total loans as at March 31, 2026 was Rs. 8,31,452.82 lakh (net of ECL), (Refer Note 6 to the standalone financial statements)
Impairment provision as at March 31, 2026: Rs. 15,621.49 lakh (Refer Note 6 to the standalone financial statements)
Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the ECL approach.
The Company has Board approved Policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to ECL model.
ECL model involves an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the loans and advances.
In the process, a significant degree of judgement has been applied by the management of the Company including but not limited to the following matters:
a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics;
b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past;
c) Staging of loans and estimation of behavioural life;
d) Models developed by the Company that derive key assumptions used within the provision calculation such as Probability of Default (PD) and Loss Given Default (LGD).
Since, the impairment of loans including ECL requires a significant level of estimation and given its significance to the overall audit, we have ascertained impairment of loans including ECL as a key audit matter.
</td><td>
Our audit procedures were focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following:
Process understanding and Test of Controls:
1. Read the Company's Board approved Policy on ECL and accounting policies for estimation of ECL loss on financial assets (as explained in Note 2B - (14)(c) to the standalone financial statements) and evaluated the appropriateness of the same with the principles of the Standard Ind AS 109 and Prudential Norms laid down by Reserve Bank of India (RBI).
2. Tested the design and effectiveness of internal controls over the completeness and accuracy of the Exposure At Default (EAD) and the classification thereof into stages consistent with the definitions applied in accordance with the approved Policy, including the appropriateness of the qualitative factors to be applied.
Test of details:
3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following:
a. Evaluated underlying data related to estimates and judgements used for developing ECL models.
b. Verified that PD is computed as per the internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time. Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach and an internal model which factors post default recovery rates and collateral value in case of secured loans.
c. Verified whether appropriate staging of assets have been performed basis their days past due. Ensured the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates.
d. Verified the impairment provision for Stage 3 exposures considering the management's estimate of future cash flows for those exposures and checked the resultant provision.
e. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan.
f. Verified the ECL provision on restructured cases pursuant to the RBI Circular, on a sample basis.
g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy.
h. Verified the impairment provision under the Standard, Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning Norms (IRACP) (including standard asset provisioning) to determine the need to create an Impairment Reserve.
i. Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness.
j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Standard.
</td></tr>
</table>

Independent Auditor's Report (Contd.)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

Independent Auditor's Report (Contd.)

doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'** a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder;

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under aforesaid section which are required to be commented upon by us; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has no pending litigations on its financial position in its standalone financial statements – (Refer Note 41 to the standalone financial statements);

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 59(g)(1) to the standalone financial statements);

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement;

(v) The Company neither declared nor paid dividend during the year. Accordingly, the Company is not required to comply with Section 123 of the Act; and

(vi) Based on our examination, which included test checks, we observed that the Company has used accounting software systems to maintain its books of account for the financial year ended March 31, 2026. Certain softwares are operated and maintained by third parties and the Company does not have direct access to system programs or the databases of such softwares. Therefore, without an independent auditor's report or a SOC 2 Report pertaining to related systems covering the audit period regarding controls at the service organisation, we are unable to comment upon on whether the audit trail (edit log) feature was enabled and operated for all relevant transactions recorded in the specified softwares, including any instance of audit trail being tampered with and its statutory requirements for record retention. In case of other softwares: (a) the Company has enabled the audit trail (edit log) for transactions accounted for throughout the year; and (b) we have not come across any instance of the audit trail being tampered with and the same has been preserved by the Company as per the statutory requirements for record retention.

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

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 26037457VZMSXF3894

Mumbai, April 20, 2026

Independent Auditor's Report (Contd.)

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(i) In respect of the Company's property, plant and equipment and intangible assets;

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment; and

(B) The Company is maintaining proper records showing full particulars of intangible assets;

(b) The Company physically verifies the property, plant and equipment to cover all items once in a period of three years considering the value and materiality involved which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further, the Company has physically verified its property, plant and equipment in the previous financial year. No material discrepancies were noticed on such physical verification;

(c) There are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(c) of the Order is not applicable to the Company. However, the Company has repossessed properties under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Arbitration and Conciliation Act, 1996 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly, disclosed as non-current assets held for sale. (Refer Note 11 of the standalone financial statements)

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the year; and

(e) There are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company's principal business is to give loans. Accordingly, the Paragraph 3(ii)(a) of the Order is not applicable to the Company; and

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, during the year, in aggregate from banks and/or financial institutions on the basis of security of loans. The quarterly returns / statements filed by the Company with such banks and/or financial institutions are in agreement with the books of account.

(iii) (a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are, *prima facie*, not prejudicial to the Company's interest;

(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act / Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest are not received as stipulated, the impact thereof is taken by the Company in course of its periodic regulatory reporting;

(d) In respect of the aforesaid loans and advances, Rs. 30,986.12 lakh is overdue for more than ninety days (Refer Note 50(a)C to the standalone financial statements), we have been informed that the Company has taken all reasonable steps, including legal actions to recover the principal and the interest, as the case may be;

(e) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(e) of the Order is not applicable to the Company; and

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has neither, directly or indirectly, granted any loan, or provided guarantee for security to any of its directors or to any other persons in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, reporting on the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, reporting on the Paragraph 3(v) of the Order is not applicable to the Company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148 of the Act for any of the products of the Company. Accordingly, reporting on the Paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable; and

(b) In our opinion, there are no statutory dues referred to (a) above, which have not been deposited on account of any dispute.

(viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting on the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has, applied the term loans for the purpose for which the loans were obtained;

(d) On an verall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes;

(e) The Company does not have associates or joint ventures. Accordingly, reporting on the Paragraph 3(ix)(e) of the Order is not applicable to the Company; and

(f) The Company does not have joint venturs or associate companies. Accordingly, reporting on the Paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has raised monies by way of initial public offer or further public offer (debt instruments) during the year and has been applied for the purposes for which those are raised.

(b) The Company has made preferential allotment and private placement of shares during the year in accordance with the requirements of Sections 42 and 62 of the Act and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, we report that no material fraud by the Company nor on the Company has been noticed or reported during the year, other than the instances of fraud noticed and reported by the management to the regulator - (Refer Note 66 to the standalone financial statements);

(b) We have not come across of any instances of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2026. Accordingly, reporting on the Paragraph 3(xi)(b) of the Order is not applicable to the Company; and

(c) We have been informed, there were no whistle blower complaints received by the Company during the year

Independent Auditor's Report (Contd.)

(xii) The Company is not a Nidhi Company. Accordingly, reporting on the Paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) The Company is in compliance with Sections 177 and 188 of the Act with respect to applicable transaction with the related parties and the relevant details of such related party transactions have been disclosed in the standalone financial statements as required under the applicable Indian Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and the nature of its business; and

(b) We have considered the internal audit reports for the period under audit issued to the Company.

(xv) In our opinion, the Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the provisions of Section 192 of the Act is not applicable. Accordingly, reporting on Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company;

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activity without any valid Certificate of Registration (CoR) from the Reserve Bank of India. Accordingly, reporting on Paragraph 3(xvi)(b) of the Order is not applicable to the Company;

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on the Paragraph 3(xvi)(c) the Order is not applicable to the Company; and

(d) The Group to which the Company belongs has no CIC as part of the Group. Accordingly, reporting on the Paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the preceding financial year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We, further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assuarnace that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to Section 135(5) of the Act. Accordingly, reporting on the Paragraph 3(xx)(a) of the Order is not applicable to the Company; and

(b) There are no unspent amounts towards Corporate Social Responsibility ongoing projects requiring a transfer to a Special account in compliance with the provisions of Section 135(6) of the said Act. Accordingly, reporting on the Paragraph 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The Company does not have any associate or joint venture. Accordingly, reporting on the Paragraph 3(xxi) of the Order is not applicable to the Company.

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

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 26037457VZMSXF3894

Mumbai, April 20, 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **UGRO Capital Limited** (the 'Company'), as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditor's Report (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 26037457VZMSXF3894

Mumbai, April 20, 2026

UGRO CAPITAL

STANDALONE BALANCE SHEET
as at March 31, 2026

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	121,118.56	18,924.19
Bank balances other than cash and cash equivalents above	4	37,027.73	35,515.31
Derivative financial instruments	5	9,500.90	1,861.21
Loans	6	831,452.82	791,910.95
Investments	7	166,506.82	10,340.31
Other financial assets	8	12,584.21	3,741.68
		1,178,191.04	**862,293.65**
Non-financial assets			
Current tax assets (net)	9	390.67	192.83
Property, plant and equipment	10	3,058.92	2,637.12
Non-current assets held for sale	11	21,667.88	24,317.90
Right-of-use assets	12	6,429.68	6,174.65
Intangible assets under development	13	1,266.56	564.63
Other intangible assets	14	3,554.15	7,420.07
Other non-financial assets	15	20,050.85	13,230.37
		56,418.71	**54,537.57**
TOTAL ASSETS		**1,234,609.75**	**916,831.22**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	5	41.74	-
Payables	16		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		660.63	76.78
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		1,255.56	63.34
Debt securities	17	252,998.14	198,271.42
Borrowings (other than debt securities)	18	621,914.97	488,769.33
Subordinated liabilities	19	45,874.69	3,370.81
Other financial liabilities	20	8,926.76	8,362.92
		931,672.49	**698,914.60**

STANDALONE BALANCE SHEET
as at March 31, 2026

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Non-financial liabilities			
Current tax liabilities (net)	21	2,316.16	2,743.86
Provisions	22	11,415.11	7,161.12
Deferred tax liabilities (net)	23	3,440.20	2,396.12
Other non-financial liabilities	24	1,294.52	976.58
		18,465.99	**13,277.68**
TOTAL LIABILITIES		**950,138.48**	**712,192.28**
EQUITY			
Equity share capital	25	15,281.56	9,194.54
Other equity	26	269,189.71	195,444.40
TOTAL EQUITY		**284,471.27**	**204,638.94**
TOTAL LIABILITIES AND EQUITY		**1,234,609.75**	**916,831.22**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

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

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

Place : Mumbai
Date : April 20, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	27	127,293.48	95,880.37
Fees and commission income	28	9,539.25	5,138.47
Net gain on fair value changes	29	1,781.37	280.58
Net gain on derecognition of financial instruments under amortised cost category	30	38,010.31	38,290.51
Total revenue from operations		**176,624.41**	**139,589.93**
Other income	31	7,415.21	4,594.64
Total income		**184,039.62**	**144,184.57**
Expenses			
Finance costs	32	90,254.16	62,776.96
Net loss on fair value changes	33	841.77	3.50
Impairment on financial instruments	34	20,861.35	17,307.77
Employee benefits expenses	35	27,526.77	23,558.42
Depreciation and amortization	36	6,829.67	4,638.49
Other expenses	37	21,660.43	15,587.69
Total expenses		**167,974.15**	**123,872.83**
Profit before exceptional items and tax		**16,065.47**	**20,311.74**
Exceptional items		**-**	**-**
Profit before tax		**16,065.47**	**20,311.74**
Tax Expense :			
(1) Current tax		3,715.79	3,379.16
(2) Deferred tax		1,020.36	2,392.33
(3) (Excess)/Short provision of tax of earlier years		(7.45)	147.26
Total tax expenses		**4,728.70**	**5,918.75**
Profit for the year (A)		**11,336.77**	**14,392.99**

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		380.16	(23.77)
- Income tax relating to items that will not be reclassified to profit or loss		(110.70)	6.92
Sub-total (B)		**269.46**	**(16.85)**
Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		(298.60)	1,052.92
- Income tax relating to items that will be reclassified to profit or loss		86.95	(306.61)
Sub-total (C)		**(211.65)**	**746.31**
Other comprehensive income for the year (net of tax) (D)=(B)+(C)		**57.81**	**729.46**
Total comprehensive income for the year (E)= (A) + (D)		**11,394.58**	**15,122.45**
Earnings per equity share (Face Value of Rs.10 each)	40		
Basic (Rs.)		**9.13**	**15.52**
Diluted (Rs.)		**8.58**	**14.56**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

STANDALONE STATEMENT OF CASH FLOWS
for the year ended March 31, 2026

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities :		
Profit before tax	**16,065.47**	**20,311.74**
Adjustments for :		
Interest income on loans	(121,352.72)	(91,243.71)
Cash inflows from interest on loans	118,771.49	88,094.17
Interest income on debt securities	(854.44)	(307.75)
Interest on income tax	-	(6.87)
Employee stock option expense	373.67	432.41
Depreciation and amortisation	6,829.67	4,638.49
Impairment on financial instruments	20,861.35	17,307.77
Net gain on sale of financial instruments / fair valuation of financial instruments	(39,791.68)	(38,571.09)
Net loss on fair value changes	841.77	3.50
Finance cost on borrowings	79,757.64	55,544.54
Cash outflow towards finance cost borrowings	(79,168.79)	(51,782.46)
Provision for gratuity and compensated absences (net of payment)	907.72	(254.02)
Interest on other financial assets	(147.15)	(100.98)
Interest on lease liabilities	1,064.79	767.98
Gain on pre-closure of lease	(180.21)	(20.65)
Operating profit before working capital changes	**3,978.58**	**4,813.07**
Changes in working capital :		
(Increase)/decrease in loans	(17,167.34)	(238,705.89)
(Increase)/decrease in other non-financial assets	(6,820.48)	(5,580.08)
(Increase)/decrease in other financial assets	(8,847.09)	(1,749.72)
(Increase)/decrease in derivative financial assets	(7,639.69)	(1,861.21)
Increase/(decrease) in derivative financial liabilities	41.74	(65.00)
Increase/(decrease) in trade payables	1,775.96	(1,219.84)
Increase/(decrease) in other non-financial liabilities	317.94	102.09
Increase/(decrease) in other financial liabilities	174.68	(951.68)
Increase/(decrease) in provisions	3,726.44	1,404.19
Cash generated from / (used in) operating activities	**(30,459.26)**	**(243,814.07)**
Income taxes paid	(4,333.91)	(3,589.00)
Net cash generated from / (used in) operating activities (A)	**(34,793.17)**	**(247,403.07)**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work-in-progress)	(1,263.49)	(2,594.80)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(1,511.70)	1,135.07
Sale/realisation of investments	453,490.96	167,815.59
Purchase of investments	(465,124.62)	(171,998.53)
Interest received from investments	944.63	346.05
Payments for intangible assets	(525.30)	(2,695.79)
Investment in subsidiary	(143,683.12)	-
Net cash generated from / (used in) investing activities (B)	**(157,672.64)**	**(7,992.41)**

STANDALONE STATEMENT OF CASH FLOWS
for the period ended March 31, 2026

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year (net)	41,508.36	773.40
Proceeds from money received against share warrants (net)	(3,536.43)	25,042.43
Proceeds from compound financial instruments (net)	34,831.97	21,520.86
Share issue expense	(6,802.13)	(26.47)
Principal payment of lease liabilities	(2,897.41)	(2,136.39)
Total borrowing and debt securities repaid	(364,484.81)	(233,226.74)
Total borrowing and debt securities availed	596,035.91	453,542.31
Net cash generated from / (used in) financing activities (C)	**294,655.46**	**265,489.40**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**102,189.65**	**10,093.92**
Cash and cash equivalents as at the beginning of the year	**18,929.07**	**8,835.15**
Cash and cash equivalents as at the end of the year	**121,118.72**	**18,929.07**
Components of cash and cash equivalents:		
Cash on hand		
Balance with banks :		
in current accounts	120,618.66	17,928.61
in fixed deposits (maturing within a period of three months)	500.06	1,000.46
TOTAL	**121,118.72**	**18,929.07**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2026

A. Equity Share Capital (Refer Note 25) (Rupees in lakh)

As at March 31, 2026

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the current reporting period
9,194.54	-	9,194.54	6,087.02	15,281.56

As at March 31, 2025

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the previous reporting period
9,159.16	-	9,159.16	35.38	9,194.54

B. Other equity (Refer Note 26)

As at March 31, 2026 (Rupees in lakh)

Particulars	Reserves & Surplus								Total
	Statutory reserve u/s 45-IC	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Effective portion of Cash Flow Hedges	Money received against share warrants	
Balance at the beginning of the current reporting period	8,462.51	19,458.55	1,046.00	107,688.16	32,399.63	1,082.97	264.15	25,042.43	195,444.40
Total Comprehensive Income for the current year	-	-	-	-	269.46	-	(211.65)	-	57.81
Transfer to retained earnings	-	-	-	-	11,336.77	-	-	-	11,336.77
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,267.35	-	-	-	(2,267.35)	-	-	-	-
Share based Payment for the year	-	-	-	-	-	373.67	-	-	373.67
Premium on ESOP exercised during the year	-	-	-	205.20	-	-	-	-	205.20
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	-	89.96	-	(89.96)	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	-	27.59	(27.59)	-	-	-
Share issue expense	-	-	-	(6,802.13)	-	-	-	-	(6,802.13)
Equity component of Compulsorily Convertible Debentures	-	36,894.28	-	-	-	-	-	-	36,894.28
Issue of shares through right issue	-	-	-	33,845.53	-	-	-	-	33,845.53
Forfeiture of application money received against share warrants	-	-	21,506.00	-	-	-	-	(25,042.43)	(3,536.43)
Issue of shares through private placement upon Conversion of CCD	-	(56,097.51)	-	57,468.12	-	-	-	-	1,370.61
Balance at the end of the current reporting period	**10,729.86**	**255.32**	**22,552.00**	**192,494.84**	**41,766.10**	**1,339.09**	**52.50**	**-**	**269,189.71**

B. Other equity (Refer Note 26) (Continued)

(Rupees in lakh)

As at March 31, 2025

Particulars	Reserves & Surplus								Total
	Statutory reserve u/s 45-IC	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Effective portion of Cash Flow Hedges	Money received against share warrants	
Balance at the beginning of the current reporting period	5,583.91	-	1,046.00	106,914.77	20,902.09	712.40	(482.16)	-	134,677.01
Total Comprehensive Income for the current year	-	-	-	-	(16.85)	-	746.31	-	729.46
Transfer to retained earnings	-	-	-	-	14,392.99	-	-	-	14,392.99
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,878.60	-	-	-	(2,878.60)	-	-	-	-
Share based Payment for the year	-	-	-	-	-	432.41	-	-	432.41
Premium on ESOP exercised during the year	-	-	-	164.06	-	-	-	-	164.06
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	-	61.84	-	(61.84)	-	-	-
Share issue expense	-	-	-	(26.47)	-	-	-	-	(26.47)
Equity component of Compulsorily Convertible Debentures	-	19,534.24	-	-	-	-	-	-	19,534.24
Money received against share warrants	-	-	-	-	-	-	-	25,167.43	25,167.43
Issue of shares through private placement upon conversion of share warrants	-	-	-	481.06	-	-	-	(125.00)	356.06
Issue of shares through private placement upon Conversion of CCD	-	(75.69)	-	92.90	-	-	-	-	17.21
Balance at the end of the previous reporting period	**8,462.51**	**19,458.55**	**1,046.00**	**107,688.16**	**32,399.63**	**1,082.97**	**264.15**	**25,042.43**	**195,444.40**

As required by Section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

Tirtharaj Khot
Partner

Membership Number : 037457

Place : Mumbai
Date : April 20, 2026

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

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Shilpa Bhatter
Chief Financial Officer
Place : Mumbai
Date : April 20, 2026

Satish Kumar Chelladurai
Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2026

1. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of registration bearing ref. no. 13.00325 as non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC - Middle Layer under the 'Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) dated November 28, 2025, issued by the Reserve Bank of India ("RBI"). The Company is also registered under Registration of Factors (Reserve Bank) Regulations, 2022 dated January 14, 2022, as NBFC - Factor, vide Certificate of registration bearing ref. no. N-13.02475 dated January 9, 2024, issued by RBI, authorizing the Company to commence and carry out the factoring business. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components, and Light Engineering.

The financial statements are approved for issue by the Company's Board of Directors on April 20, 2026.

2A. Material Accounting Policies

(1) Statement of compliance

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

The Company has complied with the disclosures as required by the Master Direction - "Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation)" Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 dated November 28, 2025, as amended.

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

(2) Basis of preparation

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

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

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

- Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices;
- Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

- Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(3 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (the 'Act') applicable for Non-Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of *Ind AS 7, Statement of Cash Flows*. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards and the Stock Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(4) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

(5) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

(6) Key accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment and intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2B. Other Accounting Policies:

(1) Revenue recognition

Revenue (other than those items to which Ind AS 109, Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. *Ind AS 115, Revenue from Contracts with Customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Standard.

Specific policies for the Company's different sources of revenue are explained below:

(a) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets.

(b) Other financial charges :

Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(c) Dividend income :

Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(d) Net gain or loss on fair value change :

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/ loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

(e) Advisory fees and other income :

Advisory fees and Other Income are recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(f) Income from de-recognition of assets :

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and prepayment.

(2) Property, plant and equipment (PPE)

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Total Asset Invoice costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Estimated useful life of assets is as below :

Category of PPE	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II to the Act
Office equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(3) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization, and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as Intangible assets under development.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of Software’s is considered as 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(4) Impairment of tangible and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset’s net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/ amortisation if there were no impairment.

(5) Leases

The Company follows *Ind AS 116, Leases* for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company has elected not to apply the requirements of the Standard to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Finance lease

The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

(6) Taxes

Income tax expense represents the sum of the tax currently payable, deferred tax and any excess/ short provision of earlier years.

(a) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company.

(e) Goods and Services Input Tax Credit

Goods and Services Input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

(7) Employee Benefits

(a) Retirement benefit costs and termination benefits

Defined contribution plans -

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed Provident Fund Scheme, Employee State Insurance Scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans -

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out half yearly. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(b) Short term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

(c) Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since the amount is recoverable if an employee leaves the organization within a year.

(d) Share-based Payment

The Company recognises compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, *Share-based payment*. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding amount. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

in respect of such grant is transferred to the retained earnings within equity and if the grant lapses before the vesting period, the cumulative discount recognised as expense in respect of such grant is credited to the statement of profit and loss.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(8) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fees, arranger fees, stamping expense and rating expense etc. The Company recognises interest expense and other ancillary costs on the borrowings as per Effective Interest Rate Method (EIR) which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the statement of profit and loss.

(9) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

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

(10) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

(11) Foreign currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee (Rs.). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

(12) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(13) Segment reporting

The Company is primarily engaged in the business of lending, with a focus on financing the MSME sector. The management monitors the Company's business as a single segment, i.e. financing, for the purpose of resource allocation and performance assessment. Accordingly, in accordance with Ind AS 108 - *Operating Segments*, the Company has determined that it operates in a single reportable segment, namely financing activities, and hence no separate segment disclosures are required.

The Company has no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no single external customer contributes 10% or more of the total revenue of the Company.

(14) Financial instruments

(a) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(b) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(c) Classification and subsequent measurement of financial instruments

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets carried at amortised cost (AC)**

  A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

  - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

Effective Interest Rate Method

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed-off, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

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

Investment in subsidiaries

Investment in subsidiaries are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 *‘Separate financial statement’*. Cost of investment represents amount paid for acquisition of the said investment.

Impairment of financial assets

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

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

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

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

Impairment methodology :

Overall impairment methodology

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

For loans, cash credit and term loans measured at amortised cost

(1) Definition of default :

A default shall be considered to have occurred when any of the following criteria are met:

i) An account shall be tagged as NPA once the day end process is completed for the 90th day past due.

ii) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

(2) Portfolio segmentation :

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

(3) Probability of Default (PD) :

An internally developed statistical model that computes rating at a loan level and categorises them from Least Risk to High Risk is used for the computation of PD. These internal credit score bands along with external default performance from bureau have been observed and calibrated to derive benchmarked 12-month PD rates. These benchmarked 12-month PD rates have been categorized across 5 Bands viz Risk Band 1 (RB1 - Least Risk) to Risk Band 5 (RB5 - Highest Risk) for secured and unsecured asset types respectively.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Since, PD benchmarks for each Risk band have been determined separately for "Secured" and "Unsecured" category, therefore, from a segmentation point, all the business segments are classified into either Secured or Unsecured category. Business segments, wherever risk coverage is available, is factored over and above the PD benchmarks depending on the nature of coverage.

The PD applied in the ECL (Expected Credit Loss) computation model is based on the recomputed/refreshed/updated Risk band/rating at a loan level. All the loans are rated and Risk Bands are recomputed every quarter using the latest credit bureau scrub. For the loan disbursed in the current/latest quarter, wherever the band from credit bureau scrub is not available, the Risk Band at point of origination is applied. Wherever the band is not available at a loan level (either at origination/scrub), the average PD across the 5 Risk Bands shall be applicable for the respective Secured and Unsecured categories.

The 12-month PD shall continue to be applicable in calculating expected credit loss for Stage 1 assets and Lifetime PD shall be applicable for Stage 2 assets.

Life-time PD :
Life-time PD is applied for Stage 2 accounts.
Life-time PDs are computed based on survival approach. Survival analysis is statistics for analysing the expected duration of time until default event happens.

(4) Loss given default :

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults. UGRO Capital Limited calculates LGD at a loan level considering the type of advance (Secured/Unsecured) & the collateral (financial/ property/ machine/ physical) available.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

Financial liabilities and equity instruments

- **Classification as debt or equity**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

  An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

- **Compound financial instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

Financial liabilities

A financial liability is any liability that is :

➢ Contractual obligation :

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

➢ a contract that will or may be settled in the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

- Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written-off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(15) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(16) Hedge

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(17) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(18) Non-current assets held for sale

Assets acquired in satisfaction of debt (SOD) are treated as non-current assets held for sale. Assets acquired in satisfaction of debts are disclosed in the balance sheet at outstanding principal loan amount or fair market value (as per valuation reports) whichever is lower. In case the fair market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the statement of profit and loss under impairment on financial instruments. In case of sale of repossessed assets, the gain/ loss on sale is adjusted in the statement of profit and loss under impairment on financial instruments.

(19) Earnings per share

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

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

(20) Statement of cash flows

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

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

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

(21) Recent accounting pronouncements

The Ministry of Corporate Affairs (‘MCA’) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For the year ended March 31, 2026, the MCA has notified amendments to (Ind AS 1, *Presentation of Financial Statements*) and (Ind AS 7, *Statement of Cash Flows* and Ind AS 107, *Financial Instruments: Disclosures*) amendments relating to Classification of liabilities as current or non-current and non-current liabilities with Covenants and Disclosure of supplier finance arrangements , applicable to the Company, w.e.f., April 1, 2025. The Company has reviewed the new pronouncements and based on its evaluation, has determined that the new pronouncement is not applicable to the Company.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

3. Cash and cash equivalents

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	-	-
Balances with banks		
- in current accounts*	120,618.66	17,928.61
- in fixed deposits with banks (original maturity less than 3 months)	500.06	1,000.46
Less: Impairment loss allowance**	0.16	4.88
Total	**121,118.56**	**18,924.19**

* Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.
**Impairment loss allowance is calculated on fixed deposits with banks.

4. Bank balances other than cash and cash equivalents above

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Unclaimed dividend on equity shares*	-	1.27
Fixed deposits with banks and financial institutions*	37,036.88	35,523.85
Less: Impairment loss allowance**	9.15	9.81
Total	**37,027.73**	**35,515.31**

* Earmarked balances with banks and financial institutions are to the tune of Rs. 36,533.68 lakh (Previous year: Rs. 34,245.75 lakh)
**Impairment loss allowance is calculated on fixed deposits with banks and financial institutions.

5. Derivative financial instruments

(Rupees in lakh)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Notional Amounts	Fair value - Assets	Fair value - Liabilities	Notional Amounts	Fair value - Assets	Fair value - Liabilities
Part I						
(i) Currency derivatives:						
- Currency swaps*	86,877.31	9,500.90	38.32	93,328.83	1,861.21	-
(ii) Interest rate derivatives	-	-	-	-	-	-
(iii)Forward Contract	18,945.94	-	3.42	-	-	-
Total Derivative Financial Instruments	**105,823.25**	**9,500.90**	**41.74**	**93,328.83**	**1,861.21**	**-**
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*	86,877.31	9,500.90	38.32	93,328.83	1,861.21	-
(iii)Forward Contract	18,945.94	-	3.42	-	-	-
Total Derivative Financial Instruments	**105,823.25**	**9,500.90**	**41.74**	**93,328.83**	**1,861.21**	**-**

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

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk (Refer Note 59(c)).

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

6. Loans

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans at amortised cost		
(A)		
Supply chain receivables	14,608.85	29,416.07
Term loans	832,465.46	773,289.37
Total Gross Loans	**847,074.31**	**802,705.44**
Less: Impairment loss allowance	15,621.49	10,794.49
Total Net Loans	**831,452.82**	**791,910.95**
(B)		
Secured by book debts	12,560.14	29,645.96
Secured by property	399,995.80	385,934.69
Secured by machinery	93,239.68	91,440.72
Unsecured	341,278.69	295,684.07
Total Gross Loans	**847,074.31**	**802,705.44**
Less: Impairment loss allowance	15,621.49	10,794.49
Total Net Loans	**831,452.82**	**791,910.95**
(C)		
Loans in India		
Public sector	-	-
Others	847,074.31	802,705.44
Total Gross Loans	**847,074.31**	**802,705.44**
Less: Impairment loss allowance	15,621.49	10,794.49
Total - Net (a)	**831,452.82**	**791,910.95**
Loans outside India (b)	**-**	**-**
Total - Net (a)+(b)	**831,452.82**	**791,910.95**

Notes **:**

1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2026 and March 31, 2025.
2. Loans classified as unsecured include loans covered under **Default Loss Guarantee (DLG)** arrangements in accordance with the Reserve Bank of India (Default Loss Guarantee in Digital Lending) Directions, 2023, and loans sanctioned under Government credit guarantee schemes, including those administered by the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** and the **National Credit Guarantee Trustee Company Limited (NCGTC)**. These loans are classified as unsecured in accordance with extant RBI prudential guidelines, as the Company does not hold a direct charge on the underlying borrower assets. The guarantee arrangements provide partial credit risk mitigation but do not alter the security classification of the loans.

7. Investments

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments - at Amortised Cost		
Debt securities*	2,614.42	7,695.89
Less: Impairment loss allowance	0.51	0.82
Investments - at FVTPL		
Security receipts	10,808.27	1,645.99
Mutual funds	1,179.05	-
Debt securities	8,222.47	999.25
Investments - at Cost - Equity investment in subsidiary		
Profectus capital private limited#	139,860.00	-
Datasigns Technologies Private Limited	3,823.12	-
Total Net Investments	**166,506.82**	**10,340.31**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments in India	166,507.33	10,341.13
Investments outside India	-	-
Total - Gross	**166,507.33**	**10,341.13**
Less: Impairment loss allowance	0.51	0.82
Total - Net	**166,506.82**	**10,340.31**

Note : For valuation methodology Refer Note 53

*Investment in Bonds aggregating to ₹2,112.48 lakhs (Previous year: ₹4,190.37 lakhs) are pledged against Bank Overdraft availed by the company.

#Investments in equity shares of PCPL aggregating to ₹27,000 lakhs (Previous year: Not Applicable) are pledged against Non-Convertible Debentures issued by the Company.

8. Other financial assets

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	1,542.10	1,599.71
Other receivables	7,350.04	2,145.14
Less: Impairment loss allowance	3.17	3.17
Other assets	3,695.24	-
Total	**12,584.21**	**3,741.68**

9. Current tax assets (net)

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets		
Advance tax and tax deducted at source (Net of provision for tax Rs.7,019.66 lakh (Previous year: 5,779.98 lakh))	390.67	192.83
Total	**390.67**	**192.83**

10. Property, plant and equipment

(Rupees in lakh)

Particulars	As at March 31, 2026				As at March 31, 2025			
	IT and Office equipments	Leasehold improve-ments	Furniture and fixtures	Total	IT and Office equipments	Leasehold improve-ments	Furniture and fixtures	Total
At cost as at the beginning of the year	**1,862.71**	**1,245.57**	**788.30**	**3,896.58**	**815.95**	**362.50**	**123.33**	**1,301.78**
Additions during the year	363.27	376.10	524.12	1,263.49	1,046.76	883.07	664.97	2,594.80
Disposals during the year	-	-	-	-	-	-	-	-
At cost as at the end of the year	**2,225.98**	**1,621.67**	**1,312.42**	**5,160.07**	**1,862.71**	**1,245.57**	**788.30**	**3,896.58**
Accumulated depreciation as at the beginning of the year	**752.32**	**433.11**	**74.03**	**1,259.46**	**472.00**	**362.35**	**17.82**	**852.18**
Depreciation/amortisation for the year	420.57	309.59	111.53	841.69	280.32	70.76	56.21	407.28
Disposals during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at the end of the year	**1,172.89**	**742.70**	**185.56**	**2,101.15**	**752.32**	**433.11**	**74.03**	**1,259.46**
Net carrying amounts as at the end of the year	**1,053.09**	**878.97**	**1,126.86**	**3,058.92**	**1,110.39**	**812.46**	**714.27**	**2,637.12**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

11. Non-current assets held for sale

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current assets held for sale	21,667.88	24,317.90
Total	**21,667.88**	**24,317.90**

Note :

'Non-current assets held for sale' covers immovable property and machinery which are repossessed in satisfaction of debts. These assets are classified as 'Non-Current Assets held for sale ' till the time assets acquired are finally disposed.

Non-current assets held for sale is measured at lower of principal outstanding of the loan and fair market value of the repossessed assets against the said loan account. If fair market value is less then the principal outstanding, then impairment loss is recorded for the difference amount.

During the year ended March 31, 2026, an impairment loss reversal of ₹40.84 lakh was recognized primarily on account of the release of Non-current assets held for sale (impairment loss recognized during the previous year: ₹58.36 lakh).

12. Right-of-use assets

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
As at the beginning of the year	**11,055.79**	**7,896.97**
Remeasurement of assets	180.21	20.65
Additions during the year	3,489.86	3,290.52
Deletion during the year	(1,116.36)	(152.35)
As at the end of the year	**13,609.50**	**11,055.79**
Accumulated depreciation as at the beginning of the year	**4,881.14**	**3,121.89**
Depreciation for the year	2,298.68	1,759.25
Accumulated depreciation as at the end of the year	**7,179.82**	**4,881.14**
Net carrying amount as at the end of the year	**6,429.68**	**6,174.65**

13. Intangible assets under development

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Softwares	1,266.56	564.63
Total	**1,266.56**	**564.63**

The ageing for Intangible assets under development as on March 31, 2026 is as follows

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	701.93	564.63			1,266.56
Projects temporarily suspended	-	-	-	-	-
Total	**701.93**	**564.63**	**-**	**-**	**1,266.56**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

The ageing for Intangible assets under development as on March 31, 2025 is as follows (Rupees in lakh)

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	564.63	-	-	-	564.63
Projects temporarily suspended	-	-	-	-	-
Total	**564.63**	**-**	**-**	**-**	**564.63**

14. Other intangible assets

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Softwares :		
At cost as at the beginning of the year	**14,515.16**	**12,384.00**
Additions during the year	842.53	2,131.16
Disposal during the year	8,257.67	-
At cost as at the end of the year	**7,100.02**	**14,515.16**
Accumulated amortisation as at the beginning of the year	**7,095.09**	**4,623.13**
Amortisation for the year	3,689.29	2,471.96
Disposal during the year	7,238.51	-
Accumulated amortisation as at the end of the year	**3,545.87**	**7,095.09**
Net carrying amounts as at the end of the year	**3,554.15**	**7,420.07**

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

15. Other non-financial assets

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances to vendors and employees	13,461.05	6,877.84
Goods and services tax input credit receivable	4,644.57	3,598.45
Prepaid expenses	1,945.23	2,754.08
Total	**20,050.85**	**13,230.37**

16. Payables

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises	660.63	76.78
Other payables		
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises		
- Accrued employee benefits	1,241.92	49.70
- Payable to customers	13.64	13.64
Total	**1,916.19**	**140.12**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The ageing for trade payables as on March 31, 2026 is as follows : (Rupees in lakh)

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	660.63	-	-	-	-	660.63
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**660.63**	**-**	**-**	**-**	**-**	**660.63**

The ageing for trade payables as on March 31, 2025 is as follows :

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	22.15	-	0.04	3.43	51.16	76.78
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**22.15**	**-**	**0.04**	**3.43**	**51.16**	**76.78**

Details of dues to micro, small and medium enterprises (Rupees in lakh)

The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

Particulars	As at March 31, 2026	As at March 31, 2025
1. The principal amount remaining unpaid at the end of the accounting year.	-	-
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	**-**	**-**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

17. Debt securities

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	At amortised cost	Total	At amortised cost	Total
Secured				
Redeemable non-convertible debentures	201,393.39	201,393.39	177,157.08	177,157.08
Liabilities arising out of securitization transactions	3,900.14	3,900.14	8,734.62	8,734.62
Unsecured				
Commercial Paper	47,074.06	47,074.06	7,839.91	7,839.91
Redeemable non-convertible debentures	630.55	630.55	2,477.50	2,477.50
Liability component of compound financial instruments	-	-	2,062.31	2,062.31
Total	**252,998.14**	**252,998.14**	**198,271.42**	**198,271.42**
Debt securities in India	252,998.14	252,998.14	198,271.42	198,271.42
Debt securities outside India	-	-	-	-
Total	**252,998.14**	**252,998.14**	**198,271.42**	**198,271.42**

Redeemable non-convertible debentures (Secured) :

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
10.28% Secured Rated Listed Redeemable Non Convertible Debentures	100,000	26,000	20-Feb-29	20-Feb-25	25% of issue size after 1.5 years after issue date 25% of issue size after 3 years after issue date 25% of issue size after 3.5 years after issue date 25% of issue size after 4 years after issue date	26,000.00	26,000.00
10% Secured Rated Listed Redeemable Non Convertible Debentures	100,000	7,500	30-Jan-29	30-Jan-25	Bullet Repayment	7,500.00	7,500.00
10.27% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	24,990	30-Jan-28	30-Jan-24	Half-Yearly Repayment	14,280.00	21,420.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	350	12-Jan-28	12-Jan-22	Bullet Repayment	3,500.00	3,500.00

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	260	29-Dec-27	29-Dec-21	Bullet Repayment	2,600.00	2,600.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000,000	460	17-Dec-27	17-Dec-21	Bullet Repayment	4,600.00	4,600.00
10.38% Secured Rated Unlisted Redeemable Non-Convertible Debentures	100,000	24,960	12-Dec-27	12-Dec-23	Half-Yearly Repayment starting from June 2025 followed by moratorium of 2 instalments	18,720.00	24,960.00
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	3,500	25-Jun-27	25-Jun-24	Half-Yearly Repayment	1,750.00	2,916.67
10.40% Secured Rated Listed Redeemable Non-Convertible Debentures	1,000	343,942	24-Apr-27	24-Oct-24	Bullet Repayment	3,439.42	3,439.42
Reset Rate Secured Rated Listed Redeemable Taxable Non Convertible Debentures	100,000	7,500	11-Jan-27	11-Jul-24	Quarterly Repayment	3,000.00	6,000.00
10.25% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	690,819	24-Oct-26	24-Oct-24	Bullet Repayment	6,908.19	6,908.19
10.50% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	100,000	2,800	26-Sep-26	27-Sep-23	Half-Yearly Repayment	466.67	1,400.00
10.02% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,000	50,000	07-Aug-26	07-Feb-25	Bullet Repayment	5,000.00	5,000.00
11% Secured Rated Listed Redeemable Non-Convertible Debentures Series V	1,000	464,198	27-May-26	27-Feb-24	Bullet Repayment	4,641.98	4,641.98
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures Series IV	1,000	341,527	27-May-26	27-Feb-24	Bullet Repayment	3,415.27	3,415.27

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
10.15% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	1,000	965,239	24-Apr-26	24-Oct-24	Bullet Repayment	9,652.39	9,652.39
G-Sec Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	250	15-Apr-26	19-Dec-22	Bullet Repayment	2,500.00	2,500.00
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	08-Mar-26	08-Mar-23	Bullet Repayment	-	5,000.00
10.35% Secured Rated Listed Redeemable Non-Convertible Debentures Series III	1,000	258,511	27-Feb-26	27-Feb-24	Quarterly Repayment	-	1,292.56
9.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	100,000	5,000	05-Jan-26	02-Jul-24	Bullet Repayment	-	5,000.00
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures Series III	1,000	492,811	26-Sep-25	26-Sep-22	Bullet Repayment	-	4,928.11
10.25% Secured Rated Listed Redeemable Non-Convertible Debentures Series I	1,000	271,193	27-Aug-25	27-Feb-24	Bullet Repayment	-	2,711.93
10.75% Secured Rated Listed Redeemable Non-Convertible Debentures Series II	1,000	664,571	27-Aug-25	27-Feb-24	Bullet Repayment	-	6,645.71
G-Sec Linked Secured Rated Unlisted Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	1,000,000	500	29-May-25	29-Mar-22	Bullet Repayment	-	5,000.00
1% Xirr Secured Rated Listed Redeemable Non-Convertible Debentures	100,000	3,000	10-May-25	10-Nov-23	Bullet Repayment	-	3,000.00
10.40% Secured Rated Listed Non- Convertible Debentures Series III	1,000	440,106	05-May-25	05-May-22	Bullet Repayment	-	4,401.06
10% Secured Rated Listed Redeemable Non Convertible Debentures Series I	1,000	444,946	24-Oct-26	24-Apr-25	Bullet Repayment	4,449.46	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemp-tion	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
10.39% Secured Rated Listed Redeemable Non Convertible Debentures Series II	1,000	279,866	24-Oct-26	24-Apr-25	Bullet Repayment	2,798.66	-
10.15% Secured Rated Listed Redeemable Non Convertible Debentures Series III	1,000	394,169	24-Apr-27	24-Apr-25	Bullet Repayment	3,941.69	-
10.25% Secured Rated Listed Redeemable Non Convertible Debentures Series IV	1,000	331,654	24-Apr-27	24-Apr-25	Bullet Repayment	3,316.54	-
10.50% Secured Rated Listed Redeemable Non Convertible Debentures Series V	1,000	549,365	24-Oct-28	24-Apr-25	Bullet Repayment	5,493.65	-
9.75% Secured Rated Listed Redeemable Non Convertible Debentures Series II	10,000	150,000	16-Oct-27	17-Oct-25	Bullet Repayment	15,000.00	-
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	150,000	27-Feb-27	27-Nov-25	Bullet Repayment	15,000.00	-
9.99% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	150,000	16-Jun-29	16-Dec-25	Bullet Repayment	15,000.00	-
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	45,000	18-Apr-27	18-Mar-26	Bullet Repayment	4,500.00	-
9.50% Secured Rated Listed Redeemable Non Convertible Debentures	10,000	135,000	18-Apr-27	27-Mar-26	Bullet Repayment	13,500.00	-
Total						**200,973.92**	**174,433.29**

Redeemable non-convertible debentures (Unsecured) :

(Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
10.25% Unsecured Rated Listed Redeemable Non-Convertible Debentures	100,000	5,000	18-Apr-26	24-Jan-24	Quarterly Repayment	625.00	2,500.00
Total						**625.00**	**2,500.00**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

Commercial papers (Unsecured) : (Rupees in lakh)

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2026	As at March 31, 2025
UGRO/2024-25/CP-55	500,000	03-Jul-25	05-Mar-25	Redeemable at PAR at the end of 120 days from the date of allotment	-	2,500.00
UGRO/2024-25/CP-53	500,000	18-Jun-25	20-Dec-24	Redeemable at PAR at the end of 180 days from the date of allotment	-	3,000.00
UGRO/2024-25/CP-54	500,000	21-May-25	21-Jan-25	Redeemable at PAR at the end of 120 days from the date of allotment	-	2,500.00
UGRO/2025-26/CP 62	500,000	28-May-26	29-May-25	Redeemable at PAR at the end of 364 days from the date of allotment	5,000.00	-
UGRO/2025-26/CP 67	500,000	02-Apr-26	30-Sep-25	Redeemable at PAR at the end of 184 days from the date of allotment	5,000.00	-
UGRO/2025-26/CP 68	500,000	15-May-26	30-Sep-25	Redeemable at PAR at the end of 227 days from the date of allotment	4,000.00	-
UGRO/2025-26/CP 71	500,000	05-May-26	4-Nov-25	Redeemable at PAR at the end of 182 days from the date of allotment	1,000.00	-
UGRO/2025-26/CP 72	500,000	13-Nov-26	13-Nov-25	Redeemable at PAR at the end of 365 days from the date of allotment	10,000.00	-
UGRO/2025-26/CP 75	500,000	03-Jun-26	5-Dec-25	Redeemable at PAR at the end of 180 days from the date of allotment	3,000.00	-
UGRO/2025-26/CP 78	500,000	25-Jun-26	26-Dec-25	Redeemable at PAR at the end of 181 days from the date of allotment	1,500.00	-
UGRO/2025-26/CP 80	500,000	09-Apr-26	9-Feb-26	Redeemable at PAR at the end of 59 days from the date of allotment	5,000.00	-
UGRO/2025-26/CP 81	500,000	15-Apr-26	25-Feb-26	Redeemable at PAR at the end of 49 days from the date of allotment	5,000.00	-
UGRO/2025-26/CP 82	500,000	27-May-26	26-Feb-26	Redeemable at PAR at the end of 90 days from the date of allotment	2,000.00	-
UGRO/2025-26/CP 83	500,000	18-Jun-26	26-Mar-26	Redeemable at PAR at the end of 84 days from the date of allotment	1,500.00	-
UGRO/2025-26/CP 84	500,000	06-Apr-26	24-Mar-26	Redeemable at PAR at the end of 13 days from the date of allotment	2,500.00	-
UGRO/2025-26/CP 85	500,000	08-Apr-26	30-Mar-26	Redeemable at PAR at the end of 9 days from the date of allotment	2,500.00	-
Total					**48,000.00**	**8,000.00**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Liabilities arising out of securitization transactions : (Rupees in lakh)

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Monthly Repayment	4,012.75	8,779.06

Notes:-

1) The Rate of Interest on the securitization transactions ranges from 9.50% to 10.75% for the year ended March 31, 2026 and 8.20% to 11.15% for the year ended March 31, 2025.
2) The Rate of Interest on the Commercial Papers ranges from 8.25% to 9.50% for the year ended March 31, 2026 and 9.00% to 10.00% for the year ended March 31, 2025.
3) All Non Convertible Debentures are redeemable at par.
4) The above Secured Non-Convertible Debentures are secured by hypothecation of receivables arising from financing activities and pledge of shares. The Company has maintained the required Security Cover.
5) Above borrowings were fully utilised for the purpose for which they were obtained.
6) There have been no defaults in the repayment of the above borrowings.
7) The amount disclosed above represent the principal outstanding as at March 31, 2026 and as at March 31, 2025.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of account.

Liability component of Compound Financial Instruments (Unsecured) :

Tenor/ Period of Maturity (in years)	As at March 31, 2026	As at March 31, 2025	Date of Allotment	Redemption Date/ Schedule
1.5	-	2,036.77	06-Jun-24	05-Dec-25
1.5	-	123.15	18-Jun-24	17-Dec-25

Notes:-

1) The company has raised the funds through total allotment of the 97,70,757 Compulsorily Convertible Debentures (CCDs) having face value Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 25,794.80 Lakhs in June'2024.
2) The allotment was made in 2 tranches on Jun 06,2024 and June 18,2024. Each of the CCD are convertible into 1 equity share within a period of 18 months from the date of allotment of CCD. Further, 97,32,879 CCDs got converted into equity shares during the Financial Year 2025-2026 (Previous Year: 37,878 CCDs).
3) The Rate of Interest on CCDs is at 12.00% XIRR.
4) The CCD is classified as Compound Financial Instruments as it meets the Fixed for fixed test criteria as per IND AS 109 and the above mentioned figures is the Liability component of the Compound financial Instrument.
5) The Company had raised funds through allotment of 2,88,99,481 Compulsory Convertible Debentures (CCDs) having face value of Rs. 10 each at an issue price of Rs. 185 each aggregating to Rs. 53,464.04 lakh in October 2025. The allotment was made on October 08, 2025. Each of the CCD is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD. In this connection, during the year ended March 31, 2026, pursuant to conversion request received from the CCD holder/s, the Company has allotted 2,86,99,487 equity shares of face value of Rs. 10 per share at a conversion ratio of 1: 1 and conversion price of Rs. 185 each.

18. Borrowings (other than debt securities)

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	312,975.25	312,975.25	239,207.80	239,207.80
From other parties	180,267.62	180,267.62	138,975.83	138,975.83
External Commercial Borrowings	114,236.16	114,236.16	94,416.45	94,416.45
(b) Loans repayable on demand				
Cash credit	838.91	838.91	804.81	804.81
Bank overdraft	13,597.03	13,597.03	15,364.44	15,364.44
Total	**621,914.97**	**621,914.97**	**488,769.33**	**488,769.33**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	At amortised cost	Total	At amortised cost	Total
Borrowings in India	507,678.81	507,678.81	394,352.88	394,352.88
Borrowings outside India	114,236.16	114,236.16	94,416.45	94,416.45
Total	**621,914.97**	**621,914.97**	**488,769.33**	**488,769.33**
Secured	601,100.55	601,100.55	486,888.12	486,888.12
Unsecured	20,814.42	20,814.42	1,881.21	1,881.21
Total	**621,914.97**	**621,914.97**	**488,769.33**	**488,769.33**

Term Loan from Banks (Secured) :

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Bullet Repayment	19,953.00	14,953.00
Monthly Repayment	70,714.71	63,118.49
Quarterly Repayment	228,971.44	166,016.00
Total	**319,639.15**	**244,087.49**

Term Loan from Others (Secured) :

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Monthly Repayment	65,119.66	63,841.95
Quarterly Repayment	106,967.24	73,751.09
Total	**172,086.90**	**137,593.04**

Term Loan from Others (Unsecured) :

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Bullet Repayment	10,000	
Quarterly Repayment	-	1,875.00
Total	**10,000.00**	**1,875.00**

External Commercial Borrowings (Secured) :

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Bullet Repayment	17,443.33	25,715.33
Half-yearly Repayment starting from September 2025 onwards	2,457.00	4,095.00
Half-yearly Repayment starting from August 2025 onwards	5,513.33	8,270.00
Yearly Repayment starting from November 2026 onwards	25,309.50	25,309.50
Yearly Repayment	25,448.15	29,939.00
Half-yearly Repayment starting from March 2029 onwards	18,945.94	-
Total	**95,117.25**	**93,328.83**

External Commercial Borrowings (Unsecured) :

Terms of repayment	As at March 31, 2026	As at March 31, 2025
Half-yearly Repayment starting from December 2028 onwards	10,706.00	-
Total	**10,706.00**	**-**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The Company has total External Commercial Borrowing (ECBs) of Rs. 5,742.80 lakh, Rs. 27,150.94 lakh and Rs. 72,929.51 lakh having original maturity of three, four and five years respectively (previous year Rs. 3,495.53 lakh, Rs. 14,014.80 lakh, Rs. 8,205.00 lakh and Rs. 67,613.50 lakh for two, three, four and five years respectively) for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time. In accordance with the RBI guidelines, the borrowings have been swapped into Indian Rupees and are fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The costs incurred in raising the aforesaid ECBs have been amortised over the respective tenures of such ECBs.

Notes:-

1) The rate of interest on the above borrowings ranges from 8.30% to 13.00% for the year ended March 31,2026 and 9.00% to 13% for the year ended March 31,2025.
2) The above secured borrowings are secured by way of hypothecation of receivables arising from financing activities. The Company has maintained the required security cover.
3) Out of the above, the Company holds sanctioned borrowings amounting to Rs.2,75,000 Lakh (Outstanding Balance-Rs. 1,82,973.51 Lakh) as at March 31, 2026 [Previous Year: Sanctioned borrowing amount- Rs. 2,13,062 Lakh (Outstanding Balance- Rs. 1,37,688.18 Lakh)] which is guaranteed by a director.
4) The Term Loans have been fully utilised for the purpose for which they were obtained.
5) There have been no defaults in the repayment of the borrowings.
6) The balance tenure on the above borrowings is upto 5 years.
7) The amount disclosed above represent the principal outstanding as at March 31, 2026 and as at March 31, 2025.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with the books of account.

19. Subordinated liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	At amortised cost	Total	At amortised cost	Total
Unsecured				
Privately placed Subordinated (Tier II) redeemable non-convertible debentures	45,874.69	45,874.69	3,370.81	3,370.81
Total	**45,874.69**	**45,874.69**	**3,370.81**	**3,370.81**
Subordinated Liabilities in India	45,874.69	45,874.69	3,370.81	3,370.81
Subordinated Liabilities outside India	-	-	-	-
Total	**45,874.69**	**45,874.69**	**3,370.81**	**3,370.81**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Subordinated debt (Unsecured) : (Rupees in lakh)

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at 31st March, 2026	As at 31st March, 2025
12.5% Unsecured Rated Listed Redeemable Non-Convertible Debentures	100,000	3,500	15-Sep-29	15-Mar-24	Bullet Repayment	3,500.00	3,500.00
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	20,000	15-Mar-31	15-Sep-25	Bullet Repayment	20,000.00	-
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	5,000	25-Mar-31	25-Sep-25	Bullet Repayment	5,000.00	-
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures Series I	100,000	10,000	06-May-31	06-Nov-25	Bullet Repayment	10,000.00	-
11.65% Unsecured Rated Listed Redeemable Non Convertible Debentures	100,000	5,000	17-May-31	17-Nov-25	Bullet Repayment	5,000.00	-
13.25% Unsecured Rated Listed Redeemable Non Convertible Debentures Series I	100,000	4,610	05-Apr-32	27-Mar-26	Half yearly Starting from Oct 2031	4,610.00	-
Total						48,110.00	3,500.00

Notes:

1) The above non-convertible debentures (Subordinated Debt) are redeemable at par.
2) Subordinated liabilities were used fully for the purpose for which the same were obtained.
3) There is no default in repayment of subordinated liabilities.
4) The amount disclosed above represent the principal outstanding as at 31st March, 2026 and as at 31st March, 2025.

20. Other financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Unclaimed dividend payable on equity shares	-	1.27
Others payables :		
Collateral margin money received	3.35	33.62
Lease liabilities (Refer note 47)	7,258.81	6,869.65
Other liabilities	1,439.43	984.71
Book overdraft	-	248.50
Provision on unrealised gain*	225.17	225.17
Total	**8,926.76**	**8,362.92**

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

21. Current tax liabilities (net)

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax and tax deducted at source Rs. 1,399.63 lakh (Previous year : Rs. 635.30 lakh))	2,316.16	2,743.86
Total	**2,316.16**	**2,743.86**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

22. Provisions

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits :		
-Provision for gratuity (Refer Note 45b)	324.35	461.76
-Provision for compensated absences (Refer Note 45c)	960.22	495.09
-Provision for bonus	950.00	900.00
-Long Term Incentive Plan (LTIP)	291.35	366.67
Provision for expenses	8,889.19	4,937.60
Total	**11,415.11**	**7,161.12**

23. Deferred tax liabilities (net)

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
Tax effect of timing differences on account of -		
Unutilised minimum alternate tax credit entitlement	14,569.76	10,909.93
Income tax losses carried forward	1,595.80	12,141.56
Provision for impairment losses on financial instruments	4,616.33	3,212.37
Deferred revenue income - processing fees allowed upfront in income tax	2,779.80	214.50
Employee benefit provisions and expenses	952.99	864.93
Others	272.37	146.36
Total (A)	**24,787.05**	**27,489.65**
Deferred tax liabilities		
Tax effect of timing differences on account of -		
Receivables on EIS Direct assignment and Co-lending transactions	9,928.81	18,402.02
Deferred loan sourcing cost allowed upfront in income tax	12,779.09	7,545.41
Prepaid fees / charges on borrowings allowed upfront in income tax	5,159.22	3,218.74
Difference in written down value of property, plant and equipment and intangible assets	350.67	711.42
Others	9.46	8.18
Total (B)	**28,227.25**	**29,885.77**
Deferred tax assets/(liabilities) (net) (B)-(A)	**3,440.20**	**2,396.12**

24. Other non-financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	1,294.52	976.58
Total	**1,294.52**	**976.58**

25. Equity share capital

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

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs.10 each	249,500,000	24,950.00	194,500,000	19,450.00
Preference shares of Rs.10 each	20,500,000	2,050.00	20,500,000	2,050.00
Issued, subscribed and fully paid-up (A)				
Equity shares of Rs.10 each, fully paid-up	155,288,323	15,528.84	93,183,594	9,318.37
Less : Treasury shares held through ESOP Trust (B)				
Equity shares of Rs.10 each, fully paid-up	(2,472,820)	(247.29)	(1,238,252)	(123.83)
Equity shares (Net of Treasury shares) (A-B)	**152,815,503**	**15,281.55**	**91,945,342**	**9,194.54**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

b. Reconciliation of number of shares and amount outstanding as at the beginning and at the end of the year :

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	93,183,594	9,318.37	92,829,821	9,282.99
Add: equity shares issued during the year *	62,104,729	6,210.47	353,773	35.38
Shares outstanding as at the end of the year	**155,288,323**	**15,528.84**	**93,183,594**	**9,318.37**

* During the year, the company issued and alloted 2,35,01,363 equity shares of Rs 10 each under Rights Issue; 1,71,000 equity shares of Rs 10 each under ESOP scheme and 3,84,32,366 equity shares of Rs. 10 each on conversion of compulsory convertible debentures.

During the previous year, the company issued and alloted 1,26,502 equity shares of Rs 10 each under ESOP scheme, 37,878 equity shares of Rs. 10 each on conversion of compulsory convertible debentures and 189,393 equity shares of Rs. 10 each on conversion of warrants.

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

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	1,238,252	123.83	1,238,252	123.83
Add: equity shares acquired from Rights Issue	1,234,568	123.46	-	-
Shares outstanding as at the end of the year	**2,472,820**	**247.29**	**1,238,252**	**123.83**

An Employee Benefit Trust ("Trust") had been constituted to implement the UGRO Capital employee stock option scheme 2022. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Own equity instruments so reacquired (treasury shares) are recognised at face value and deducted from Equity Share Capital to the tune of Rs. 247.28 lakh. The amount received in excess of the face value is deducted from the Securities Premium Account. Pursuant to the same, the Company had granted 1,111,929 options on October 10, 2022, during the year ended March 31, 2023. During the year ended March 31, 2025, there has been no secondary market acquisition by the trust. However, during the year ended March 31, 2026, the trust acquired 12,34,568 equity shares through subscription to the Company's Rights Issue, in accordance with the terms of the offer.

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

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

e. Particulars of shareholders holding more than 5% of the equity share capital :

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Danish Sustainable Development Goals Investment Fund K/S	24,497,354	15.78%	15,238,095	16.35%
Newquest Asia Investments III Limited	14,711,997	9.47%	15,116,279	16.22%
Clearsky Investment Holdings Pte Limited	15,116,279	9.73%	15,116,279	16.22%
Samena Fidem Holdings	-	0.00%	6,980,133	7.49%
Samena Green Ltd	13,040,139	8.40%	-	0.00%
Total	**67,365,769**	**43.38%**	**52,450,786**	**56.28%**

f. Shares reservation :

Particulars	As at March 31, 2026 No. of Shares	As at March 31, 2025 No. of Shares
Equity shares of Rs. 10 each		
Number of Shares reserved for ESOPs (Refer Note 46)	4,512,345	2,400,501

g. Objective for managing capital :

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

h. Shareholding of promoters (including promoter group) disclosure :

Shares held by promoters (including promoter group) as at the end of the year:

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No.of Shares	% of total shares	% Change during the year	No.of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP (promoter)	2,027,709	1.31%	-	2,027,709	2.18%	-
2. Shachindra Nath (person acting in concert of promoter)	58,548	0.04%	-	46,300	0.05%	-
3. Poshika Financial Ecosystem Private Limited (Promoter Group)	1,011,430	0.65%	0.65%		0.00%	-
Total	**3,097,687**	**2.00%**	**0.65%**	**2,074,009**	**2.23%**	**-**

26. Other equity

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Securities premium	192,494.84	107,688.16
(ii) Employee stock options scheme outstanding	1,339.09	1,082.97
(iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	10,729.86	8,462.51
(iv) Capital Reserve	22,552.00	1,046.00
(v) Retained Earnings - other than Remeasurement of Post-Employment Benefit Obligations	41,496.64	32,416.48
(vi) Retained Earnings - Remeasurement of Post- Employment Benefit Obligations	269.46	(16.85)
(vii) Cash Flow Hedges Reserve	52.50	264.15
(viii) Equity component of compound financial instruments	255.32	19,458.55
(ix) Money received against share warrants	-	25,042.43
Total	**269,189.71**	**195,444.40**

Nature and purpose of reserves :

(i) Securities Premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding
The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option schemes of the Company.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

(iv) Capital Reserve

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

(vii) Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

(viii) Equity component of compound financial instruments

It represent the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

(ix) Money received against share warrants

Money received against share warrant represents 25% of the total consideration received towards warrants which entails the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each by paying the remaining 75% of the total consideration within 18 months from the date of allotment of the Share Warrants.

27. Interest income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
At Amortised cost:		
Interest on loans	121,352.72	91,243.71
Interest on deposits with banks	3,506.58	2,421.76
Interest on other financial assets	147.15	100.98
Other interest income	1,432.59	1,806.17
Interest on debt securities	854.44	307.75
Total	**127,293.48**	**95,880.37**

28. Fees and commission income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and commission income	9,539.25	5,138.47
Total	**9,539.25**	**5,138.47**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

29. Net gain on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on financial instruments at fair value through profit and loss:-		
(a) On trading portfolio		
- Gain on sale of investments	1,781.37	280.58
Total	**1,781.37**	**280.58**
Fair value changes:		
Realised	1,773.70	280.58
Unrealised	7.67	-
Total	**1,781.37**	**280.58**

30. Net gain on derecognition of financial instruments under amortised cost category

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on derecognition of financial instruments	38,010.31	38,290.51
Total	**38,010.31**	**38,290.51**

31. Other Income

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Technology support fees	125.00	-
Insurance commission income	1,768.17	4,587.33
Professional Service Income	5,522.04	-
Commission income	-	0.44
Interest on income tax refund	-	6.87
Total	**7,415.21**	**4,594.64**

32. Finance costs

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest cost		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	61,761.23	41,843.01
(b) Interest on debt securities		
Interest on redeemable non-convertible debentures/ discount on commercial paper	24,752.14	19,729.39
(c) Interest on lease liabilities		
Interest on lease liabilities	1,064.79	767.98
(d) Interest on subordinated liabilities		
Interest expenses on subordinated liabilities	2,676.00	436.58
Total	**90,254.16**	**62,776.96**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

33. Net loss on fair value changes

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net loss on financial instruments at fair value through profit or loss		
-On financial instruments	841.77	3.50
Total	**841.77**	**3.50**
Fair value changes:		
Realised	-	-
Unrealised	841.77	3.50
Total	**841.77**	**3.50**

34. Impairment on financial instruments

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments measured at amortised cost:		
Impairment on financial instruments		
- Loans	20,867.03	17,280.24
- Other assets	-	20.20
- Fixed deposits	(5.37)	7.34
- Debt securities	(0.31)	(0.01)
Total	**20,861.35**	**17,307.77**

35. Employee benefits expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, other allowances and bonus	25,545.96	21,954.84
Contribution to provident and other funds (Refer Note 45a)	769.07	698.56
Share based payments to employees (Refer Note 46)	373.67	432.41
Staff welfare expenses	321.20	326.84
Gratuity expenses (Refer Note 45b(ii))	516.87	145.77
Total	**27,526.77**	**23,558.42**

36. Depreciation and amortisation

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	841.70	407.29
Amortization on intangible assets	3,689.29	2,471.95
Depreciation on right of use assets	2,298.68	1,759.25
Total	**6,829.67**	**4,638.49**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

37. Other expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent	416.11	756.21
Communication costs	1,527.81	1,310.95
Printing and stationery	137.28	177.34
Advertisement and publicity	168.12	116.81
Directors' sitting fees	196.00	135.00
Auditor's fees and expenses*	95.91	85.73
Legal and professional charges	5,330.91	2,745.32
Insurance	772.88	800.77
Rates and taxes	3,718.11	1,951.46
Computer maintenance and software	1,763.64	1,646.41
Marketing and brand promotion	178.07	151.07
Meeting and event	66.33	241.21
Travelling, lodging and boarding	1,487.65	1,386.15
Brokerage	36.81	12.65
Miscellaneous	5,760.85	4,069.61
CSR expenditure (Refer Note 38)	3.95	1.00
Total	**21,660.43**	**15,587.69**

*** Payments to auditor :**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a. As Auditor	73.00	56.50
b. For taxation matters	5.00	4.50
c. For other services	12.00	18.50
d. For reimbursement of expenses	5.91	6.23
Total	**95.91**	**85.73**

38. Additional Information

I. Corporate Social Responsibility

The average net profit of the Company as per Section 198 of Companies Act, 2013 for the last three financial years was Rs.(539.79) lakh, basis which the Company was required to spend Rs. Nil lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on : (Rupees in lakh)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	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	3.95	-	3.95	1.00	-	1.00

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

b) **In case of Section 135(5) unspent amount :** (Rupees in lakh)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) **In case of Section 135(5) excess amount spent :**

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.65	-	-	3.95	4.60

d) **In case of Section 135(6) details of ongoing projects :**

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) **The additional disclosures with regard to CSR activities are summarised 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 towards corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year, the Company has spent Rs. 3.95 lakh towards poverty alleviation program.

II. Disclosure in relation to Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2026 and March 31, 2025 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2026 and March 31, 2025.

III. Details of Crypto currency or Virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2026 and March 31, 2025.

39. Additional Regulatory Information (to the extent applicable and reportable)

I. Title deeds of immovable property not held in the name of the Company as at March 31, 2026 :

(Rupees in lakh)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	930.35	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award (iv) SARFAESI Act. (v) Superdari Section 457.	-
Non-current assets held for sale	Building	19,168.61	Borrower	No		-
Others	-	-	-	-	-	-

Title deeds of immovable property not held in the name of the Company as at March 31, 2025 :

(Rupees in lakh)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Non-current assets held for sale	Land	820.17	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17	-
Non-current assets held for sale	Building	20,402.77	Borrower	No	(iii) through Arbitration Award (iv) SARFAESI Act. (v) Superdari Section 457.	-
Others	-	-	-	-	-	-

*The borrowers had mortgaged the immovable properties with the Company to secure the loan facility. Consequent to default in repayment of secured loan upon classification of the account as Non-Performing Asset ("NPA"), the proceedings under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("The SARFAESI Act, 2002") are initiated, whereby the immovable property mortgaged by the borrower, is taken into possession of the Company with or without intervention of the Court. The said properties will be sold to the prospective buyer(s) and the sale proceeds shall be appropriated towards the dues in the respective loan account. Meanwhile, if the borrower/co-borrower approaches to settle the dues and closes the loan account, the property may be released to them.

II. Details of Benami Property held:

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2026 and March 31, 2025.

III. Wilful Defaulter:

The Company is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2026 and March 31, 2025.

IV. Details pertaining to transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 is as follows:

The Company does not have any transactions with the struck off companies during the year ended March 31, 2026 and March 31, 2025.

V. Registration of charges or satisfaction with Registrar of Companies (ROC)

a. The Company does not have any charges or satisfaction which is registered or yet to be registered with ROC beyond the statutory period.

b. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2025.

Brief description of charge	Location of register	Period by which charge has been registered	Reason for delay
CHG-1 Bank of Maharashtra Term Loan- Rs. 1,000,000,000/- Charge ID 101001038 DOH Date-26.09.2024	Mumbai	18.11.2024 (Form Filed with MCA) 18.11.2024 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on MCA V3 portal.

VI. Analytical Ratios

(a) Capital to risk-weighted assets ratio (CRAR) - Refer Note No. 59 (a)

(b) Tier I CRAR - Refer Note No. 59 (a)

(c) Tier II CRAR - Refer Note No. 59 (a)

(d) Liquidity Coverage Ratio - Refer Note no. 50(b). Liquidity Risk.

VII. Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 :

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

40. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with the Ind AS 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic		
Profit after tax [A]	11,336.77	14,392.99
Weighted average number of equity shares outstanding during the year (Nos.) [B]	12,41,84,980	9,27,21,395
Basic earnings per share Rs. [A/B]	**9.13**	**15.52**
Diluted		
Profit after tax Diluted [A]	11,463.45	14,797.84
Weighted average number of equity shares outstanding during the year (Nos.)	12,41,84,980	9,27,21,395
Weighted average number of potential equity shares on account of employee stock options and compulsorily convertible debentures (Nos.)*	93,64,687	89,29,834
Weighted average number of shares outstanding for diluted earning per share (Nos.) [B]	13,35,49,668	10,16,51,229
Diluted earnings per share Rs. [A/B]	**8.58**	**14.56**
Face value per share Rs.	10.00	10.00

*Share warrants are not included in the diluted EPS because they are anti-dilutive for the year ended March 31, 2026 and March 31, 2025.

The Earnings per share (Basic and Diluted) for the year ended March 31, 2026 has been computed considering the effect of increase in issued capital pursuant to allotment of rights shares during the quarter ended June 30, 2025.

Further, as per the requirement of Ind AS 33, Earnings Per Share, the Basic and Diluted earnings per share for the previous comparative periods have been restated for the bonus element in respect of above Rights issue of shares.

41. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018, are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	7,422.99	11,245.17
- Other commitments*	4,271.76	2,137.40
- Amount of contracts remaining to be executed on capital account	100.00	474.00
Total	**11,794.75**	**13,856.57**

*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Company during the year.

42. Segment Reporting

The Company is primarily engaged in the business of lending, with a focus on financing the MSME sector. The management monitors the Company's business as a single segment, i.e. financing, for the purpose of resource allocation and performance assessment. Accordingly, in accordance with Ind AS 108 - Operating Segments, the Company has determined that it operates in a single reportable segment, namely financing activities, and hence no separate segment disclosures are required.

The Company has no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no single external customer contributes 10% or more of the total revenue of the Company.

43. Related party disclosures

a. List of related parties and their relationships:

(i) Subsidiaries:

Name of the related party	Nature of relationship
Profectus Capital Private Limited	Wholly Owned Subsidiary (From December 08, 2025)
Datasigns Technologies Private Limited	Wholly Owned Subsidiary (From March 18, 2026)
Ekagrata Finance Private Limited	Step-down Subsidiary (From March 18, 2026)

(ii) Key managerial personnel (KMP) / Directors:

Name of the related party	Nature of relationship
Shachindra Nath	Vice Chairman & Managing Director
Anuj Pandey	Chief Executive Officer (From July 16, 2025)
Kishore Kumar Lodha	Chief Financial Officer (Upto July 16, 2025)
Shilpa Bhatter	Chief Financial Officer (From July 16, 2025)
Satish Kumar Chelladurai	Company Secretary
Satyananda Mishra	Non- Executive Chairman & Independent Director
Karuppasamy Singam	Independent Director
Rajeev Agarwal	Independent Director
Karnam Sekar	Independent Director
Hemant Bhargava	Independent Director and Chairman - Audit Committee
Tabassum Inamdar	Independent Director

(iii) Enterprises over which KMP has control:

Poshika Financial Ecosystem Private Limited
Poshika Advisory Services LLP

(iv) Other related parties:

Name of the related party	Nature of relationship
Indifi Technologies Private Limited	Common Directorship

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

b. **Transactions with related parties are as enumerated below:** (Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income		
Reimbursement of expense*		
Datasigns Technologies Private Limited	63.94	-
Profectus Capital Private Limited	560.00	-
Interest on Investment		
Datasigns Technologies Private Limited	386.41	-
Expenses		
Interest		
Profectus Capital Private Limited		
- Interest on ICD	261.78	-
- Interest on EIS	790.61	-
Miscellaneous Expense*		
Profectus Capital Private Limited	495.64	-
Sourcing Fee*		
Livfin India Private Limited (relationship ceased w.e.f September 16, 2025)	-	0.07
Indifi Technologies Private Limited	651.75	1,151.05
Datasigns Technologies Private Limited	2,000.00	-
Redemption of Investment		
Datasigns Technologies Private Limited	3,500.00	-
Profectus Capital Private Limited		
- Inter-Corporate Borrowing	10,000.00	-
- Sale of EIS (Loans and Advances)	49,563.74	-
Advance		
Advance for Management of the portfolio fees for upcoming years		
Datasigns Technologies Private Limited	2,500.00	-
Advance for Operational purposes		
Datasigns Technologies Private Limited	315.00	-
Advance against Salary		
Anuj Pandey	40.00	-
Repayment of advances given		
Anuj Pandey	6.67	-
Datasigns Technologies Private Limited	1,231.00	-
Director sitting fees		
Hemant Bhargava	28.00	21.00
Karnam Sekar	31.00	24.00
Rajeev Agarwal	41.00	25.00
Karuppasamy Singam	37.00	25.00
Satyananda Mishra	35.00	25.00

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tabassum Inamdar	24.00	15.00
Short-term employee benefits#		
Shachindra Nath	758.85	618.39
Anuj Pandey	280.52	-
Kishore Kumar Lodha	127.45	308.68
Shilpa Bhatter	127.94	-
Satish Kumar Chelladurai	52.37	46.78
Share Based Payment		
Kishore Kumar Lodha	28.17	5.17
Issuance of Compulsorily Convertible Debentures		
Anuj Pandey	40.00	-
Conversion of Compulsorily Convertible Debentures into Equity Shares		
Anuj Pandey	40.00	-
Allotment of Warrants$		
Shachindra Nath	-	150.00
Tabassum Abdulla Inamdar	-	12.50
Hemant Bhargava	-	6.25
Kishore Kumar Lodha	-	10.00

* The above figures are excluding GST.
#The above figures excludes provision for gratuity and compensated absences.
$ The warrants were not exercised and lapsed in December 2025.
The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year ended March 31, 2026 and March 31, 2025

c. **Balance outstanding:** (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Profectus Capital Private Limited		
- Other Payable	495.64	-
- Receivable	560.00	-
- Inter-Corporate borrowing	10,000.00	-
- EIS Payable (As a servicer)	44,794.12	-
Advance for Management of the portfolio fees for upcoming years		
- Datasigns Technologies Private Limited	2,500.00	-
Anuj Pandey		
- Advances Given	33.33	-

d. **ESOPs held with Key Managerial Personnel:**

Particulars	As at March 31, 2026 (No. of options)	As at March 31, 2025 (No. of options)
Kishore Kumar Lodha	-	3,69,010
Anuj Pandey	6,41,634	-
Shilpa Bhatter	1,50,000	-
Satish Kumar	40,000	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

44. Expenditure in foreign currency:

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Debt securities	-	269.98
Borrowings (other than debt securities)	9,515.69	575.41
Other expenses	60.51	55.69
Finance costs	7,386.66	4,512.04
Other non-financial assets	44.54	98.65
Other Intangible Assets	82.14	29.19
Equity component of compound financial instruments	1,190.00	-
Investment in Subsidiaries	1,36,430.92	-
Total	**1,54,710.46**	**5,540.96**

The above figures are net of tax.

45. Disclosure pursuant to Ind AS 19 'Employee benefits' :

a. Defined contribution plans :

(Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to provident fund	463.60	421.66
Employer's contribution to national pension scheme	304.68	276.48
Employer's contribution to labour welfare fund	0.79	0.42
Total	**769.07**	**698.56**

b. Defined benefit plan (Gratuity)

The entity has a defined benefit gratuity plan (Funded) which is administered through an approved gratuity fund. The entity makes contributions to the gratuity fund, which is managed by trustees and/or administered through an insurance company, to meet its gratuity obligations as they fall due. The Gratuity plan is governed by the "Payment of Gratuity Act, 1972" and the provisions of the Code on Social Security, 2020, to the extent notified and applicable. Under the Act, employee who has completed five years of service is entitled to specific benefit. During the year ended March 31, 2026, the Company established a gratuity fund and transitioned to a funded plan under the Payment of Gratuity Act, 1972. Accordingly, plan assets are recognised for the first time.:

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 (Funded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
Discount rate	5.88%	6.54%
Expected rate of return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	51.90%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

(ii) Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

(Rupees in lakh)

Particulars	Gratuity (Funded Plan) For the year ended March 31, 2026	Gratuity (Unfunded Plan) For the year ended March 31, 2025
Service cost:		
Current service cost	347.00	123.91
Net interest expense	28.72	21.86
Past service cost*	145.63	-
Components of defined benefit costs recognised in the Statement of profit or loss	**521.35**	**145.77**
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(300.69)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	6.68	11.67
Actuarial (Gains)/Losses on Obligations - Due to Experience	(86.15)	12.10
Components of defined benefit costs recognised in other comprehensive income	**(380.16)**	**23.77**
Total	**141.19**	**169.54**

(iii) The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

(Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
Present value of defined benefit obligation	524.18	461.76
Fair value of plan assets	(199.83)	-
Net liability arising from defined benefit obligation	**324.35**	**461.76**

(iv) Movements in the present value of the defined benefit obligation is as follows :

(Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
Opening defined benefit obligation	**461.76**	**305.33**
Current service cost	347.00	123.91
Interest cost	28.72	21.86
Past service cost	145.63	-
Remeasurement (gains)/Loss	(380.16)	23.77
Benefits paid	(78.77)	(13.11)
Closing defined benefit obligation	**524.18**	**461.76**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(v) Movements in the present value of the Fair value of plan assets is as follows : (Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
Fair value of plan assets at the beginning of the year	**-**	**-**
Interest income	-	-
Interest cost	-	-
Return on plan assets excluding amounts included in interest income	-	-
Contributions by the Company	256.58	-
Benefits paid	(56.75)	-
Fair value of plan assets as at the end of the year	**199.83**	**-**

(vi) Maturity analysis of the benefit payments : (Rupees in lakh)

Projected benefits payable in future years	Gratuity (Funded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
1st following year	161.15	45.17
2nd following year	163.68	49.64
3rd following year	107.80	74.98
4th following year	72.75	75.37
5th following year	43.57	73.91
Sum of years 6 To 10	42.54	213.01
Sum of years 11 and above	1.28	99.02

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.

(vii) Sensitivity analysis (defined benefit obligation) : (Rupees in lakh)

Particulars	Gratuity (Funded Plan) As at March 31, 2026		Gratuity (Unfunded Plan) As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(10.05)	10.47	(18.56)	20.09
Future salary growth (1% movement)	7.08	(6.95)	17.31	(16.37)
Attrition rate (1% movement)	7.52	(7.38)	(6.88)	6.90

Note :

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. Compensated absences

(i) The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences (Unfunded Plan)	
	As at March 31, 2026	**As at March 31, 2025**
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	51.90% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age	60 years	60 years
Financial Assumptions		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	5.88% p.a.(Indicative G.Sec referenced on 30-03-2026)	6.54% p.a.(Indicative G.Sec referenced on 28-03-2025)

(ii) The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Compensated absences (Unfunded Plan)	
	As at March 31, 2026	**As at March 31, 2025**
Present value of defined benefit obligation	960.22	495.09
Net liability arising from defined benefit obligation	**960.22**	**495.09**

Particulars	Compensated absences (Unfunded Plan)	
	As at March 31, 2026	**As at March 31, 2025**
Discontinuance liability	995.47	519.48
Defined benefit obligation	960.22	495.09
Funding status	Unfunded	Unfunded
Fund balance	N.A.	N.A.
Current liability	519.30	116.84
Non-current liability	440.93	378.25

The average expected future service is 0.92 years

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii) Sensitivity analysis (defined benefit obligation) :

Particulars	Compensated absences (Unfunded Plan)			
	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.50)	12.93	(14.36)	15.50
Future salary growth (1% movement)	8.34	(8.19)	15.58	(14.69)
Attrition rate (1% movement)	0.28	(0.29)	1.23	(1.32)

Note:

Pursuant to the notification by the Ministry of Labour and employment on November 21, 2025 of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"), the Company has recognised a provision towards past service cost on gratuity and compensated absences payable to the employees amounting to Rs. 513.92 lakh during the quarter ended December 31, 2025 which is included under "Employee benefits expenses". As the underlying Rules to the Labour Codes are yet to be notified, the Company will continue to monitor further developments and will evaluate and give effect to any consequential adjustments arising subsequently in this respect.

46. Disclosure relating to employee stock option scheme

The Company has two Employee Stock Option Schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Capital Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the Board of Directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extraordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the Board of Directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 45,12,345 (previous year 1,20,000) options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 during the year ended March 31, 2026 and March 31, 2025 is set below :

Particulars	As at March 31, 2026	Exercise price range	As at March 31, 2025	Exercise price range
	In numbers		In numbers	
CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 : (face value of Rs. 10 each)				
Options outstanding as at the beginning of the year	**24,00,501**	**Rs. 130 - Rs. 271.35**	**31,10,220**	**Rs. 130 - Rs. 271.35**
Add: Options granted	51,00,017	Rs. 130 - Rs. 220.73	1,20,000	Rs. 130 - Rs. 264.50
Less: Options exercised*	1,71,000	Rs.130- Rs.202	1,26,502	Rs. 130 - Rs. 221.45

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Particulars	As at March 31, 2026 In numbers	Exercise price range	As at March 31, 2025 In numbers	Exercise price range
Less: Options lapsed	28,17,173	Rs. 130 - Rs. 271.35	7,03,217	Rs. 130 - Rs. 264.50
Options outstanding as at the end of the year#	**45,12,345**	**Rs. 130 - Rs. 271.35**	**24,00,501**	**Rs. 130 - Rs. 271.35**
Exercisable as at the end of the year	**2,22,744**		**4,20,544**	

*Weighted average share price of options exercised during the year ended March 31, 2026 was Rs.168.40.
#Weighted average remaining contractual life of options outstanding as at March 31, 2026 is 1.05 years.

The Company follows accounting policy of fair value method for Employee Stock Options (ESOS) valuation. Accordingly, the accumulated expense of Rs. 373.67 lakh (previous year expense Rs. 432.41 lakh) has been debited to the Statement of Profit and Loss for the year ended March 31, 2026.

Particulars	CSL Employee Stock Option Scheme 2017 - Grant XXXVII	CSL Employee Stock Option Scheme 2017 - Grant XXXVIII	UGRO Capital Employee Stock Option Scheme 2022 - Grant VI
Date of the grant	April 30, 2025	September 26, 2025	July 25, 2025
Number of options granted	28,93,037	7,50,000	14,56,980
Method of settlement	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	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date
Vesting pattern	1) 15% (One year from date of grant) 2) 35% (Two years from date of grant)) 3) 50% (Three years from date of grant)		100% (One year from date of grant)
Weighted average remaining contractual life			
Granted but not vested (in years)	1.43	1.84	0.32
Vested but not exercised	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.		Can be exercised within 21 months of vesting
Vesting conditions	Time based vesting based on fulfilment of time mentioned in the scheme.		Time based vesting based on fulfilment of time mentioned in the scheme.
Weighted average fair value of options as on the grant date (in Rs)	88.35	79.87	28.99

Exercise pricing formula

The exercise pricing formula for CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer, if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The key assumptions used in Binomial model for calculating fair value under CSL Employee Stock Option Scheme 2017 and UGRO Capital Employee Stock Option Scheme 2022 with respect to various grants :

Particulars	CSL Employee Stock Option Scheme 2017 - Grant XXXVII	CSL Employee Stock Option Scheme 2017 - Grant XXXVIII	UGRO Capital Employee Stock Option Scheme 2022 - Grant VI
Risk-free interest rate	6.08% ##	6.22% ##	6.08%
Expected volatility of share price	41.06% *##	44.80% *##	39.96% #
Time to maturity (in years)	3.85 ##	3.85 ##	1.75
Dividend yield	-	-	-
The price of equity share as on the grant date considered for valuation (in Rs.)	175.77	161.81	167.4

*Volatilities are calculated using standard deviation of stock price changes of UGRO Capital Limited for duration equal to the life of the option.
#Volatilities are calculated using market data for price of UGRO Capital Limited.
These represent the weighted average risk-free interest rate, expected share price volatility, and time to maturity (in years), computed with reference to the vesting conditions of the grant.

47. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. Right-of-use asset has been included after the line “Property, Plant & Equipment” and lease liabilities has been included under “Other Financial Liabilities” in the Balance Sheet.

a. Right-of-use asset : (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Office Premises :		
As at the beginning of the year	**11,055.79**	**7,896.97**
Additions during the year	3,489.86	3,290.52
Deletions during the year	(1,116.36)	(152.35)
Remeasurement of assets	180.21	20.65
As at the end of the year	**13,609.50**	**11,055.79**
Accumulated depreciation as at the beginning of the year	**4,881.14**	**3,121.89**
Depreciation for the year	2,298.68	1,759.25
Accumulated depreciation as at the end of the year	**7,179.82**	**4,881.14**
Net carrying amount as at the end of the year	**6,429.68**	**6,174.65**

b. Amount recognised in Statement of Profit and loss : (Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense on right-of-use assets	2,298.68	1,759.25
Interest expense on lease liabilities	1,064.79	767.98
Total expenses recognised in Statement of profit and loss	**3,363.47**	**2,527.23**

The total cash outflow on account of lease rentals amounting for the current year Rs. 2,897.41 lakh (previous year : Rs.2,136.39 lakh).

The average lease term for the rented office premises is ranging between 1 to 9 years.

c. **Lease liabilities :** (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities	7,258.81	6,869.65
Total	**7,258.81**	**6,869.65**

d. **Maturity analysis of lease liabilities :** (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than 1 year	1,814.67	1,928.21
Later than 1 year and not later than 5 years	4,001.55	4,649.74
Later than 5 years	1,442.59	291.70
Total	**7,258.81**	**6,869.65**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend the lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

The Company uses certain premises leased by its wholly owned subsidiary from an external lessor. The subsidiary, being the legal licensee, has permitted such use based on a No Objection Certificate in accordance with the terms of the leave and license agreement for most locations, while the same is awaited in certain cases. This arrangement does not constitute a separate lease, and accordingly no right-of-use asset or lease liability has been recognised in the standalone financial statements of the Holding Company. The underlying lease continues to be recognised by the subsidiary and in the consolidated financial statements.

48. Impact of hedging activities

a) **Disclosure of effects of hedge accounting on the financial position :**

As at March 31, 2026 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,495.53	-	430.02	-	September 21, 2026	417.39	417.39	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	2,457.00	-	391.78	-	September 28, 2027	265.47	265.47	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,513.33	-	806.81	-	February 16, 2028	674.22	674.22	Borrowings (other than debt securities)

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

As at March 31, 2026 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Full Currency Swap)	8,205.00	-	1,280.44	-	June 27, 2027	1,114.00	1,114.00	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	868.36	-	June 28, 2026	754.19	754.19	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,309.50	-	3,025.09	-	November 7, 2029	2,646.71	2,646.71	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,448.15	-	2,698.40	-	December 30, 2029	1,933.77	1,933.77	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	10,706.00	-	-	38.32	December 13, 2030	38.32	38.32	Borrowings (other than debt securities)
Currency Derivative (Forward Contract)	18,945.94	-	-	3.42	March 27, 2030	3.42	3.42	Borrowings (other than debt securities)

As at March 31, 2025 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Full Currency Swap)	3,495.53	-	12.63	-	September 21, 2026	(338.33)	(338.33)	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	126.31	-	September 28, 2027	101.59	101.59	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	166.06	-	November 07, 2025	209.90	209.90	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	132.59	-	February 16, 2028	299.71	299.71	Borrowings (other than debt securities)

As at March 31, 2025 (Rupees in lakh)

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instru-ments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Full Currency Swap)	8,205.00	-	166.44	-	June 27, 2027	283.88	283.88	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	114.17	-	June 28, 2026	226.45	226.45	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	25,309.50	-	378.38	-	November 07, 2029	378.38	378.38	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	29,939.00	-	764.63	-	December 30, 2029	764.63	764.63	Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on the financial performance :

As at March 31, 2026 (Rupees in lakh)

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	(298.60)	-	-	Finance Costs

As at March 31, 2025 (Rupees in lakh)

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	1,052.92	-	-	Finance Costs

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

49. Summarised classification of financial assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2026					As at March 31, 2025				
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	At Cost	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	At Cost	Total
Financial assets										
Cash and cash equivalents	121,118.56	-	-	-	**121,118.56**	18,924.19	-	-	-	**18,924.19**
Bank balances other than cash and cash equivalents above	37,027.73	-	-	-	**37,027.73**	35,515.31	-	-	-	**35,515.31**
Derivative financial instruments	-	-	9,500.90	-	**9,500.90**	-	-	1,861.21	-	**1,861.21**
Loans	831,452.82	-	-	-	**831,452.82**	791,910.95	-	-	-	**791,910.95**
Investments	2,613.91	20,209.79	-	143,683.12	**166,506.82**	7,695.07	2,645.24	-	-	**10,340.31**
Other financial assets (Refer Note 8)	12,584.21	-	-	-	**12,584.21**	3,741.68			-	**3,741.68**
Total	**1,004,797.23**	**20,209.79**	**9,500.90**	**143,683.12**	**1,178,191.04**	**857,787.20**	**2,645.24**	**1,861.21**	**-**	**862,293.65**
Financial liabilities										
Derivative financial instruments	-	-	41.74	-	**41.74**	-	-	-		**-**
Payables :										
(A) Trade payables										
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	**-**	-	-	-	-	**-**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	660.63	-	-	-	**660.63**	76.78	-	-	-	**76.78**
(B) Other payables										
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	**-**	-	-	-	-	**-**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.56	-	-	-	**1,255.56**	63.34	-	-	-	**63.34**
Debt securities	252,998.14	-	-	-	**2,52,998.14**	198,271.42	-	-	-	**198,271.42**
Borrowings (other than debt securities)	621,914.97	-	-	-	**6,21,914.97**	488,769.33	-	-	-	**488,769.33**
Subordinated Liabilities	45,874.69	-	-	-	**45,874.69**	3,370.81	-	-	-	**3,370.81**
Other financial liabilities (Refer Note 20)	8,701.59	225.17	-		**8,926.76**	8,137.75	225.17	-	-	**8,362.92**
Total	**931,405.58**	**225.17**	**41.74**	**-**	**931,672.49**	**698,689.43**	**225.17**	**-**	**-**	**698,914.60**

50. Financial risk management

The Company has exposure to the following risks from financial instruments:

a. Credit Risk

b. Liquidity Risk

c. Market Risk

d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the Company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The Company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy :

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis :

The Company's policies for computation of expected credit loss (ECL) are set out below :

(I) ECL on Loans and advances

ECL is computed for loans portfolio of the Company :

Loan portfolio :

UGRO Capital Ltd is primarily engaged into MSME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Definition of default:

A default shall be considered to have occurred when any of the following criteria is met:

a) An account shall be tagged as NPA once the day end process is completed for the 90th day past due.

b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA

Significant increase in credit risk (SICR) criteria:

(a) External credit rating going below investment grade rating.

(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

(c) Other qualitative parameters :

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.

(d) Any other qualitative parameter.

Definition of low credit risk:

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors:

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria:

Following staging criteria is used for loans:
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-90 DPD and
(iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/DOR/2025-26/356 DOR.STR.REC.No.275/21.04.048/2025-26 on Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 shall be approved by the audit committee of the board (ACB).

Probability of default (PD%)

PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults.

LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Company determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)

Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the fixed deposits and investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach.

The Company has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

The Company has prepared the financial statements in accordance with Ind AS and complied with the regulatory guidance specified by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 read with Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 both dated November 28, 2025, as amended.

A. Movement of expected credit loss on advances : (Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balances as at April 01, 2025	**1,788.09**	**533.45**	**8,472.95**	**-**	**10,794.49**
Changes in the loss allowance during the year:					
Transfer to Stage 1	102.04	(99.08)	(2.96)	-	0.00
Transfer to Stage 2	(410.71)	411.19	(0.48)	-	0.00
Transfer to Stage 3	(3,423.36)	(1,836.06)	5,259.42	-	-
New loans originated during the year	1,752.25	159.61	2,127.27	-	4,039.13
Other movements (on account of changes in EAD)	2,842.69	1,467.69	5,670.75	-	9,981.13
Amounts written off during the year	-	-	(9,193.26)	-	(9,193.26)
Closing balance as at March 31, 2026	**2,651.00**	**636.80**	**12,333.69**	**-**	**15,621.49**
Opening balance as at April 01, 2024	**2,973.36**	**549.74**	**8,226.26**	**-**	**11,749.36**
Changes in the loss allowance during the year:					
Transfer to Stage 1	20.00	(19.85)	(0.15)	-	-
Transfer to Stage 2	(268.19)	268.78	(0.59)	-	-
Transfer to Stage 3	(4,628.05)	(1,201.17)	5,829.22	-	-
New loans originated during the year	1,376.97	175.01	580.15	-	2,132.13
Other movements (on account of changes in EAD)	2,314.00	760.94	3,735.04	-	6,809.98
Amounts written off during the year	-	-	(9,896.98)	-	(9,896.98)
Closing balance as at March 31, 2025	**1,788.09**	**533.45**	**8,472.95**	**-**	**10,794.49**

B. Movement of expected credit loss (ECL) on loan commitments : (Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2025	**-**	**-**	**-**	**-**
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)	-	-	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

Particulars	Stage 1	Stage 2	Stage 3	Total
Closing balance as at March 31, 2026	**-**	**-**	**-**	**-**
Opening balances as at April 01, 2024	**-**	**-**	**-**	**-**
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2025	**-**	**-**	**-**	**-**

C. **Movement in gross carrying amount of advances :** (Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2025	**737,805.55**	**45,996.78**	**18,903.11**	**-**	**802,705.44**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	7,016.66	(6,450.56)	(566.10)	-	-
Transfer to Stage 2	(24,027.98)	24,073.87	(45.89)	-	-
Transfer to Stage 3	(11,092.15)	(6,660.72)	17,752.87	-	-
New loans originated during the year	461,558.17	7,351.59	5,843.13	-	474,752.89
Other movements (on account of changes in EAD)	(390,915.61)	(28,567.41)	(1,707.74)	-	(421,190.76)
Write offs during the year	-	-	(9,193.26)	-	(9,193.26)
Closing balance as at March 31, 2026	**780,344.64**	**35,743.55**	**30,986.12**	**-**	**847,074.31**
Opening balance of gross carrying amount as at April 01, 2024	**510,090.62**	**27,731.86**	**17,147.91**	**-**	**554,970.39**
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	6,430.46	(6,343.65)	(86.81)	-	-
Transfer to Stage 2	(28,987.35)	29,110.29	(122.94)	-	-
Transfer to Stage 3	(10,940.53)	(1,978.78)	12,919.31	-	-
New loans originated during the year	499,259.02	11,450.07	2,347.58	-	513,056.67
Other movements (on account of changes in EAD)	(238,046.67)	(13,973.01)	(3,404.96)	-	(255,424.64)
Write offs during the year	-	-	(9,896.98)	-	(9,896.98)
Closing balance as at March 31, 2025	**737,805.55**	**45,996.78**	**18,903.11**	**-**	**802,705.44**

D. **Movement in loan commitments :** (Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2025	**11,245.17**	**-**	**-**	**11,245.17**
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	7,422.99	-	-	7,422.99

(Rupees in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(11,245.17)	-	-	(11,245.17)
Closing balance as at March 31, 2026	**7,422.99**	**-**	**-**	**7,422.99**
Opening balance as at April 01, 2024	**4,833.02**	**-**	**-**	**4,833.02**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	11,245.17	-	-	11,245.17
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(4,833.02)	-	-	(4,833.02)
Closing balance as at March 31, 2025	**11,245.17**	**-**	**-**	**11,245.17**

E. **Details of collaterals received against loan portfolio :**

Nature of security against advances :

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan.

Advances other than credit impaired advances (LTV band-wise): (Rupees in lakh)

LTV ratio	As at March 31, 2026		As at March 31, 2025	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	7,696.23	114.79	26,589.39	151.60
51% - 70%	24,780.01	108.58	30,152.54	46.77
71% - 90%	457,194.08	1,143.11	438,062.28	1,074.21

Credit impaired advances (LTV band-wise) :

LTV ratio	As at March 31, 2026		As at March 31, 2025	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	5,249.71	2,078.14	4,088.35	1,559.29
51% - 70%	99.26	15.30	280.72	45.90
71% - 90%	10,776.33	2,044.66	7,848.09	1,498.90

b. **Liquidity Risk:**

Liquidity risk arises from the Company's inability to meet its cash flow commitments as they fall due. Prudent liquidity risk management involves maintaining an adequate level of cash and marketable securities, along with ensuring access to standby funding through a well-diversified pool of committed credit facilities.

The Treasury function actively manages asset and liability positions in line with the guidelines prescribed under the Board approved Liquidity risk management framework read with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated November 28, 2025, as amended. The Company continues to maintain a positive ALM position.

The Asset Liability Committee (ALCO) of the company regularly monitors asset-liability mismatches to ensure that there are no significant imbalances or undue concentrations on either side of the Balance Sheet. Additionally, the Company continuously monitors market liquidity conditions and takes appropriate measures as part of its ALCO-driven strategy to effectively manage liquidity risk.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The table below summarises the maturity profile of the undiscounted cash flows by contractual maturities of Company's financial assets and financial liabilities as at March 31, 2026:

(Rupees in lakh)

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow) :							
Cash and cash equivalents	121,118.72	121,118.72	121,118.72	-	-	-	-
Bank balances other than cash and cash equivalents above	37,036.88	37,036.88	625.93	13,025.27	20,367.62	2,501.37	516.70
Derivative financial instruments	9,500.90	9,500.90	-	-	-	9,500.90	-
Loans	847,074.31	829,973.32	36,807.62	62,122.70	239,238.79	347,543.84	144,260.37
Investments	166,507.33	166,506.82	-	8,360.37	143,515.06	-	14,631.40
Other financial assets (Refer Note 8)	12,587.38	12,584.22	-	7,346.88	-	5,237.34	-
Financial liabilities (outflow) :							
Derivative financial instruments	41.74	41.74	-	-	41.74	-	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	660.63	660.63	-	660.63	-	-	-
(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	1,255.56	1,255.56	-	1,255.56	-	-	-
Debt securities	252,998.14	256,823.59	35,593.60	28,198.92	70,402.96	122,628.11	-
Borrowings (other than debt securities)	621,914.97	633,332.49	29,905.40	52,551.43	161,896.30	388,979.35	-
Subordinated Liabilities	45,874.69	48,348.83	232.15	-	6.68	28,500.00	19,610.00
Other financial liabilities (Refer Note 20)	8,926.76	11,163.04	205.19	411.60	1,854.46	6,755.79	1,936.00

* Carrying amount reported above is on a gross basis.

The table below summarises the maturity profile of the undiscounted cash flows by contractual maturities of Company's financial assets and financial liabilities as at March 31, 2025:

(Rupees in lakh)

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow) :							
Cash and cash equivalents	18,929.07	18,929.07	18,929.07	-	-	-	-
Bank balances other than cash and cash equivalents above	35,525.12	35,525.12	147.94	13,827.61	18,752.58	2,769.31	27.68
Derivative financial instruments	1,861.21	1,861.21	-	-	-	1,861.21	-
Loans	802,705.44	783,113.10	56,713.38	51,909.83	183,295.71	354,679.29	136,514.89
Investments	10,341.13	10,341.13	-	-	1,544.15	7,150.99	1,645.99
Other financial assets (Refer Note 8)	3,744.85	3,744.85	-	2,145.14	-	1,599.71	-
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	76.78	76.78	-	76.78	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-					
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.34	63.34	-	63.34	-	-	-
Debt securities	198,271.42	201,231.01	1,858.26	30,597.56	46,692.47	122,082.72	-
Borrowings (other than debt securities)	488,769.33	496,671.74	17,743.73	31,827.87	136,104.25	309,787.56	1,208.33
Subordinated Liabilities	3,370.81	3,519.11	19.11	-	-	3,500.00	-
Other financial liabilities (Refer Note 20)	8,362.92	9,934.95	213.24	665.73	1,933.76	6,535.52	586.70

* Carrying amount reported above is on a gross basis.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2026 :

(Rupees in lakh)

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	7,422.99	7,422.99	-	-
Other commitments	-	4,271.76	4,271.76	-	-
Capital commitments (outflow)	-	100.00	100.00	-	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2025 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	11,245.17	11,245.17	-	-
Other commitments	-	2,137.40	2,137.40	-	-
Capital commitments (outflow)	-	474.00	274.00	200.00	-

The Company has disclosed the below information as stated in the RBI notification no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 read with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 both dated November 28, 2025 (the "Notification"), as amended, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings) :

The Company is a non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC - Middle Layer.

The Company had not raised any public deposits.

The details of the borrowings are given below :

Sr.No.	As at March 31, 2026			As at March 31, 2025		
	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities
1	30	676,853.51	71.24%	25	513,254.71	72.07%

* The Principal outstanding amounts as on March 31, 2026 and March 31, 2025 have been considered above respectively.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits) :

The Company is a non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC - Middle Layer. The Company had not accepted any deposits during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings) :

Particulars	As at March 31, 2026	As at March 31, 2025
Total borrowings from ten largest lenders *	424,573.62	347,253.23
Percentage of borrowings from ten largest lenders to total borrowings of the Company	45.49%	50.02%

* The Principal outstanding amount as on March 31, 2026 and as on March 31, 2025 respectively is considered above.

(iv) Funding concentration based on significant instrument / product :

Sr No.	Name of instrument / product	As at March 31, 2026		As at March 31, 2025	
		Amount (₹ lakh)*	% of total liabilities	Amount (₹ lakh)*	% of total liabilities
1	Term loans facilities	501,726.05	52.81%	383,555.53	53.86%
2	Cash credit / overdraft facilities	14,435.94	1.52%	16,169.24	2.27%
3	Non-convertible debentures	201,598.92	21.22%	176,933.28	24.84%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	4,012.75	0.42%	8,779.06	1.23%
5	Commercial paper	48,000.00	5.05%	8,000.00	1.12%
6	External Commercial borrowing	115,509.39	12.16%	95,102.33	13.35%
7	Subordinated Debt	48,110.00	5.06%	3,500.00	0.49%
8	Liability component of Compound Financial instruments	-	-	2,159.92	0.30%
Total		**933,393.05**	**98.24%**	**694,199.36**	**97.46%**

* The Principal outstanding amount as on March 31, 2026 and as on March 31, 2025 respectively is considered above.

(v) Stock Ratios :

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2026			As at March 31, 2025		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	5.14%	5.05%	3.89%	1.16%	1.12%	0.87%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2026			As at March 31, 2025		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	1.55%	1.52%	1.17%	2.34%	2.27%	1.76%
Working capital demand loan	3.27%	3.22%	2.47%	2.25%	2.18%	1.70%

(vi) Institutional set-up for liquidity risk management :

We have an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. Our Asset Liability Committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the concluded quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. As far as structural liquidity position is concerned, the Company maintained a positive cumulative mismatch across all the time buckets.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The Company has disclosed the below information as required by the Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India ("RBI") vide their Notification RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (the "Notification"), as amended, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

Liquidity Coverage Ratio (LCR)

(A) Quantitative Disclosure:

(Rupees in lakh)

Sr. No.	Particulars	Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
		Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Un-weighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	115,950.83	115,950.83	112,576.65	112,576.65	94,232.26	94,232.26	74,544.21	74,544.21
Cash Outflows									
2	Deposits (for deposit taking companies)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Unsecured wholesale funding	31,093.13	35,757.10	17,524.68	20,153.38	3,655.75	4,204.11	9,042.83	10,399.25
4	Secured wholesale funding	38,478.02	44,249.72	35,432.00	40,746.80	23,804.13	27,374.75	25,465.23	29,285.01
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	7,423.00	8,536.45	7,555.54	8,688.87	8,207.62	9,438.76	8,818.14	10,140.86
6	Other contractual funding obligations	9,323.79	10,722.36	14,816.99	17,039.54	10,863.07	12,492.54	13,924.03	16,012.63
7	Other contingent funding obligations	1,540.00	1,771.00	1,284.33	1,476.98	1,131.94	1,301.73	1,296.00	1,490.40
8	**TOTAL CASH OUTFLOWS**	**87,857.94**	**101,036.63**	**76,613.54**	**88,105.57**	**47,662.50**	**54,811.89**	**58,546.21**	**67,328.15**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	46,680.65	35,010.49	41,420.94	31,065.70	39,658.58	29,743.93	44,416.90	33,312.68
11	Other cash inflows	54,396.38	40,797.29	44,350.32	33,262.74	53,001.20	39,750.90	56,151.33	42,113.50
12	**TOTAL CASH INFLOWS**	**101,077.03**	**75,807.78**	**85,771.25**	**64,328.44**	**92,659.78**	**69,494.83**	**100,568.23**	**75,426.18**
13	TOTAL HQLA		115,950.83		112,576.65		94,232.26		74,544.21
14	TOTAL NET CASH OUTFLOWS ***= Stressed Outflows - Minimum (stressed inflows; 75% of stressed outflows)***		25,259.16		23,777.13		13,702.97		16,832.04
15	LIQUIDITY COVERAGE RATIO (%)		459.04%		473.47%		687.68%		442.87%

Notes :

1 In Computing the above information, certain estimates/assumptions have been used by the Company's management.

2 Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

3 Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

- Stressed Cash Outflows is calculated as unweighted values*115%
- Stressed Cash Inflows is calculated as unweighted values*75%

(B) Qualitative Disclosure:

(a) **The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time :** RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2026 the applicable minimum LCR required to be maintained by NBFC is 100%.

(b) **Intra-period changes as well as changes over time :** The details for the four quarter ended March 31, 2026, December 31, 2025, September 30, 2025 and June 30, 2025 are disclosed above.

(c) **The composition of HQLAs**

(Rupees in lakh)

Particulars	Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount	Unweighted amount	Weighted amount
High Quality Liquid Assets								
-Cash and Cash Equivalent	115,950.83	115,950.83	112,576.65	112,576.65	94,232.26	94,232.26	74,544.21	74,544.21
-Demand deposits with Scheduled Commercial Banks	-	-	-	-	-	-	-	-
Total High Quality Liquid Assets	**115,950.83**	**115,950.83**	**112,576.65**	**112,576.65**	**94,232.26**	**94,232.26**	**74,544.21**	**74,544.21**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(d) Currency mismatch in the LCR :

The Company has taken foreign currency borrowings. The Company has entered into full currency swap/ Cross Currency Interest Rate Swap and Forward Contract to hedge the foreign currency risk on such borrowings.

(e) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile :

All inflows/ outflows considered relevant has been considered for LCR calculation.

C. Market Risk :

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing/ lending cost including proportion of fixed and floating rate borrowings/ loans so as to manage the impact of changes in interest rates.

Exposure to price risk :

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk :

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:

a. Earnings perspective - change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.

b. Economic value perspective - change in market value of the company due to change in the company's assets, liabilities and off-balance sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows : (Rupees in lakh)

Particulars	As at March 31, 2026*	As at March 31, 2025*
Variable rate borrowings	445,899.17	306,245.58
Fixed rate borrowings	477,807.74	386,180.28
Total borrowings	**923,706.91**	**692,425.86**

* The Principal outstanding amount as on March 31, 2026 and as on March 31, 2025 respectively is considered above.

The Company had the following variable rate borrowings outstanding :

Particulars	As at March 31, 2026	As at March 31, 2025
Weighted average cost	9.97%	10.62%
Outstanding balance*	445,899.17	306,245.58
% of total borrowings	48.27%	44.23%

Sensitivity :	Impact on profit or loss	
Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Interest rate - increase by 1%**	(4,030.69)	(2,306.24)
Interest rate - decrease by 1%**	4,030.69	2,306.24

* The Principal outstanding amount as on March 31, 2026 and as on March 31, 2025 respectively is considered above.

** Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. For the Company, such risk primarily arises from its foreign currency borrowings. The Company manages this risk by entering into appropriate hedging instruments, including cross-currency interest rate swaps, full currency swaps, and forward contracts. When derivatives are used for hedging purposes, the Company ensures that the terms of such instruments are aligned with those of the underlying exposure to achieve effective risk mitigation. 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 full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management :

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio : (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
The gearing ratio at each date were as follows :		
Debt securities	252,998.14	198,271.42
Borrowings (other than debt securities)	621,914.97	488,769.33
Subordinated liabilities	45,874.69	3,370.81
Total Debt	**920,787.80**	**690,411.56**
Total equity*	**284,471.27**	**204,638.94**
Debt to equity ratio	**3.24**	**3.37**

*Total equity = Equity share capital + Other equity

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

51. Details of all collaterals used as security for liabilities

(Rupees in lakh)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2026	As at March 31, 2025
Assets type :		
1. Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	100.51	100.47
2. Fixed deposits as collateral under lending agreements (apart from point no. 1 above and 3 below)	25,581.30	24,960.63
3. Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	1,188.49	1,341.29
4. Pledge of Investment in Bonds against Bank Overdraft availed by the company	2,112.48	4,190.37
5. Pledge of Investments in equity shares of PCPL against Non-Convertible Debentures issued by the Company	27,000.00	-

52. Income tax

a. The major components of tax expense for the year ended March 31, 2026 and March 31, 2025 :

(Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	**Statement of profit and loss :**		
	Profit and loss section :		
	Current income tax :		
	Tax for current year as per minimum alternate tax	3,715.79	3,379.16
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	1,020.36	2,392.33
	Excess/short provision of tax of earlier years:		
	Tax expense for earlier years as per minimum alternate tax	(7.45)	147.26
	Income tax expense reported in the Statement of profit and loss	**4,728.70**	**5,918.75**
2	**Other comprehensive income (OCI) section :**		
	Deferred tax :		
	Net (loss)/ gain on remeasurement of defined benefit obligations	110.70	(6.92)
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	(86.95)	306.61
	Income tax expense/(gain) reported in the OCI section	**23.75**	**299.69**

b. Reconciliation of effective tax rate :

(Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Profit before tax as per books	16,065.47	20,311.74
2	Book profit as per MAT	21,267.14	19,340.43
3	Applicable income tax rate*	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	**Tax at the applicable income tax rate on profit before tax (A)**	**4,678.26**	**5,914.78**
6	**Tax effect of amounts not deductible / not taxable while calculating taxable income**		
	-Corporate social responsibility	1.15	1.00
	-Interest /penalty on TDS	0.06	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	-Other adjustments	49.23	2.97
	-Impact on account of brought forward losses	-	-
	Total of adjustments (B)	**50.44**	**3.97**
7	**Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)**	**4,728.70**	**5,918.75**
8	Tax under MAT (Current Tax)	3,715.79	3,526.42
9	**Less: MAT credit entitlement (D)**	**(3,715.79)**	**(3,526.42)**
10	**Total Deferred tax (E) = (D) + (C)**	**1,012.90**	**2,392.33**
11	**Total Tax expense/(refund)**	**4,728.70**	**5,918.75**

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

c. **Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss :**

(Rupees in lakh)

Sr. No.	Particulars	Balance Sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2026	As at March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
A	Deferred tax assets (DTA)				
1	Employee benefit provisions and expenses				
	a. Compensated absences	279.62	144.17	135.45	(112.60)
	b. Gratuity	94.45	134.46	(40.01)	45.55
	c. Bonus	276.64	262.08	14.56	87.36
	d. Long term incentive plan	84.84	106.77	(21.93)	(69.89)
	e. Disallowance on account of Employee stock options scheme outstanding	217.44	217.45	(0.01)	-
2	Deferred revenue income - processing fees allowed upfront in income tax	2,779.80	214.50	2,565.30	(492.68)
3	Provision for impairment loss allowances on financial instruments	4,616.33	3,212.37	1,403.96	(275.92)
4	Impact on account of Ind AS 116 Leases	291.32	252.26	39.06	75.76
5	Preliminary expenses	-	-	-	-
6	Unutilised minimum alternate tax credit entitlement	14,569.76	10,909.93	3,659.83	3,372.05
7	Income tax losses carried forward	1,595.80	12,141.56	(10,545.76)	6,235.60
8	Others	(18.95)	(105.90)	86.95	(306.63)
	Total (A)	**24,787.05**	**27,489.65**	**(2,702.60)**	**8,558.60**
B	Deferred tax liabilities (DTL)				
1	Difference in between book value and tax base of property, plant and equipment and other intangible assets	350.67	711.42	(360.75)	141.83
2	Receivables on EIS Direct assignment and Co-lending transactions	9,928.81	18,402.02	(8,473.21)	7,186.61
3	Prepaid fees/ charges on debt securities allowed upfront in income tax	1,834.44	1,349.03	485.41	527.85
4	Prepaid fees/ charges on borrowings allowed upfront in income tax	3,324.78	1,869.71	1,455.07	90.79
5	Deferred loan sourcing cost allowed upfront in income tax	12,779.09	7,545.41	5,233.68	3,300.95
6	Others	9.46	8.18	1.28	2.64
	Total (B)	**28,227.25**	**29,885.77**	**(1,658.52)**	**11,250.67**
C	**Deferred tax asset/ (liability)**	**(3,440.20)**	**(2,396.12)**	**-**	**-**
D	**Deferred tax expense/ (benefit)**	**-**	**-**	**1,044.08**	**2,692.07**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

d. Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

There are no deductible temporary differences, unused tax losses and unused tax credits for which deferred tax assets have not been recognised.

53. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. <u>Fair value hierarchy of financial instruments classified in amortised cost category :</u> (Rupees in lakh)

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026	Fair Value as on March 31, 2025			Carrying value as on March 31, 2025
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Cash and cash equivalents	121,118.72	-	-	121,118.72	18,929.07	-	-	18,929.07
Bank balances other than cash and cash equivalents above	37,036.88	-	-	37,036.88	35,525.12	-	-	35,525.12
Loans	-	-	772,987.57	847,074.31	-	-	768,709.82	802,705.44
Investments	2,605.66	-	-	2,614.42	4,029.56		3,506.90	7,695.89
Other financial assets (Refer Note 8)	-	-	12,587.38	12,587.38	-	-	3,744.85	3,744.85
Total	**160,761.26**	**-**	**785,574.95**	**1,020,431.71**	**58,483.75**	**-**	**775,961.57**	**868,600.37**
Liabilities								
Payables	-	-	1,916.19	1,916.19	-	-	140.12	140.12
Debt securities	-	254,304.30	-	252,998.14	-	195,676.56	-	198,271.42
Borrowings (other than debt securities)	-	631,609.90	-	621,914.97	-	494,650.49	-	488,769.33
Subordinated Liabilities	-	50,851.48	-	45,874.69	-	3,734.46	-	3,370.81
Other financial liabilities (Refer Note 20)	-	-	8,926.76	8,926.76	-	-	8,362.92	8,362.92
Total	**-**	**936,765.68**	**10,842.95**	**931,630.75**	**-**	**694,061.51**	**8,503.04**	**698,914.60**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value :

Short-term financial assets and liabilities :

For financial assets and financial liabilities that are of short-term nature, the carrying amount itself is considered as its fair value. Such instruments include: other financial assets and other financial liabilities.

Cash and cash equivalents and Bank balances other than cash and cash equivalents :

The carrying amount itself is considered as its fair value. Impairment loss allowance is not part of above disclosure.

Loans and advances to customers :

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. For loans having contractual residual maturity less than one year, the carrying value has been considered as fair value.

Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings :

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

b. **Fair value hierarchy of financial instruments classified in fair value through profit or loss (FVTPL) category :**

(Rupees in lakh)

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026	Fair Value as on March 31, 2025			Carrying value as on March 31, 2025
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	1,179.05	-	-	1,179.05	-	-	-	-
Investments in security receipts	-	10,808.27	-	10,808.27	-	1,645.99	-	1,645.99
Investments in Debt Securities	8,222.47	-	-	8222.47	999.25	-	-	999.25
Total	**9,401.52**	**10,808.27**	**-**	**20,209.79**	**999.25**	**1,645.99**	**-**	**2,645.24**

There were no transfers between Level 1 and Level 2 during the year.

c. **Fair value hierarchy of financial instruments classified in fair value through other comprehensive income (FVTOCI) category :**

(Rupees in lakh)

Particulars	Fair value as on March 31, 2026			Carrying value as on March 31, 2026	Fair Value as on March 31, 2025			Carrying value as on March 31, 2025
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Derivative financial instruments	-	9,500.90	-	9,500.90	-	1,861.21	-	1,861.21
Liabilities								
Derivative financial instruments	-	41.74	-	41.74	-	-	-	-
Total	**-**	**9,542.64**	**-**	**9,542.64**	**-**	**1,861.21**	**-**	**1,861.21**

There were no transfers between Level 1 and Level 2 during the year.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

54. Maturity profile of assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Financial assets:						
Cash and cash equivalents	121,118.56	-	121,118.56	18,924.19	-	18,924.19
Bank balances other than cash and cash equivalents above	34,010.27	3,017.46	37,027.73	32,718.97	2,796.34	35,515.31
Derivative financial instruments	-	9,500.90	9,500.90	-	1,861.21	1,861.21
Loans	332,551.42	498,901.40	831,452.82	288,276.17	503,634.78	791,910.95
Investments	151,875.42	14,631.39	166,506.81	1,543.85	8,796.46	10,340.31
Other financial assets (Refer Note 8)	7,346.87	5,237.34	12,584.21	2,141.97	1,599.71	3,741.68
Non-financial assets:	**-**	**-**	**-**			
Current tax assets (net)	390.67	-	390.67	192.83	-	192.83
Deferred tax asset (net)	-	-	-	-	-	-
Property, plant and equipment	-	3,058.92	3,058.92	-	2,637.12	2,637.12
Non-current assets held for sale	21,667.88	-	21,667.88	24,317.90	-	24,317.90
Right-of-use-asset	1,697.98	4,731.70	6,429.68	1,848.66	4,325.99	6,174.65
Capital work in progress	-	-	-	-	-	-
Intangible assets under development	1,266.56	-	1,266.56	564.63	-	564.63
Other intangible assets	-	3,554.15	3,554.15	-	7,420.07	7,420.07
Other non-financial assets (Refer Note 15)	17,264.11	2,786.74	20,050.85	11,071.30	2,159.07	13,230.37
Total	**689,189.75**	**545,419.99**	**12,34,609.74**	**381,600.47**	**535,230.75**	**916,831.22**
Liabilities:						
Financial liabilities:						
Derivative financial instruments	-	41.74	41.74	-	-	-
(A) Trade payables	-	-	-			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	660.63	-	660.63	76.78	-	76.78
(B) Other payables	-	-	-			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.56	-	1,255.56	63.34	-	63.34
Debt securities	130,997.03	122,001.11	252,998.14	77,424.29	1,20,847.13	198,271.42
Borrowings (other than debt securities)	240,379.51	381,535.46	621,914.97	183,060.49	305,708.84	488,769.33
Subordinated Liabilities	238.83	45,635.86	45,874.69	19.11	3,351.70	3,370.81
Other financial liabilities (Refer Note 20)	1,818.02	7,108.74	8,926.76	2,211.60	6,151.32	8,362.92
Non-financial liabilities:	**-**	**-**	**-**			
Current tax liabilities (net)	2,316.16	-	2,316.16	2,743.86	-	2,743.86
Provisions	9,839.19	1,575.92	11,415.11	5,837.60	1,323.52	7,161.12
Deferred tax liabilities (net)	-	3,440.20	3,440.20	-	2,396.12	2,396.12
Other non-financial liabilities (Refer Note 24)	1,294.52	-	1,294.52	976.58	-	976.58
Total	**388,799.45**	**561,339.03**	**950,138.48**	**272,413.65**	**439,778.63**	**712,192.28**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

55. Changes in liabilities arising from financing activities :

Disclosure pursuant to Ind AS 7, Statement of Cash Flows - changes in liabilities arising from financing activities :

(Rupees in lakh)

Particulars	As at April 01, 2025	Cash inflow/ (outflow)	Others*	As at March 31, 2026
Debt securities	198,271.42	57,739.41	(3,012.69)	252,998.14
Borrowings (other than debt securities)	488,769.32	128,931.64	4,214.01	621,914.97
Subordinated Liabilities	3,370.81	44,610.00	(2,106.12)	45,874.69
Other financial liabilities				
Lease liabilities	6,869.65	(2,897.41)	3,286.57	7,258.81

*Others column includes the effect of interest accrued but not paid on borrowing, amortisation of transaction cost as per IND AS 109. These figures also represent net of creation, remeasurement and deletion of right of use assets for lease liability.

Particulars	As at April 01, 2024	Cash inflow/ (outflow)	Others*	As at March 31, 2025
Debt securities	139,483.13	57,114.76	1,673.53	198,271.42
Borrowings (other than debt securities)	322,322.27	167,044.55	(597.50)	488,769.32
Subordinated Liabilities	3,519.13	-	(148.32)	3,370.81
Other financial liabilities				
Lease liabilities	5,209.90	(2,136.39)	3,796.14	6,869.65

*Others column includes the effect of interest accrued but not paid on borrowing, amortisation of transaction cost as per IND AS 109. These figures also represent net of creation, remeasurement and deletion of right of use assets for lease liability.

56. Financial assets are transferred but not derecognised in their entirety :

a. Securitisation

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets*	4,989.91	-	9,692.21	-
Carrying amount of associated Liabilities*	4,012.75	-	8,779.06	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	4,993.74	-	9,779.83	-
Fair value of associated liabilities (B)	4,010.13	-	8,773.62	-
Net position (C) = (A - B)	**983.61**	**-**	**1,006.21**	**-**

* The amount disclosed above represent the principal outstanding as on March 31, 2026 and as on March 31, 2025 respectively.

b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and co-lending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of de-recognised financial asset	252,728.90	264,811.81
Carrying amount of retained asset at amortised cost	49,673.68	61,027.76
Net gain on sale of the de-recognised financial asset*	38,010.31	38,290.51

* It represents net gain on derecognition of financial asset for the year ended March 31, 2026 and March 31, 2025.

57. Events after the reporting period

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

58. Disclosure under Regulation 34(3) and 53(f) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	Not Applicable	Not Applicable

59. Disclosures as required by the Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (the "Notification"), as amended.

a. Capital to risk assets ratio (CRAR)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2026	As at March 31, 2025
i)	CRAR (%)	21.17	19.41
ii)	CRAR - Tier I capital (%)	15.42	18.57
iii)	CRAR - Tier II capital (%)	5.75	0.84
iv)	Amount of subordinated debt raised as Tier-II capital	44,610.00	-
v)	Amount raised by issue of perpetual debt instruments	-	-

b. Investments

(Rupees in lakh)

Sr No.	Particulars			As at March 31, 2026	As at March 31, 2025
(1)	Value of investments				
	(i)	Gross value of investments			
		(a)	In India	166,507.33	10,341.13
		(b)	Outside India	-	-

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2026	As at March 31, 2025
	(ii) Provision for depreciation		
	(a) In India	0.51	0.82
	(b) Outside India	-	-
	(iii) Net value of investments		
	(a) In India	166,506.82	10,340.31
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
	Opening balance	0.82	0.82
	Add : provisions made during the year	-	-
	Less : Write-off / write-back of excess provisions during the year	0.31	-
	Closing balance	0.51	0.82

c. Derivatives

1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(Rupees in lakh)

Sr No.	Particulars	As at March 31, 2026	As at March 31, 2025
I	The Notional principal of swap agreement	105,823.25	93,328.83
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	9,459.16	1,861.21

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.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

IV. Accounting policy - Refer Note No. 2B(15)

Quantitative Disclosures (Rupees in lakh)

Sr. No.	Particulars	As at March 31, 2026		As at March 31, 2025	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	105,823.25	-	93,328.83	-
II	Marked to market position (a) Asset [+] Estimated Gain	9,500.90	-	-	-
	(b) Liability [-] Estimated Loss	41.74	-	1,861.21	-
III	Credit Exposure	115,282.41	-	95,190.04	-
IV	Unhedged exposures	-	-	-	-

* Cross-currency interest rate swap and full currency swap

d. **Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2026 as follow:** (Rupees in lakh)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	16,726.42	6,298.93	30,406.15	32,744.21	28,607.88	128,642.31	89,125.52	1,47,521.38	1,91,028.26	1,75,973.25	8,47,074.31
Investments**	-	-	-	5,120.07	3,240.71	1,986.81	1,41,528.34	-	-	14,631.39	1,66,507.32
Liabilities											
Borrowings :											
Borrowings (other than debt Securities)	14,502.02	5,627.02	9,420.75	12,689.50	39,151.80	49,486.62	1,09,501.80	2,83,315.09	98,220.37	-	6,21,914.97
Debt Securities	7,389.61	8,145.07	19,553.71	20,035.92	7,447.38	17,086.37	51,338.97	1,05,533.45	16,467.66	-	2,52,998.14
Subordinated Liabilities	79.79	-	152.36	-	-	-	6.68	-	26,074.06	19,561.80	45,874.69

* Impairment loss allowance of Rs 15,621.49 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.51 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2025 as follow :

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	15,974.01	3,006.67	38,270.50	28,606.69	23,765.12	92,061.51	86,591.67	236,534.65	177,204.92	1,00,689.70	8,02,705.44
Investments**	-	-	-	-	-	529.16	1,014.99	7,150.99	-	1,645.99	10,341.13
Liabilities											
Borrowings :											
Borrowings (other than debt securities)	4,131.37	5,224.20	8,132.64	13,602.34	17,747.41	36,425.01	97,797.53	228,160.12	76,356.14	1,192.57	488,769.33
Debt securities	280.25	763.69	590.32	18,199.17	12,006.40	25,172.59	20,411.86	100,496.90	20,350.24	-	198,271.42
Subordinated Liabilities	-	-	19.11	-	-	-	-	-	3,351.70	-	3,370.81

* Impairment loss allowance of Rs 10,794.49 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.82 lakh on investments is not a part of the above disclosure.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

e. **Exposures :** (Rupees in lakh)

Category	As at March 31, 2026	As at March 31, 2025
1) Exposure to real estate sector :		
A. Direct exposure		
(i) Residential mortgages :*		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	375,424.80	365,500.11
(ii) Commercial real estate :		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-
B. Indirect exposure		
(i) Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	-	-
Total exposure to real estate sector	**375,424.80**	**365,500.11**

* These comprise of properties held as underlying security at gross exposure at default.

Particulars	As at March 31, 2026	As at March 31, 2025
2) Exposure to capital market :		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii) bridge loans to companies against expected equity flows / issues.	-	-
(viii) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	
(ix) financing to stockbrokers for margin trading	-	

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Category	As at March 31, 2026	As at March 31, 2025
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total exposure to capital market	-	-

3. Sectoral exposure

(Rupees in lakh)

Sectors	As at March 31, 2026			As at March 31, 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied activities	**8,531.56**	**17.12**	**0.20%**	**11,808.87**	**-**	**0.00%**
2. Industry						
i. Food Processing	97,088.69	2,664.59	2.74%	52,553.18	1,606.88	3.06%
ii. Textiles	34,535.78	1,819.10	5.27%	39,378.72	1,419.03	3.60%
iii. Wood & Wood Products	14,194.01	469.00	3.30%	14,025.84	366.50	2.61%
iv. Paper & Paper Products	23,469.14	448.56	1.91%	16,376.70	399.91	2.44%
v. Rubber, Plastic & their Products	27,376.59	1,117.89	4.08%	25,711.67	586.96	2.28%
vi. Chemicals & Chemical Products	11,024.09	288.24	2.61%	7,280.47	263.39	3.62%
vii. Basic Metal & Metal Product	65,567.10	1,405.96	2.14%	45,735.74	1,332.19	2.91%
viii. Vehicles, Vehicle Parts & Transport Equipment	16,986.64	1,154.29	6.80%	11,403.50	862.52	7.56%
ix. All Engineering	1,830.63	131.83	7.20%	12,788.00	459.85	3.60%
x. Others	250,299.87	6,755.83	2.70%	367,159.21	7,656.26	2.09%
Total of industry (i+ii+iii+iv+v+vi+vii+viii+ix+x)	**542,372.56**	**16,255.30**	**3.00%**	**592,413.04**	**14,953.48**	**2.52%**
3. Services						
i. Transport Operators	4,209.20	123.07	2.92%	15,912.95	356.88	2.24%
ii. Other Services	352,333.92	10,150.31	2.88%	257,672.89	4,879.00	1.89%
iii. Tourism, Hotel and Restaurants	12,017.87	314.36	2.62%	38,136.39	855.30	2.24%
iv. Professional Services	56,653.59	1,566.74	2.77%	53,136.20	957.81	1.80%
v. Wholesale Trade (other than Food Procurement)	102,877.14	3,656.72	3.55%	110,626.18	2,747.32	2.48%
vi. Retail Trade	175,947.76	2,535.77	1.44%	113,275.20	3,056.99	2.70%
vii. Others	11,463.92	158.59	1.38%	7,301.55	168.41	2.31%
Total of services (i+ii+iii+iv+v+vi+vii)	**715,503.39**	**18,505.56**	**2.59%**	**596,061.36**	**13,021.71**	**2.18%**
4. Personal Loans	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
5. Others	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**

Note:-

1) The above disclosure is prepared basis the principal outstanding of total asset under management and accordingly the comparative details of the previous year is restated.
2) To ensure comparability of the disclosures, details of sectors where exposure to a particular sector or industry is less than 10% of Tier 1 capital in the relevant financial year is also disclosed.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

4. **Intra-group exposures**

   Details of intra-group exposures has been given in note 59u. of the financial statements.

5. **Unhedged foreign currency exposure**

   The Company does not have any unhedged foreign currency exposure.

6. **Details of financing of parent company products:**

   The Company does not have any parent company hence, this clause is not applicable.

7. **Details of single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company :**

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company.	-	-

8. **Unsecured advances:**

   Details of unsecured advances the rights, licenses, authorisations, etc. charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company. (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances against securities of intangible assets	-	-

f. **Miscellaneous:**

1. **Registration obtained from other financial sector regulators:**

Particulars	Type	Number Reference
Insurance Regulatory And Development Authority of India	Corporate Agent	CA0733

2. **Disclosure of penalties imposed by RBI and other regulators:** (Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Securities and Exchange Board of India	-	2.45

During the year ended March 31, 2026, no penalties have been imposed by the RBI or other regulators.

During the year ended March 31, 2025 the penalty was levied due to a delay in the submission of record date intimations to the stock exchanges. This delay was procedural in nature and did not have any material impact on the Company. Additionally, another penalty relating to the appointment/continuation of Non-Executive Directors above the age of seventy-five was paid by the Company under protest, while maintaining that the necessary approvals and compliance measures were duly undertaken.

3. **Related party transactions:**

   Details of all material transactions with related parties has been given in note 43 of the financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

4. **Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2026:**

Rating agency	Type	Rating FY 25-26	Rating FY 24-25
India Ratings & Research Private Limited	Bank Loans (Long Term)	IND A+/ Positive	IND A+/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND A+/ Positive	IND A+/Stable
India Ratings & Research Private Limited	Subordinated Debt	IND A+/ Positive	IND A+/Stable
India Ratings & Research Private Limited	Commercial Paper	IND A1+	IND A1+
CRISIL Ratings Limited	Bank Loans (Long Term)	CRISIL A/Stable	CRISIL A/Stable
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A/Stable	CRISIL A/Stable
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A/Stable	CRISIL PPMLD A/ Stable
Acuite Ratings & Research Limited	Non- Convertible Debentures (Long Term)	-	ACUITE A / Stable

5. **Remuneration of directors:** (Rupees in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the independent directors		
Directors' Sitting Fees	196.00	135.00

Refer Note 43 for remuneration to executive directors.

6. **During the year there are no changes in the accounting policies and no prior period items (refer note no. 2A and 2B).**

7. **Revenue recognition:**

There is no postponement of revenue due to pending resolution of significant uncertainties.

g. **Additional disclosures:**

1. **Provisions and contingencies:**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for depreciation on investments	(0.31)	(0.01)
Provision towards NPA	3,860.74	246.69
Provision made towards income tax	3,715.79	3,379.16
Provision for depreciation on fixed deposits	(5.37)	7.34
Provision for standard assets	966.25	(1,201.56)

2. **Draw down from reserves:**

During the year, the Company has not drawn any amount from the reserves.

3. **Concentration of deposits, advances, exposures and NPAs:**

(i) **Concentration of advances:** (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Total advance to twenty largest borrowers	9,014.51	9,360.57
Percentage of advances to twenty largest borrowers to total advances of the Company	1.19%	1.35%

(ii) **Concentration of exposures:**

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to twenty largest borrowers	9,105.90	9,773.49
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	1.20%	1.28%

(iii) **Concentration of NPAs:**

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to top four NPA accounts	1,664.05	1,511.02

(iv) **Sector-wise NPAs:**

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2026	As at March 31, 2025
1	Agriculture & allied activities	-	-
2	MSME	3.92%	2.48%
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note: During the year ended March 31, 2026 and for year ended March 31, 2025 there is no Exposure to Corporate borrowers.

4. **Movement of NPAs:** (Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Net NPAs to net advances (%)	2.24%	1.32%
(ii) Movement of NPAs (gross)		
(a) Opening balance	18,903.12	17,147.91
(b) Additions during the year	67,792.54	15,386.53
(c) Reductions during the year	55,709.54	13,631.32
(d) Closing balance	30,986.12	18,903.12
(iii) Movement of Net NPAs		
(a) Opening balance	10,430.17	8,921.66
(b) Additions during the year	54,689.28	10,569.02
(c) Reductions during the year	46,467.02	9,060.51
(d) Closing balance	18,652.43	10,430.17

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Particulars			As at March 31, 2026	As at March 31, 2025
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	8,472.94	8,226.25
	(b)	Provisions made during the year	14,385.53	10,143.67
	(c)	Write-off / write-back of excess provisions	10,524.79	9,896.98
	(d)	Closing balance	12,333.68	8,472.94

5. **Overseas assets (for those with joint ventures and subsidiaries abroad):**

There are no overseas assets.

6. **Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms):**

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

h. **Customer complaints:**

Sr No.	Particulars	As at March 31, 2026	As at March 31, 2025
(a)	No. of complaints pending as at the beginning of the year	16	19
(b)	No. of complaints received during the year	477	500
(c)	No. of complaints redressed during the year	488	503
(d)	No. of complaints pending as at the end of the year	5	16

i. **Disclosure of complaints**

a. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Particulars	As at March 31, 2026	As at March 31, 2025
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	16	11
2. Number of complaints received during the year	293	346
3. Number of complaints disposed during the year	304	341
3.1 Of which, number of complaints rejected by the NBFC	48	-
4. Number of complaints pending at the end of the year	5	16
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	184	154
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	182	146
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	2	8
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b. Top five grounds of complaints received by the NBFCs from customers.#

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loans and advances	1	27	-	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	64	-	-	-
Difficulty in operation of accounts	-	62	-	-	-
Recovery Agents/ Direct Sales Agents	-	32	-	-	-
Other	15	292	-	5	-
Total	**16**	**477**	**0%**	**5**	**-**
Previous Year					
Loans and advances	-	40	(58)%	1	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	5	59	(43)%	-	-
Difficulty in operation of accounts	-	6	(33)%	-	-
Recovery Agents/ Direct Sales Agents	1	32	(26)%	-	-
Other	13	363	88%	15	-
Total	**19**	**500**	**13%**	**16**	**-**

This also includes complaints raised with RBI.

j. Corporate Governance (refer Corporate Governance section in the annual report)

k. Breach of covenant

During the year ended March 31, 2026, there was no breach of covenant with respect to loans availed or debt securities issued by the Company.

During the year ended March 31, 2025, there was no breach of covenant except as below-

1) The covenant of CRAR of 20% stipulated under the transaction documents of public Issuance of NCD (ISIN- INE583D07315) having principal outstanding of Rs. 49.28 Crores and due for the payment on 28th September'2025 against the actual CRAR of 19.41% as of March'2025.

2) The covenant for the ceiling limit of Repossessed Stock (SOD) of Rs.200.00 Crores stipulated under the transaction documents of Term Loan of Rs. 50.00 Crores availed from Kotak Mahindra Investments Ltd. having outstanding balance of Rs.27.78 crores as on 31st March 2025 and repayable by monthly instalments till January'2026 as against the actual amount of Repossessed Stock (SOD) of Rs.244.00 Crores.

   There was no material impact on the cost or liquidity of the Company.

l. Divergence in asset classification and provisioning

As per para C.2.2(9) of the Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (the "Notification"), as amended, divergence is required to be reported if either or both of the below conditions are satisfied:

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(i) The additional provisioning requirements assessed by the RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period.

(ii) The additional Gross NPAs identified by the RBI exceeds 5 percent of the reported Gross NPAs for the reference period.

Since the above conditions are not satisfied, no divergence in asset classification and provisioning is required to be reported.

m. Schedule to the Balance Sheet of a NBFC:

(Rupees in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	201,393.39	-	177,157.08	-
ii. Unsecured	630.55	-	2,477.50	-
(other than falling within the meaning of public deposits)				
b Deferred credits	-	-	-	-
c Term loans	597,479.03	-	472,600.08	-
d Inter - corporate loans and borrowings	10,000	-	-	-
e Commercial paper	47,074.06	-	7,839.91	-
f Public deposits	-	-	-	-
g Other loans:	-	-	-	-
i. Liabilities arising out of securitization transactions	3,900.14	-	8,734.62	-
ii. Liability component of Compound Financial instruments	-	-	2,062.31	-
iii. Bank overdraft	13,597.03	-	15,364.44	-
iv. Cash credit	838.91	-	804.81	-
v. Subordinated Liabilities	45,874.69	-	3,370.81	-
2. Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):				
a In the form of unsecured debentures	-	-	-	-
b In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c Other public deposits	-	-	-	-
Assets Side :	**Amount outstanding**		**Amount outstanding**	
3. Break - up of gross loans and advances including bills receivables (other than those included in (4) below):				
a Secured		505,795.62		507,021.37
b Unsecured		341,278.69		295,684.07
4. Break - up of leased assets and stock on hire and other assets counting towards asset financing activities:				
a Lease assets including lease rentals under sundry debtors				
i. Finance lease		NA		NA
ii. Operating lease		NA		NA
b Stock on hire including hire charges under sundry debtors				
i. Assets on hire		NA		NA
ii. Repossessed assets		NA		NA
c Other loans counting towards asset financing activities				
i. Loans where assets have been repossessed		NA		NA
ii. Loans other than (a) above		NA		NA

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

Assets Side :	As at March 31, 2026		As at March 31, 2025	
5. Break - up of investments :				
Current investments				
a Quoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	-		-	
(iii) Units of mutual funds	1,179.05		-	
(iv) Government securities	-		-	
(v) Others	-		-	
b Unquoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	-		-	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	-		-	
Long term investments				
a Quoted				
(i) Shares				
a. Equity	-		-	
b. Preference	-		-	
(ii) Debentures and bonds	10,836.38		5,187.42	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	-		-	
b Unquoted				
(i) Shares				
a. Equity	143,683.12		-	
b. Preference	-		-	
(ii) Debentures and bonds	-		3,506.90	
(iii) Units of mutual funds	-		-	
(iv) Government securities	-		-	
(v) Others	10,808.27		1,645.99	
6. Borrower group wise classification of assets financed in (3) and (4) above (gross):				
Category	**Amount net of provisions**		**Amount net of provisions**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
a Related parties **				
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other related parties	-	-	-	-
b Other than related parties	505,795.62	341,278.69	502,677.14	289,233.81
Total	**505,795.62**	**341,278.69**	**502,677.14**	**289,233.81**
** 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):	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
Category				
1 Related parties **				
a. Subsidiaries	143,683.12	143,683.12	-	-
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2 Other than related parties	22,815.45	22,823.70	6,674.80	10,340.31
Total	**166,498.57**	**166,506.82**	**6,674.80**	**10,340.31**
** As per accounting standard issued by ICAI.				

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

(Rupees in lakh)

8. Other information		
Particulars	Amount	Amount
a Gross non-performing assets:	**30,986.12**	**18,903.12**
i. Related parties	-	-
ii. Other than related parties	30,986.12	18,903.12
b Net non-performing assets:	**18,652.43**	**10,430.17**
i. Related parties	-	-
ii. Other than related parties	18,652.43	10,430.17
c Assets acquired in satisfaction of debt	**21,667.88**	**24,317.90**

n. Restructured accounts for the year ended March 31, 2026:

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2025	No. of borrowers	-	-	-	-	-	-	-	2	-	**2**
		Amount outstanding	-	-	-	-	-	-	-	74.52	-	**74.52**
		Provision thereon	-	-	-	-	-	-	-	57.71	-	**57.71**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-		-	-	-	-
		Amount outstanding	-	-	-	-	-		-	-	-	-
		Provision thereon	-	-	-	-	-		-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5.	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	-	-	2	-	**2.00**
		Amount outstanding	-	-	-	-	-	-	-	3.24	-	**3.24**
		Provision thereon	-	-	-	-	-	-	-	7.55	-	**7.55**
8.	Restructured accounts as on March 31, 2026	No. of borrowers	-	-	-	-	-	-	-	2	-	**2.00**
		Amount outstanding	-	-	-	-	-	-	-	77.76	-	**77.76**
		Provision thereon	-	-	-	-	-	-	-	65.26	-	**65.26**

* It represents change in amount outstanding on account of increase in provision thereon.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Restructured accounts for the year ended March 31, 2025:

(Rupees in lakh)

Sr. No.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2024	No. of borrowers	-	-	-	-	-	-	1	2	-	**3**
		Amount outstanding	-	-	-	-	-	-	477.13	75	-	**551.65**
		Provision thereon	-	-	-	-	-	-	317.08	58	-	**374.79**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
5.	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	(1)	-	-	**(1)**
		Amount outstanding	-	-	-	-	-	-	(477.13)	-	-	**(477.13)**
		Provision thereon	-	-	-	-	-	-	(317.08)	-	-	**(317.08)**
7.	Others	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
		Provision thereon	-	-	-	-	-	-	-	-	-	**-**
8.	Restructured accounts as on March 31, 2025	No. of borrowers	-	-	-	-	-	-	-	2	-	**2**
		Amount outstanding	-	-	-	-	-	-	-	74.52	-	**74.52**
		Provision thereon	-	-	-	-	-	-	-	57.71	-	**57.71**

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

o. Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31, 2026 :

(Rupees in lakh)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7)=(4)-(6)**
Performing assets						
Standard	Stage 1	7,46,006.41	2,651.00	743,355.41	2,744.18	(93.18)
	Stage 2	35,743.55	636.80	35,106.75	129.18	507.62
Subtotal		**7,81,749.96**	**3,287.80**	**778,462.16**	**2,873.36**	**414.44**
Non-performing assets (NPA)						
Substandard	Stage 3	23,532.24	7,136.33	16,395.91	2,042.50	5,093.83
Doubtful - up to 1 year	Stage 3	5,285.38	3,528.98	1,756.40	3,690.60	(161.62)
1 to 3 years	Stage 3	2,168.50	1,668.38	500.12	1,788.18	(119.80)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**7,453.88**	**5,197.36**	**2,256.52**	**5,478.78**	**(281.42)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**30,986.12**	**12,333.69**	**18,652.43**	**7,521.28**	**4,812.41**
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	11,694.75	-	11,694.75	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**11,694.75**	**-**	**11,694.75**	**-**	**-**
Total	**Stage 1**	**757,701.16**	**2,651.00**	**755,050.16**	**2,744.18**	**(93.18)**
	Stage 2	**35,743.55**	**636.80**	**35,106.75**	**129.18**	**507.62**
	Stage 3	**30,986.12**	**12,333.69**	**18,652.43**	**7,521.28**	**4,812.41**
	Total	**824,430.83**	**15,621.49**	**808,809.34**	**10,394.64**	**5,226.85**

* The above numbers are reported at gross excluding effective interest rate impact on the same.

Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31, 2025 :

(Rupees in lakh)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	712,630.74	1,788.10	710,842.64	2,428.30	(640.20)
	Stage 2	45,996.77	533.45	45,463.32	246.00	287.45
Subtotal		**758,627.51**	**2,321.55**	**756,305.96**	**2,674.30**	**(352.75)**
Non-performing assets (NPA)						
Substandard	Stage 3	14,945.85	6,132.74	8,813.11	1,426.02	4,706.72
Doubtful - up to 1 year	Stage 3	2,677.01	1,319.40	1,357.61	1,751.34	(431.94)
1 to 3 years	Stage 3	1,280.27	1,020.81	259.46	1,143.98	(123.17)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**3,957.28**	**2,340.21**	**1,617.07**	**2,895.32**	**(555.11)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**18,903.13**	**8,472.95**	**10,430.18**	**4,321.34**	**4,151.61**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	13,382.57	-	13,382.57	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**13,382.57**	**-**	**13,382.57**	**-**	**-**
Total	**Stage 1**	**726,013.31**	**1,788.10**	**7,24,225.21**	**2,428.30**	**(640.20)**
	Stage 2	**45,996.77**	**533.45**	**45,463.32**	**246.00**	**287.45**
	Stage 3	**18,903.13**	**8,472.95**	**10,430.18**	**4,321.34**	**4,151.61**
	Total	**790,913.21**	**10,794.50**	**780,118.71**	**6,995.64**	**3,798.86**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

p. **Liquidity Risk Management :** Refer Note no. 50(b). Liquidity Risk.

q. **Loans to Directors, Senior Officers and Relatives of Directors :**

(Rupees in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives*	128.75	-

* This represent aggregate amount of sanctioned loans and advances during the said period.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

r. Disclosure related to project finance :

(Rupees in lakh)

Sr. No.	Item Description	No. of accounts	Total Outstanding
1	Projects under implementation accounts at the beginning of the quarter.	-	-
2	Projects under implementation accounts sanctioned during the quarter.	-	-
3	Projects under implementation accounts where DCCO has been achieved during the quarter.	-	-
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	-	-
5	Out of '4' - accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
5.1	Out of '5' - accounts in respect of which Resolution plan has been implemented.	-	-
5.2	Out of '5' - accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' - accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case maybe, has been invoked due to change in scope and size of the project.	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded.	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously.	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously.	-	-
8	Out of '4' - accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' - accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' - accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' - accounts in respect of which Resolution plan has failed.	-	-

(Rupees in lakh)

s. Non-Fund Based (NFB) Credit Facilities:

	Particulars	As at 31st March 2026 Secured Portion	As at 31st March 2026 Unsecured Portion	As at 31st March 2025 Secured Portion	As at 31st March 2025 Unsecured Portion
1	Outstanding Guarantees	-	-	-	-
	i) In India	-	-	-	-
	ii) Outside India	-	-	-	-
2	Acceptances, Endorsements and other Obligations	-	-	-	-
3	Other NFB Credit facilities	-	-	-	-

t. Particulars of resolution plan and restructuring:

The company has not implemented any resolution plan during the year.

u. Intra-group exposures:

Sr. No.	Particulars	As at March 31, 2026		As at March 31, 2025	
		Exposures on group entities	Exposures by group entities	Exposures on group entities	Exposures by group entities
i)	Total amount of intra-group exposures (Rupees in lakh)	192,032.88	11,075.78	-	-
ii)	Total amount of top 20 intra-group exposures (Rupees in lakh)	192,032.88	11,075.78	-	-
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers (%)	22.67	1.31	-	-

v. Currency futures:

No such transactions undertaken in the currency futures market, in accordance with the guidelines issued by SEBI.

w. Credit default Swaps:

Sr No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	No. of transactions during the year	-	-
2	Amount of protection bought during the year	-	-
3	No. of transactions where credit event payment was received during the year:		
	a. pertaining to current year's transactions	-	-
	b. pertaining to previous year(s)' transactions	-	-
4	Outstanding transactions as on March 31, 2026		
	a. No. of Transactions	-	-
	b. Amount of protection	-	-
5	Net income / profit (expenditure /loss) in respect of CDS transactions during year-to-date		
	a. premium paid	-	-
	b. Credit event payments received (net of value of deliverable obligation)	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

x. Area of Operations:

The Company does not have any joint ventures or overseas subsidiaries.

y. Off-balance sheet exposures and structured products:

Refer note no. 41 - Contingent liabilities and capital commitments

z. Currency Options:

No such transactions undertaken in the currency options exchanges recognised by SEBI, in accordance with the guidelines issued by SEBI.

60. Disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (the "Notification"), as amended.

Details of securitization:

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2026	As at March 31, 2025
1	No of SPEs holding assets for securitisation transactions originated by the originator*	4.00	5.00
2	Total amount of securitized assets as per books of the SPEs	6,098.26	9,692.21
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	1,101.24	1,262.13
	Others	1,808.86	1,483.59
4	Amount of exposures to securitization transactions other than MRR	NIL	NIL
	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	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	a. Sale consideration received for the securitised assets	2,976.38	11,242.72
	b. Gain/loss on sale on account of securitisation	-	-

(Rupees in lakh)

Sr No	Particulars	As at March 31, 2026	As at March 31, 2025
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-
7	Performance of facility provided.	-	-
	a. Cash Collateral (CC)		
	i) Amount paid	1,101.24	1,262.13
	ii) Repayment received	-	-
	iii) Outstanding amount	1,101.24	1,262.13
	b. Over-Collateralisation (OC)		
	i) Amount paid	1,096.89	1,026.73
	ii) Repayment received	-	-
	iii) Outstanding amount	1,096.89	1,026.73
	c. Equity		
	i) Amount paid	711.97	456.86
	ii) Repayment received	-	-
	iii) Outstanding amount	711.97	456.86
8	Average default rate of portfolios observed in the past.	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

*Only the SPVs relating to outstanding securitization transactions.

61 The Company has not purchased any stressed assets during the financial year 2025-26 and 2024-25. The company has transferred stressed assets to Asset Reconstruction Companies during the financial year 2025-2026 (Previous year: 5,003.98 lakh) in terms of guidelines issued by RBI circular number RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048 /2025-26 - Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 as amended. Further, the Company has also sold stressed assets to institutions other than Asset Reconstruction Companies during the financial year 2025-2026 (Previous year 'Nil'). Disclosure in this regard in terms of and RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 is as under:

i) Details of stressed loans transferred during the financial year 2025-26 (Previous year 5,003.98 lakh)

(Rupees in lakh)

Particulars	To ARC	To permitted transferees	To other transferees
No. of accounts	6,543	-	-
Aggregate principal outstanding of loans transferred (Rs. in Lakh)	41,783.67	-	-
Weighted average residual tenor of the loans transferred (in years)	4.56	-	-
Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	36,856.35	-	-
Aggregate consideration (Rs. in Lakh)*	38,487.00	-	-
Additional consideration realised in respect of accounts transferred in earlier years (Rs. in Lakh)	-	-	-
Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in Lakh)	1,630.65	-	-

*The entire consideration is received in cash and not in form of Security receipts.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

The details disclosed above relates to NPA cases only.

#In addition to above, during the financial year 2025-26, the Company has transferred 1960 loan accounts for an aggregate consideration (including security receipts) of Rs. 995.63 lakh. These loan accounts were technically written off in the books before such sale transaction.

ii) Details of receivables (excess interest spread component arising out of transfer of loan exposures and co-lending transactions) categorised as SMA 0, 1 & 2 transferred during the financial year 2025-26 (SMA) (Previous year 'Nil')

(Rupees in lakh)

Particulars	To ARC	To permitted transferees	To other transferees
No. of cases	-	3,637	-
Aggregate receivables transferred (Rs. in Lakh)	-	6,884.35	-
Weighted average residual tenor of the receivables transferred (in years)	-	7.48	-
Net book value of receivables transferred (at the time of transfer) (Rs. in Lakh)	-	6,154.93	-
Aggregate consideration (Rs. in Lakh)	-	6,195.91	-
Additional consideration realised in respect of receivables transferred in earlier years (Rs. in Lakh)	-	N/A	-
Excess provisions reversed to the profit and loss account on account of sale of stressed receivables (Rs. in Lakh)	-	40.98	-

62 Gold Loans:

The Company does not provide any loans on collateral of gold and gold jewellery.

63 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021.

Under the Circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

(Rupees in lakh)

Sr. No	Particulars	March 31, 2026	March 31, 2025
1	Aggregate amount	14.59	14.59
2	Refunded/adjusted	4.58	-
3	Outstanding balance	10.01	14.59

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

64 Disclosures pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (the "Notification") as amended.

a. i) Details of transfer through Assignment in respect of loans not in default *:

Sr. No	Particulars	To Banks / NBFCs	
		For the year ended March 31, 2026	For the year ended March 31, 2025
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in lakh)	1,47,180.80	94,678.52
2	Aggregate consideration received (Rs. in lakh)	1,30,330.69	94,678.52
3	Weighted average Maturity of Loans (in years)	6.27	6.42
4	Weighted average Holding period of Loans (in years)	0.79	0.96
5	Retention of Beneficial economic interest (in %)	11.45%	11.26%
6	Coverage of tangible security (in %) **	214.66%	206.20%
7	Rating- wise distribution of rated loans	Non-Rated	Non-Rated

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of tangible security coverage ratio, the Company has considered only the secured loans.

ii) Details of transfer through assignment in respect of receivables not in default (excess interest spread component arising out of transfer of loan exposures and co-lending transactions) during the year ended March 31, 2026.

Sr. No	Particulars	To Banks / NBFCs	
		For the year ended March 31, 2026	For the year ended March 31, 2025
1	Aggregate principal outstanding of receivables (Rs. in Lakh)	48,186.48	-
2	Aggregate consideration received (Rs. in Lakh)	43,367.83	-
3	Weighted average maturity of receivables (in years)	9.48	-
4	Weighted average holding period of receivables (in years)	1.47	-
5	Retention of beneficial economic interest (in %)	10.00%	-
6	Coverage of tangible security (in %)	N/A	-
7	Rating-wise distribution of rated receivables	Non-Rated	-

b. The Company has acquired loans not in default during the year ended March 31, 2026.

Sr. No	Particulars	To Banks / NBFCs	
		For the year ended March 31, 2026	For the year ended March 31, 2025
1	Aggregate principal outstanding of loans (Rs. in Lakh)	2,188.89	-
2	Aggregate consideration paid (Rs. in Lakh)	1,970.00	-
3	Weighted average residual maturity of loans (in years)	0.69	-
4	Weighted average holding period of loans by originator (in years)	0.42	-
5	Retention of beneficial economic interest by originator (in %)	10.00%	-
6	Coverage of tangible security Coverage (in %) *	N/A	-
7	Rating-wise distribution of rated loans	Non-Rated	-

* The Company has acquired unsecured loans.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

c. The details of transfer/acquiring of any stressed loans during the year ended March 31, 2026 and March 31, 2025 has been given in note 61 of the financial statements.

d. The rating wise distribution of Security Receipts (SRs) held by the Company is given below :

Ratings	Recovery Rating*	Rating Agency	As at March 31, 2026	As at March 31, 2025
IVR RR3	50%-75%	Infomerics Valuation and Ratings Private Limited	743.79	-
IVR RR4	25%-50%	Infomerics Valuation and Ratings Private Limited	161.04	-
IVR RR2	75%-100%	Infomerics Valuation and Ratings Private Limited	5,177.59	1,645.99
Rating in Process	Rating in Process	Infomerics Valuation and Ratings Private Limited	687.71	-
Rating not due	NA	NA	4,038.14	-

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

65 a) During the year ended March 31, 2026 and March 31, 2025, the Company has transferred loans amounting to Rs. 87,172.15 lakh and Rs. 1,70,133.29 lakh respectively through co-lending arrangements with participating banks and financial institutions pursuant to Circular No. RBI/2020-21/63 FIDD.CO.Plan. BC.No.8/ 04.09.01/2020-21 dated November 05, 2020.

b) During the year ended March 31, 2026, the Company has undertaken co-lending arrangements with respective NBFCs in accordance with RBI Circular (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 (RBI/DOR/2025-26/352 dated November 28, 2025). The details of such co-lending arrangements are provided in the table below.

Particular's	As at March 31, 2026
<u>Co-Lending Transaction (as Originating RE)</u>	
Number of active co-lending partners	1
Co-lending arrangement made during the year# (Rs. in Lakh)	24,025.75
Weighted average interest rate of co-lending portfolio	32.71%
Fees received on Co-lending arrangement made during the year (Rs. in Lakh)	-
Fees Paid on Co-lending arrangement made during the year (Rs. in Lakh)	-
Any default loss guarantee	Yes
Broad sectors in which CLA was made	
MSME (Rs. in Lakh)	24,025.75
Performance of loans under CLA	
Standard Loans (Rs. in Lakh)	24,025.75
Non-Performing Loans	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2026 (contd.)

Particular's	As at March 31, 2026
Co-Lending Transaction (as Partner RE)	
Number of active co-lending partners	2
Co-lending arrangement made during the year# (Rs. in Lakh)	631.23
Weighted average interest rate of co-lending portfolio	30.77%
Fees received on Co-lending arrangement made during the year (Rs. in Lakh)	-
Fees Paid on Co-lending arrangement made during the year (Rs. in Lakh)	-
Any default loss guarantee	Yes
Broad sectors in which CLA was made	
MSME (Rs. in Lakh)	631.23
Performance of loans under CLA	
Standard Loans (Rs. in Lakh)	631.23
Non-Performing Loans	-

The amount disclosed above represents the total disbursement amount, including the partner's share.

66 Disclosure on frauds pursuant to the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) bearing reference no. RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Number of Frauds	2.00	2.00
Amount involved (Rs. in Lakh)	71.77	55.19

67 During the year ended March 31, 2025, the Company's Board of Directors and shareholders through their approval dated May 02, 2024 and June 01, 2024 respectively, had approved the acquisition of Datasigns Technologies Private Limited ("DTPL"), a prominent Embedded Finance Fintech platform. Further pursuant to the Amended and Restated Share Purchase Agreement dated March 5, 2026 ("Amended SPA") entered into by the Company with the selling shareholders the Company has on March 18, 2026, acquired 100% shareholding in DTPL and accordingly it became a wholly-owned subsidiary of the Company with effect from March 18, 2026. Further, Ekagrata Finance Private Limited, being a wholly-owned subsidiary of DTPL, has consequently become a subsidiary (step-down subsidiary) of the Company with effect from March 18, 2026.

68 The Company's Board of Directors through their approval dated June 17, 2025, had approved the acquisition of Profectus Capital Private Limited ("PCPL"), a NBFC registered with Reserve Bank of India ("RBI"), by way of purchase of 100% of the shares of PCPL for an aggregate purchase consideration of Rs. 1,39,860 lakh through cash consideration which was duly completed on December 08, 2025. Accordingly, PCPL has become wholly-owned subsidiary of the Company with effect from December 08, 2025. The Board of Directors at its meeting held on January 08, 2026 approved the Scheme of Amalgamation of PCPL, with the Company and their respective shareholders and creditors proposing April 01, 2026 as 'Appointed Date', wherein PCPL would be merged with the Company subject to obtaining of approvals from various Regulators and other authorities, as applicable.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026 (contd.)

69. Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of the financial statements.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W
by the hand of

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

Tirtharaj Khot
Partner

Membership Number : 037457

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee

DIN : 01922717

Shilpa Bhatter
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : April 20, 2026

Place : Mumbai
Date : April 20, 2026

UGRO CAPITAL LIMITED

Registered Office Address: B-17, Fourth Floor, Art Guild House, Phoenix Market City,
Kurla (West), Mumbai- 400070

CIN: L67120MH1993PLC070739

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