[Please scan the QR code to view the Prospectus]

PRACHAY CAPITAL LIMITED

(formerly known as Prachay Capital Private Limited)

Our Company was originally incorporated on February 7, 2017, as Pracaya Financial Services Private Limited, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Further on March 27, 2019, the name of our Company was changed to Prachay Capital Private Limited, following the issuance of a fresh certificate of incorporation by the Registrar of Companies, Pune. Subsequently on June 27, 2024, a special resolution was passed at the general meeting of our shareholders, whereby our Company was converted into a public limited Company. A fresh certificate of incorporation was issued by the Registrar of Companies, Central Processing Centre (CPC), on September 4, 2024, and the name of our Company was changed to Prachay Capital Limited. Our Company obtained a certificate of registration from the Reserve Bank of India (RBI) dated August 11, 2017, bearing registration number N-13.02198, allowing us to carry out activities as a Non-Banking Financial Company (NBFC) without accepting public deposits under Section 45IA of the RBI Act, 1934 under Section 45-IA of the RBI Act. Subsequently, upon the change of name from Pracaya Financial Services Private Limited to Prachay Capital Private Limited, a new certificate of registration was issued on May 7, 2019 in lieu of original certificate. Following the conversion to a Public Limited Company, we received a fresh certificate of registration on October 7, 2024. For details regarding changes to our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 122.

Registered Office: Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, Pune City, 411016 Maharashtra, India
Tel: +91 20 2553 2224; **Website**: www.prachay.com; **Email**: info@prachay.com; **Corporate Identity Number**: U65900PN2017PLC168737**; PAN:** AAICP9544R
Compliance Officer for the Issue and Company Secretary: Sonal Gupta; **Tel**: 02025532224; **Email**: cs@prachay.com
Chief Financial Officer: Ankur Purushottam Agrawal; **Tel**: +91 20 2553 2224; **Email**: accounts@prachay.com

PUBLIC ISSUE BY OUR COMPANY OF LISTED, RATED, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDS") FOR AN AMOUNT UP TO ₹ 5,000 LAKH ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 5,000 LAKH ("GREEN SHOE OPTION"), CUMULATIVELY AGGREGATING UP TO 10,00,000 NCDs FOR AN AGGREGATE AMOUNT OF UP TO ₹ 10,000 LAKH ("ISSUE SIZE" OR "ISSUE LIMIT") (HEREINAFTER REFERRED TO AS THE "ISSUE") THROUGH THE DRAFT PROSPECTUS AND THIS PROSPECTUS ("ISSUE DOCUMENT"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") AND THE SEBI NCS MASTER CIRCULAR.

OUR PROMOTER

Our Promoter is Girish Murlidhar Lakhotiya; **Email**: girish@prachay.com; **Tel:** +91 20 2553 2224. For further details, see "*Our Promoter*" beginning on page 136**.**

GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under *"Risk Factors" and "Material Developments"* on page 20 and 154, respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) by CRISIL for an amount of up to ₹ 10,000 lakh by way of its letter dated January 24, 2025 and press release for rating rationale dated January 24, 2025. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and such securities carry moderate credit risk. The rating issued by CRISIL is live until withdrawn or changed and as available on CRISIL's website. The rating provided by the Credit Rating Agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers or electronic modes such as online newspapers or website of the Issuer or the stock exchanges in which pre-issue advertisement has been given. For the rationale and press release for these ratings, see "*General Information*" and "*Annexure II*" of this Prospectus, beginning on page 48 and 285, respectively. There are no other ratings for the Issue (including unaccepted ratings) other than as specified in this Prospectus.

PUBLIC COMMENTS

The Draft Prospectus dated February 05, 2025 filed with BSE Limited ("BSE") (the "Stock Exchange"), pursuant to Regulation 27(2) of the SEBI NCS Regulations was kept open for public comments for a period of five days (i.e., until 5:00 p.m.) from the date of filing of the Draft Prospectus with the Stock Exchange i.e., February 10, 2025. No comments were received on the Draft Prospectus until 5:00 PM of February 10, 2025.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCM/BM/PI-BOND/35/24-25 dated February 17, 2025. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

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

For details pertaining to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see "*Terms of the Issue*" beginning on page 198. For details relating to eligible investors, see "*Issue Structure*" beginning on page 189. The Issue is not underwritten.

LEAD MANAGER TO THE ISSUE

GALACTICO CORPORATE SERVICES LIMITED
68, Business Bay Premises, Shri Hari Kute Marg,
Tidke Colony, Nashik – 422 002, Maharashtra, India
Tel: +91 25 3295 2456
Email: info@galacticocorp.com
Website: www.galacticocorp.com
Investor Grievance e-mail: investorgrievance@galacticocorp.com
Contact Person: Vishal Sancheti
SEBI Registration Number: INM000012519

REGISTRAR TO THE ISSUE

KFIN TECHNOLOGIES LIMITED
Selenium, Tower-B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally, Hyderabad,
Rangareddi – 500 032, Telangana, India
Tel: +91 40 6716 2222/ 18003094001
Email: prachay.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M.Murali Krishna
Website: www.kfintech.com

CREDIT RATING AGENCIES

CRISIL RATINGS LIMITED
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai – 400 076, Maharashtra, India
Tel: + 91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Ajit Velonie

DEBENTURE TRUSTEE**

CATALYST TRUSTEESHIP LIMITED
GDA House, Plot No. 85
Bhusari Colony (Right), Kothrud,
Pune – 411 038, Maharashtra, India
Tel: +91 22 4922 0555
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.caalysttrustee.com
Contact Person: Umesh Salvi, Managing Director

STATUTORY AUDITOR

Shah Khandelwal Jain & Associates
Chartered Accountants,
Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune – 411 001, Maharashtra, India
E-mail: ashish.khandelwal@skj.ican.in
Website: www.skjican.com
Tel: +91 20 6721 5500
Firm Registration No.: 142740W

ISSUE PROGRAMME*

ISSUE OPENS ON: FRIDAY, FEBRUARY 28, 2025	**ISSUE CLOSES ON:** THURSDAY, MARCH 13, 2025

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing this Prospectus with ROC) as may be decided by the Board of Directors of our Company or Liabilities Management Committee and subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 189.*

*** Catalyst Trusteeship Limited pursuant to Regulation 8 of the SEBI NCS Regulations and by way of letter dated January 29, 2025 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Prospectus, this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.*

A copy of this Prospectus has been delivered for filing with the RoC, in terms of Section 26 of the Companies Act, 2013, along with the certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" beginning on page 278.

TABLE OF CONTENTS

SECTION I: GENERAL 2

DEFINITIONS AND ABBREVIATIONS 2
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION 15
FORWARD LOOKING STATEMENTS 18

SECTION II: RISK FACTORS 20

SECTION III: INTRODUCTION 48

GENERAL INFORMATION 48
CAPITAL STRUCTURE 57
OBJECTS OF THE ISSUE 62

SECTION IV: ABOUT OUR COMPANY 66

INDUSTRY OVERVIEW 66
OUR BUSINESS 103
HISTORY AND CERTAIN OTHER CORPORATE MATTERS 122
OUR MANAGEMENT 125
OUR PROMOTER 136
RELATED PARTY TRANSACTIONS 139
KEY REGULATIONS AND POLICIES 140

SECTION V: FINANCIAL INFORMATION 153

FINANCIAL STATEMENTS 153
MATERIAL DEVELOPMENTS 154
FINANCIAL INDEBTEDNESS 155

SECTION VI: LEGAL AND OTHER INFORMATION 164

OUTSTANDING LITIGATIONS 164
OTHER REGULATORY AND STATUTORY DISCLOSURE 172

SECTION VII: ISSUE RELATED INFORMATION 189

ISSUE STRUCTURE 189
TERMS OF THE ISSUE 198
ISSUE PROCEDURE 228

SECTION VIII: ARTICLES OF ASSOCIATION 258

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 278

DECLARATION 280

ANNEXURE I- DAY COUNT CONVENTION 281

ANNEXURE II- CREDIT RATING LETTER AND RATIONALE 285

ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE 286

ANNEXURE IV- FINANCIAL STATEMENTS 287

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms defined as part of "Risk Factors", "Our Business", "Industry Overview", "Key Regulations and Policies" and "Articles of Association" on pages 20, 103, 66, 140 and 258, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of "Industry Overview" and "Key Regulations and Policies", on pages 66 and 140, respectively, shall have the meaning ascribed to them hereunder.

General Terms

Term	Description
Company / Issuer	Prachay Capital Limited (*formerly known as Prachay Capital Private Limited*), a public limited Company incorporated under the provisions of the Companies Act, 2013 having its Registered Office at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune – 411 016, Maharashtra, India.
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
Articles / Articles of Association/ AoA	Articles of Association of our Company, as amended
Audit Committee	Audit committee of Board of Directors of our Company, constituted in accordance with applicable laws
Auditor/ Statutory Auditor	The statutory auditor of our Company is Shah Khandelwal Jain & Associates, Chartered Accountants holding valid certificate issued by the peer review board of the Institute of Chartered Accountants of India.
Asset Under Management / AUM	For the period ended September 30, 2024 AUM is loans and advances to others, loans and advances in the form of unquoted non-convertible debentures and investment in Prachay AIF Scheme I - Category II For the year ended as on March 31, 2024, March 31, 2023 and March 31, 2022, AUM is loans and advances to others, loans and advances in the form of unquoted non-convertible debentures and investment in Prachay AIF Scheme I - Category II
Board / Board of Directors	Board of Directors of our Company and includes any committee constituted thereof
Borrowings	Includes debt securities and borrowings other than debt securities as per Audited Standalone Financial Statements and Audited Consolidated Financial Statements
CFO	Chief Financial Officer
Compliance Officer for the Issue and Company	The Compliance officer for the issue and Company Secretary of our Company, namely Sonal Gupta
Corporate Social Responsibility Committee	Corporate social responsibility committee of Board of Directors of our Company constituted in accordance with applicable laws
Director(s)	Director(s) of our Company
ESOP	Employee Stock Option Plan
ESOP committee	ESOP committee of Board of Directors of our Company, constituted in accordance with applicable laws

Term	Description
Equity Shares	Equity shares of face value ₹10 each of our Company
Group Companies	The companies identified as our group companies in terms of Regulation 2(1)(r) of SEBI NCS Regulations, for the Issue, namely Prachay Advisors Private Limited, Prachay Holding Private Limited and Prachay Foundation.
IND AS	Indian Accounting Standard
Independent Directors(s)	Independent director(s) of our Company, as disclosed under "*Our Management*" on page 125,
Key Managerial Personnel(s) / KMP(s)	Key managerial personnel(s) of our Company as disclosed under "*Our Management*" on page 125, and appointed in accordance with regulation 2(1)(sa) of SEBI NCS Regulations and the provisions of the Companies Act, 2013.
HYFI	High Yield Fixed Income Securities
LAP	Loan Against Property
Memorandum / Memorandum of Association/ MOA	Memorandum of association of our Company
Net AUM / Net Assets Under Management	For the period ended September 30, 2024 Net AUM is loans and advances to others, loans and advances in the form of unquoted non-convertible debentures and investment in Prachay AIF Scheme I - Category II after deduction of impairment loss allowance if any. For the year ended as on March 31, 2024, March 31, 2023 and March 31, 2022, net AUM is loans and advances to others, loans and advances in the form of unquoted non-convertible debentures and investment in Prachay AIF Scheme I - Category II after deduction of impairment loss allowance if any.
Nomination and Remuneration Committee/ NRC	Nomination and remuneration committee of Board of Directors of our Company, constituted in accordance with applicable laws
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under "*Our Management*" on page 125
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
Promoter	Girish Murlidhar Lakhotiya
Registered Office	Registered office of our Company located at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No. 103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, Pune City, Maharashtra 411016 India.
Registrar of Companies / ROC	Registrar of Companies, Pune, Maharashtra
Risk Management Committee	The Risk Management Committee of Board of Directors of our Company, constituted in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and as amended.
Senior Management	Senior Managerial Personnel of our Company in accordance with Regulation 2 (1)(iia) of the SEBI NCS Regulations
Shareholders	Equity Shareholders of our Company from time to time
Special Purpose Audited Standalone Financial Statements	The special purpose audited standalone statement of assets and liabilities as at the six months period ended September 30, 2024 and as at the financial years ended March 31, 2024 and March 31, 2023 (including special purpose audited standalone statement of assets and liabilities as at and for the financial year ended March 31, 2022 as comparative financial information to financial year ending March 31, 2023) and the schedules forming part thereof; Special purpose audited standalone statement of profits and losses for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023 (including special purpose audited standalone statement of profits and losses as at and for the financial year ended March 31, 2022 as comparative financial information to financial year ending March 31, 2023) and the schedules forming part thereof, the Special Purpose audited standalone statement of cash flows for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023 (including special purpose audited standalone statement of cash flows as at and for the financial year ended March 31, 2022 as comparative financial information to financial year ending March 31, 2023)

Term	Description
	and the special purpose audited standalone statement of changes in equity for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023 (including special purpose audited standalone statement of changes in equity as at and for the financial year ended March 31, 2022 as comparative financial information to financial year ending March 31, 2023), the statement of significant accounting policies, and other explanatory statements prepared in accordance with Ind AS.
Special Purpose Audited Consolidated Financial Statements	The special purpose audited consolidated statement of assets and liabilities as at six months period ended September 30, 2024 and as at the financial years ended March 31, 2024, March 31, 2023 and the schedules forming part thereof; Special purpose audited consolidated statement of profits and losses for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and the schedules forming part thereof, the Special Purpose consolidated standalone statement of cash flows for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and the Special Purpose audited consolidated statement of changes in equity for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023, the statement of significant accounting policies, and other explanatory statements prepared in accordance with Ind AS.
Special Purpose Audited Financial Statements	Special Purpose Audited Standalone Financial Statements and Special Purpose Audited Consolidated Financial Statements
Statutory Auditor / Auditor	M/s Shah Khandelwal Jain & Associates, Chartered Accountants
Subsidiary/ Subsidiaries	Prachay Investment Managers Private Limited, Prachay Securities Private Limited and Prachay AIF Scheme I – Category II.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Prospectus
Acknowledgement Slip/ TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot/ Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue
Applicant / Investor /ASBA Applicant	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Prospectus, this Prospectus, Abridged Prospectus and Application Form
Application Supported by Blocked Amount/ Application / ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorizing the relevant SCSB to block the Application amount in the ASBA Account or to block the Application amount using the UPI Mechanism, where the Bid Amount or an Application amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by UPI investors which will be considered as the application for Allotment in terms of this Prospectus.
Application Amount/ Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue
Application Form / ASBA Form	Forms in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs and in terms of this Prospectus.
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application by authorized SCSB to block the Application Amount in the specified bank account maintained with such SCSB or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be

Term	Description
	blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of up to UPI Application Limit which will be considered as the application for Allotment in terms of this Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Bankers to the Issue	Collectively Public Issue Account Bank(s), Refund Bank and Sponsor Bank
Base Issue Size	Up to ₹ 5,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure- Basis of allotment for NCDs*" on page 251
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com.
Call Dates	mean the date(s) of exercise of Call Option which date shall fall on the expiry of 21 (twenty one) days from the date of Call Option Notice or such other date as may be specified in the Call Option Notice, whichever is later.
Call Option	Issuer's right (but no obligation) to recall or redeem outstanding Debentures (fully or partially) on the Call Date(s), which right can be exercised at any time after the period of 1 (one) year from the Deemed Date of Allotment of NCDs, prior to the scheduled Redemption Date. It is hereby clarified that in case of partial recall or redemption, the NCDs shall be recalled or redeemed on proportionate basis only.
Call Option Notice	shall mean the notice to be sent by the Issuer to the Debenture Trustee (with a copy marked to each of the Debenture Holders), communicating the intent of the Issuer to exercise the Call Option.
Category I Investor - Institutional Investors	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI (Insurance Regulatory and Development Authority of India); • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Non-banking financial companies registered with the Reserve Bank of India (RBI) with net assets of more than ₹ 50,000 lakh as per the latest audited financial statement National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI
Category II Investor - Non- Institutional Investors	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs;

Term	Description
	• Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III Investor – High Net-Worth Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Issue.
Category IV Investor – Retail Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
CDPs/ Collecting Depository Participants	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI NCS Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Coupon/ Interest Rate	The aggregate rate of interest payable in connection with the NCDs as specified in this Prospectus. For further details, see "*Issue Structure*" on page 189
Credit Rating Agencies	CRISIL Ratings Limited (a subsidiary of CRISIL Limited)
Debenture Holder(s) /NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trustee / Trustee	Trustee for the NCD holders in this case being Catalyst Trusteeship Limited.
Debenture Trustee Agreement	Debenture Trustee Agreement dated February 4, 2024 *e*ntered into between our Company and the Debenture Trustee
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under this Issue.
Deemed Date of Allotment	The date on which the Board or the Liabilities Management Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicant such as his address, email, bank account details, MICR Code and UPI ID, category, PAN etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable.
Depository(ies)	National Securities Depository Limited ('NSDL') and /or Central Depository Services (India) Limited ('CDSL')
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants

Term	Description
	eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Draft Prospectus/ this Prospectus and the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall allot the NCDs to the successful Applicants.
Designated Intermediaries	Collectively, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead manager, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI NCS master circular
Designated RTA Locations	Such centres of the CRTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the respective websites of the Stock Exchanges at www.bseindia.com and updated from time to time
Designated Stock Exchange/ Stock Exchange	The designated stock exchange for the Issue, being BSE Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Prospectus	The draft prospectus dated February 05, 2025 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations 2021, as amended
Final Settlement Date / Maturity Date	The date on which all secured obligations (including all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the holders of the debentures or the debenture trustee under the Transaction Documents in respect of the debentures, including without limitation, the making of payment of any coupon, interest, redemption of principal amounts, the default interest, additional interest, liquidated damages, indemnity payments and all costs, charges, expenses and other amounts payable by the company in respect of the debentures) have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the holders of the debentures
Issue	Public issue by our Company of listed, rated, secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each **('NCDs')**, for an amount aggregating up to ₹5,000 lakh (**"Base Issue Price"**) with an option to retain over subscription up to ₹ 5,000 lakh (**"Green Shoe Option"**) aggregating up to 10,00,000 NCDs for an amount up to ₹10,000 lakh (**"Issue Size"** or **"Issue Limit"**) pursuant to the Draft Prospectus and this Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI NCS master circular.
Issue Agreement	Agreement dated February 05, 2025 entered into by our Company and the Lead manager
Issue Closing Date	Thursday, March 13, 2025
Issue Opening Date	Friday, February 28, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Lead Manager / Galactico	Galactico Corporate Services Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Designated Stock Exchange in connection with the listing of debt securities of our Company
Market Lot/Trading lot	1 NCD

Term	Description
Minimum Security Cover	Minimum security cover of at least 1.00X of the outstanding principal amounts of the NCDs and all interest due and payable thereon to be maintained at all times until the Maturity Date
NCDs / Debentures	Public issue by our Company of listed, rated, secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each **('NCDs')**, for an amount aggregating up to ₹5,000 lakh (**"Base Issue Price"**) with an option to retain over subscription up to ₹5,000 lakh (**"Green Shoe Option"**) aggregating up to 10,00,000 NCDs for an amount up to ₹10,000 lakh (**"Issue Size"** or **"Issue Limit"**) pursuant to the Draft Prospectus and this Prospectus
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Prospectus, this Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Prospectus	This prospectus dated February 17, 2025 filed with the RoC and submitted with SEBI and BSE in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date
Public Issue Account and Sponsor Bank Agreement	Agreement dated February 14, 2025 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead manager for the appointment of the Public Issue Bank, Refund Bank and Sponsor Bank in accordance with the SEBI NCS Master Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened, i.e., HDFC Bank Limited
Receivables	All present and future receivables of the Company including receivables from capital market business meeting the below eligibility criteria: (a) the receivables on which charge is created for securing the NCDs, are free from encumbrances with no regulatory restriction for creating a charge on such assets and necessary permissions or consent to create a pari passu charge on such assets of the Issuer, required if any has been/will be obtained from the existing charge holders; (b) the receivables shall be Standard Asset (not overdue by more than 90 days as on the reporting date) at all times and should not have been restructured and/or rescheduled; and (c) the value of the receivables as reflected in the books of accounts of the Company shall be considered for asset cover calculations
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund	Our Company will create a recovery expense fund in the manner as specified by SEBI master circular for Debenture Trustees and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange. The creation of recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations, SEBI Debenture Trustee Master Circular and other applicable laws. The recovery expense fund may be utilised by

Term	Description
	Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as specified in this Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in this Prospectus
Refund Account(s)	The account(s) to be opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in Prospectus, i.e., HDFC Bank Limited
Register of NCD holder	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013
Registered Brokers or Brokers	Stock brokers registered with SEBI under the SEBI Stock Broker Regulations, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar Agreement	Agreement dated February 04, 2025 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue	KFin Technologies Limited
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Secured borrowings	Debt securities and Borrowings (other than debt securities) secured by way of specific/pari-passu charge on loan assets. This also includes liabilities against securitised assets
Security	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors/lenders, on all present and future, loan Receivables, Receivables from investment in debentures, Receivables from investments in the units of AIFs, balance with banks, fixed deposits and any other present and future receivables, such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Sponsor Bank	Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to UPI Application Limit and carry out any other responsibilities in terms of the SEBI NCS master circular
Syndicate Agreement	Syndicate Agreement dated February 13, 2025 entered between the Company and Syndicate Member
Syndicate Member / Members of Syndicate	Prachay Securities Private Limited, a subsidiary of our Company, registered with SBEI under the SEBI Stock Broker Regulations
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Please see the section titled “Terms of the Issue” on page 198

Term	Description
Trading Members	Intermediaries registered with a broker or a sub-broker under the SEBI Stock Broker Regulations and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Transaction Documents/ Offer Documents	The Draft Prospectus and this Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trustee Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "Material Contracts and Documents for Inspection" on page 178.
Tripartite Agreements with Depositories	Tripartite Agreement dated December 18, 2024 entered into between our Company, Registrar to the Issue and NSDL and Tripartite Agreement dated December 18, 2024 entered into between our Company, Registrar to the Issue and CDSL
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹500,000 for issues of debt securities pursuant to SEBI NCS Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Mandate Request / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment.
UPI Mechanism / UPI	Unified Payments Interface mechanism in accordance with SEBI NCS master circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	Working day means all days on which commercial banks in Pune, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AFC	Asset Finance Companies
CAD	Current Account Deficit
EMI	Equated Monthly Instalment
ETF	Exchange Traded Fund
AUM	Assets under management
ASBA	Application Supported by Block Amount
BFSI	Banking, financial services and insurance
Borrowings	Includes debt securities and borrowings other than debt securities and subordinated liabilities
Business Associates	Our franchisee registered with SEBI
Business Locations	A single premise in which we and/or our Business Associates operate one or more of our business activities
DRA	Digital referral associate

Term	Description
EIR	Effective interest rate
ESG	Environmental, social, and governance
ICC	Investment and Credit Companies
MFI	Microfinance institutions
MSME	Micro, Small and Medium Enterprises
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-BL	Base Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-ML	Middle Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-UL	Upper Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-TL	Top Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-ND-NSI (NBFC-BL/ NBFC – Base Layer)	Non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFCP2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NCD	Non-Convertible Debentures
NPA	Non-Performing Asset
PAT	Profit after tax
PPP	Purchasing Power Parity
Prudential Norms	Prudential norms as provided under the RBI SBR Framework Master Directions, as amended, modified, supplemented, from time to time
Tier I Capital	"Tier 1 capital" for NBFCs (except NBFCs-BL) is the sum of (i) Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and (ii) Perpetual debt instruments issued by a non-deposit taking NBFCs in each year to the extent it does not exceed 15 percent of the aggregate Tier 1 capital of such company as on March 31 of the previous accounting year. Note – NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 1 capital.
Tier 2 Capital	"Tier 2 capital" for NBFCs (except NBFCs-BL) is the sum of (i) Preference shares other than those which are compulsorily convertible into equity; (ii) Revaluation reserves at discounted rate of 55 percent; (iii) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (iv) Hybrid debt capital instruments; (v) Subordinated debt; and (vi) Perpetual debt instruments issued by a non-deposit taking NBFC which is in excess of what qualifies for Tier 1 capital; to the extent the aggregate does not exceed Tier 1 capital. Note – NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 2 capital.
ROA	Return on assets
ROI	Return on Investment
XIRR	Extended internal rate of return
UPI	Unified Payments Interface
YoY	Year on year
RII	Retail Individual Investor

Conventional and general terms

Term	Description
"₹", "Rupees", "Indian Rupees" or "INR" or "Rs."	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual general meeting

Term	Description
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS	Accounting standard
AY	Assessment year
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BSE/ BSE Limited	Bombay Stock Exchange
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consumer Protection Act	Consumer Protection Act, 1986
CGST	Central Goods and Services Tax Act, 2017
COO	Chief Operating Officer
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
CRAR	Capital Risk Adequacy ratio. Capital to risk-weighted assets ratio means (Tier I Capital + Tier 2 Capital)/ Total Risk Weighted Assets *100
CRISIL	CRISIL Ratings Limited
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRSIL Limited
CrPC	Code of Criminal Procedure, 1973
CY	Calendar Year
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depositories	NSDL and CDSL
DRR	Debenture redemption reserve
ECGC	Export Credit Guarantee Corporation
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as amended
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019 as amended
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI(s)	High net worth individuals
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International financial reporting standards
IFSC	Indian Financial System Code
IGST	Integrated Goods and Services Tax Act, 2017
Ind AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Industry Report / NBFC Report	CRISIL Market Intelligence & Analytics (CRISIL MI&A) – NBFC Report released in Pune in November 2024, prepared and issued by CRISIL MI&A.
IRDAI	Insurance Regulatory and Development Authority of India

Term	Description
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
IT Act	Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership, 2008
MCA	Ministry of Corporate Affairs, Government of India
MCX	Multi Commodity Exchange of India Limited
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MoU	Memorandum of Union
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Finance Company, as defined under section 45-IA of RBI Act, 1934
NCDEX	National Commodity and Derivatives Exchange Limited
NEFT	National Electronic Funds Transfer
NIIs	Non-Institutional Investor(s)
NIM	Net Interest Margin
NPCI	National Payment Corporation of India
NSDL	National Securities Depository Limited
OEM	Original Equipment Manufacturer
p.a	Per annum
PAN	Permanent account number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PDI	Perpetual Debt Instrument
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
PMS	Portfolio Management Services
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RERA	Real Estate Regulatory Authority
RBI SBR Framework Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended, modified or supplemented, from time to time
RM	Relationship Manager
RTAs	Registrar and share transfer agents
REFARD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002
SBR Framework	RBI Scale Based Regulation circular dated October 22, 2021 as amended, modified or supplemented, from time to time
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
SEBI Depositories and Participants Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Intermediaries Circular on Conflicts	General guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market dated August 27, 2013, as amended
MCA	Ministry of Corporate Affairs, Government of India
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended
SEBI Investment Advisers Regulations	Securities and Exchange Board of India Investment Advisers Regulations, 2013, as amended
SEBI LODR Regulations/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Mutual Funds Regulations	SEBI (Mutual Funds) Regulations, 1996, as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Portfolio Managers Regulations	Securities and Exchange Board of India Portfolio Managers Regulations, 2020, as amended
SEBI Research Analysts Regulations	SEBI (Research Analysts) Regulations, 2014, as amended
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
SEBI NCS Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as amended from time to time
SEBI Master Circular for Debenture Trustee	SEBI circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Trademarks Act	Indian Trademarks Act, 1999
TDS	Tax Deducted at Source
USD/ U.S. Dollar	United States Dollars
WDM	Wholesale Debt Market

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors", "Industry Overview", "Key Regulations and Policies", "Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 48, 20, 66, 140, 258, 153 and 172 respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Key Regulations and Policies", on pages 103, 20, 66 and 140 respectively, shall have the meaning ascribed to them hereunder.

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

General

In this Prospectus, unless the context otherwise requires references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are the prospective investors in this Issue, references to "we" or "us" refer to Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) along with our Subsidiaries and references to "our", "the Company", "our Company" or "Issuer" refer to Prachay Capital Limited (Formerly known as Prachay Capital Private Limited).

In this Prospectus, references to "Rupees", "₹", "Rs.", "INR", "Indian Rupees" are to the legal currency of India and references to "USD", "US$" and "U.S. Dollars" are to the legal currency of the United States. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding off adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources. India has decided to adopt the "Convergence of its existing standards with IFRS with some difference" referred to as the "Indian Accounting Standards" or "Ind AS".

Our Company's financial statements for the year ended March 31, 2022, March 31, 2023 and March 31, 2024 are prepared in accordance with IGAAP, as applicable standards and guidance notes specified by the ICAI including the applicable provisions of the Companies Act, 2013. The MCA, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2019.

In this Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off. Except otherwise specified, our Company has presented numerical information in this Prospectus in units of "lakh". One lakh represents 1,00,000, one million represents 10,00,000 and one billion represents 1,00,00,00,000. For the purpose of consistency, the amounts in this Prospectus have been disclosed in rupees lakh up to two decimal places.

Unless otherwise stated, references in this Prospectus to a particular year are to the calendar year ended on December 31.

Unless stated otherwise all references to time in this Prospectus are to Indian Standard Time.

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Company has prepared following standalone special purpose financial statements audited by the Statutory Auditor of the Company: (i) Special purpose standalone financial statements for the six months period ended September 30, 2024 prepared in accordance with the IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended; (ii) Special purpose standalone financial statements for the financial year ended March 31, 2024 in accordance with IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended; and (iii) Special purpose standalone financial statements for the financial year ended March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023) in accordance with IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

Our Company has prepared following consolidated special purpose financial statements audited by the Statutory Auditor of the Company: (i) Special purpose consolidated financial statements for the six months period ended September 30, 2024 prepared in accordance with IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended; (ii) Special purpose consolidated financial statements for the financial year ended March 31, 2024 in accordance with IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended; (iii) Special purpose consolidated financial statements for the financial year ended March 31, 2023 in accordance with IND AS specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

Our special purpose standalone financial statements for the financial years ending March 31, 2024 and March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023) have been prepared on the basis of audited standalone financial statements prepared in accordance with Indian GAAP specified under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2021. Further, our special purpose consolidated financial statements for the financial years ending March 31, 2024 and March 31, 2023, have been prepared on the basis of audited consolidated financial statements prepared in accordance with Indian GAAP specified under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2021

The Special Purpose Audited Financial Statements as included in this Prospectus, in the chapter titled "*Financial Statements*" on page 153.

Unless stated otherwise, the financial data in this Prospectus is derived from the Special Purpose Audited Financial Statements of the Company.

Currency and Units of Presentation

In this Prospectus, all references to

- 'Rupees'/'Rs.'/'INR'/'₹'/ 'Indian Rupees' are to Indian Rupees, the legal currency of the Republic of India.
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Except where stated otherwise in this Prospectus, all figures have been expressed in 'lakh'. All references to 'lakh/lakh' mean 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI NCS Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all. The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the other currencies:

(in ₹)

Currency	Exchange Rate as on			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.79	83.37	81.21	75.80

1. All figures are rounded up to two decimals.
2. If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but that their accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the readers familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Certain information and statistics in relation to the industry in which we operate, which has been included in this Prospectus has been extracted from an industry report titled "NBFC Report" dated November 2024, prepared and issued by CRISIL MI&A. Please refer to "*Industry Overview*" on page 66 for further details.

*CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.

Following is the disclaimer of CRISIL MI&A in relation to the NBFC Report:

*"CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

Such industry data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in Risk Factor No. 44 "*This Prospectus contains information from third parties including reports prepared by independent third party research agency, which we have commissioned and paid for purposes of confirming our understanding of the industry"* on page 40. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements that are not statements of historical fact and are in the nature of "forward looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "objective", "plan", "potential", "project", "will", "will continue", "will pursue", "will likely result", "will seek to", "seek" or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results, including financial conditions and result of operations to differ materially from expectations include, but not limited to, the following:

1. Our business is capital intensive and any disruption or restrictions in raising financial resources would have a material adverse effect on our liquidity and financial condition.
2. A decline in our capital adequacy ratio could restrict our future business growth
3. Our financial performance is primarily dependent on interest rate risk. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.
4. Our Group's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.
5. We have experienced significant growth in recent periods, and we may not be able to sustain our growth or manage it effectively.
6. We may experience difficulties in expanding our business, organically and inorganically, into new regions and markets in India and overseas.
7. If our customers materially default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.
8. Any adverse development in the commercial real estate sector would negatively affect our results of operations.
9. We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.
10. Our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business, results of operations and financial condition.

For further discussion of factors that could cause our actual results to differ, please refer to the chapter titled "*Risk Factors*" on page 20.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the "*Industry Overview*", "*Our Business*" and *"Outstanding Litigations"* on pages 66, 103 and 164 respectively.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The forward-looking statements contained in this Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not

to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, our Directors, KMPs, Senior Management and officers, nor any of our respective affiliates or the Lead manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, as amended, our Company and the Lead manager will ensure that investors are informed of material developments between the date of filing this Prospectus with the RoC and the date of receipt of listing and trading permission being obtained from the Designated Stock Exchange for the NCDs.

SECTION II: RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risk and uncertainties described below and the information provided in the sections titled "Our Business" and "Financial Statements" on pages 103 and 153, respectively, before making an investment decision. The following are the risks envisaged by the management of the Company relating to the Company, the NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Prospectus in relation to the NCDs for evaluating the Company and its business and the NCDs before making any investment decision relating to the NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the NCDs but does not represent that the statements below regarding the risks of holding the NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.

The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Certain information in this section includes extracts from – industry report titled "NBFC Report" dated November 2024 prepared and issued by CRISIL MI&A. Neither our Company, the Lead Manager, the Debenture Trustee, nor any other person connected with the Issue has independently verified such industry and third-party information. For more information, please see "Industry Overview" on page 66.

Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with the Special Purpose Audited Financial Statements.

INTERNAL RISKS

1. Our business is capital intensive and any disruption or restrictions in raising financial resources would have a material adverse effect on our liquidity and financial condition.

Our liquidity and ongoing profitability are largely dependent upon our timely access to and the costs associated in raising financial resources. Our funding requirements historically have been met from combination of borrowings including bank loans, proceeds from issuance of secured redeemable non-convertible debentures by way of private placement and issuance of equity and preference shares, inter-corporate deposits and loans from members, directors etc. Thus, our business depends and will continue to depend on our ability to access diversified low cost funding sources.

Our ability to raise funds on acceptable terms and at competitive rates depend on various factors like credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

In case of a global financial crisis, the capital and lending markets typically become highly volatile and access to liquidity becomes significantly reduced. In addition, it may become more difficult to avail new loans and credit facilities as many potential lenders and counterparties could also face liquidity and capital concerns, as a result of the stress in the financial markets.

If any event of a similar nature and magnitude occurs again in the future, such as the recent liquidity crisis caused on account of debt default by one of the large Indian NBFCs, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a non-deposit taking NBFC, and do not have access to public deposits.

The RBI vide the Master Directions issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include (i) restrictions on the minimum subscription amount for a single investor at ₹20,000; (ii) the issuance of private placement of non-convertible debentures shall be in two separate categories, those with a maximum subscription of less than ₹1,00,00,000 and those with a minimum subscription of ₹1,00,00,000 per investor; (iii) the restriction of number of investors in an issue to 200 investors for every financial year for a maximum subscription of less than ₹1,00,00,000 which shall be fully secured; (iv) there is no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹1,00,00,000 and above while the option to create security in favour of subscribers will be with the issuers and such unsecured debentures shall not be treated as public deposits; (v) restriction on NBFCs for issuing debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/parent company/associates; and (vi) prohibition on providing loan against its own debentures. This has resulted in limiting our Company's ability to raise fresh debentures on private placement basis.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates.

Any disruption in our primary funding sources at competitive costs could have a material adverse effect on our liquidity and financial condition.

2. A decline in our capital adequacy ratio could restrict our future business growth

All non-deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II capital of their aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. For the Financial Years 2024, 2023 and 2022, the capital adequacy ratio (Tier I and Tier II) of our Company was 24.87%, 22.33% and 24.68%, respectively. Further, our total borrowing (on a standalone basis) for the Financial Years 2024, 2023 and 2022 was ₹ 22,938.23 lakh, ₹ 17,930.94 lakh and ₹10,254.61 lakh, respectively. We may require additional capital for our business operations from time to time. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us or unforeseen delays in our operations. To the extent our capital requirements exceed our available resources, we will be required to seek additional debt or equity capital. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

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

Our results of operations are substantially dependent upon the level of our net interest margins. Interest income from loans and advances (including income from investments in AIFs) is the largest component of our total income, and constituted 97.24%, 98.85%, 99.17% and 99.69% of our total income for the six months period ended September 30, 2024, Fiscals 2024, 2023, and 2022, respectively. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

Over the years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial intermediaries in India, including us.

Our policy is to attempt to balance the proportion of the interest earning assets, with interest bearing liabilities. A significant portion of our liabilities, such as our non-convertible debentures, Inter-Corporate Deposits and loans from members and directors carry fixed rates of interest. The borrowings from bank are on floating rate of interest which are linked to the respective banks' repo rate / marginal cost of funds-based lending rate (MCLR) / external benchmark

lending rate (EBLR). We do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future or can effectively balance the proportion of our fixed rate loan assets and liabilities. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re pricing of our liabilities compared with the re-pricing of our assets.

Any mismatch between the yield on assets and the cost of our funds due to market action/factors could have an impact on our profitability.

4. Our Group's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.

The RBI vide its Circular DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 and DOR.CRE.REC.No.77/21.04.172/2021-22 dated January 5, 2022 and DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 1, 2022 and DOR.CRE.REC.No.07/21.04.172/2023-24 dated April 3, 2023 and DOR.CRE.REC.No.17/21.04.172/2024-25 dated April 24, 2024 as amended from time to time, has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. These Circulars restricts bank's exposures to a single NBFC to 20% of their eligible capital base (Tier I Capital) and to a group of connected NBFCs or group of connected counterparties having NBFCs in the group to 25% of their Tier I Capital.

Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. Since these circulars limit a bank's exposure to NBFCs, the same consequently restricts our ability to borrow from banks. Further, as per the extant guidelines by RBI, it has now been decided that rated exposures of banks to all NBFCs (including members of our Group), excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates. The RBI vide its circular bearing RBI/2023-24/85/DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023 has prescribed scheduled commercial banks to calculate their risk weights on their exposures to NBFCs by 25% points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%.

These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

5. We have experienced significant growth in recent periods, and we may not be able to sustain our growth or manage it effectively.

We have experienced significant growth in recent periods. Our Company's total revenue from operations has grown to ₹ 2,687.20 lakh for the six months period ended September 30, 2024, ₹ 4,189.39 lakh in the Financial Year 2024 and ₹ 3,348.08 lakh in the Financial Year 2023 from ₹ 2,134.38 lakh in the Financial Year 2022, representing a CAGR of 40.10% from Financial Year 2022 to Financial Year 2024. The launch of new products or business lines may be subject to approval or licensing requirements by the relevant regulatory authorities. Further, sustained growth will require significant investments in technology and digital marketing by us and will also put pressure on our ability to effectively manage and control historical and emerging risks. Such further expansion will increase the size of our business and the scope and complexity of our operations, and this could put a strain on our internal control framework and processes. We may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion.

If we increase our credit exposure too rapidly or fail to make proper assessments of credit risks associated with new customers, or lack in due monitoring a higher percentage of our loans may become non-performing, which would have an adverse effect on the quality of our assets and our financial condition. In addition, if we enter into strategic alliances or undertake inorganic acquisitions as part of our growth strategy, we may not be able to manage integration of the acquired businesses effectively. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations.

Growth through geographical expansion or other methods

In addition, as we enter new markets and geographical regions, we are likely to compete with not only banks, NBFCs, HFCs and other financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers.

Factors such as competition, customer requirements, regulatory regimes, business practices and customs in new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to new markets.

As we expand our business or the geographic footprint of our business, we may be exposed to additional challenges, including, without limitation:

i. obtaining necessary governmental approvals in relation to entering new geographies or new lines of business, or launching new products which are regulated;
ii. in respect of our businesses with a physical footprint, identifying and collaborating with local business partners with whom we may have no existing relationship;
iii. successfully marketing our products and attracting customers in markets or for new lines of business in which we have no familiarity, significant experience or visibility;
iv. in respect of our businesses with a physical footprint, being subject to additional local taxes;
v. managing the rapid growth of our employee base;
vi. attracting and retaining new employees;
vii. expanding our technological infrastructure; and
viii. maintaining standardized systems and procedures.

To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. There can be no assurance that we will be able to continue to successfully implement our growth strategies, and our inability to do so may adversely affect our business, financial condition, results of operations and cash flows.

6. Our statutory auditors have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements, which may affect our future financial results.

Our Company confirms that there were no modifications, i.e., unmodified opinion given by M/s. Shah Khandelwal Jain & Associates in audit reports in respect of the Special Purpose Audited Financial Statements. Except that there were certain Emphasis of Matter ("EOM") on conversion to Ind AS, in audit reports for the special purpose audited standalone financial statements for the six months period ended September 30, 2024 and the financial years ended March 31, 2024 and March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023) and audit reports for the special purpose audited consolidated financial statements for six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023.

However, the said EOM did not lead to any modification/qualification. For details, please see "*Outstanding Litigations - Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks*".

There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future financial years. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

7. We may experience difficulties in expanding our business, organically and inorganically, into new regions and markets in India and overseas.

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. These opportunities can take various forms, including acquisitions, mergers, joint ventures and strategic investments.

There can be no assurance that we will be able to identify suitable acquisition targets or strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable.

The return of capital deployed on such acquisitions will depend on the price of the acquisitions and speed of integration of acquired business employees and assets. Any future acquisitions may result in integration issues and employee retention problems; we face numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. We may not be able to realise the benefits we might anticipate from any such acquisitions.

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

8. If our customers materially default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

Our customers may delay and/or default on their obligations to us due to a variety of factors, including result of their business failure, insolvency, lack of liquidity, government or other regulatory intervention, other reasons such as their inability to adapt to changes in the macro business environment or any other factors which impact their incomes. Additionally, some customers may intentionally default on their repayment obligations. Historically, customers in our loans business have been adversely affected by economic conditions in varying degrees. Such adverse impact may limit our ability to recover the dues from such customers and the predictability of our cash flows. Increasing credit losses due to financial difficulties of customers in our lending business in the future could adversely affect our business, financial condition, results of operations and cash flows.

Our ability to manage the credit quality of our loans, which we measure in part through these Assets, is a key driver of our results of operations. Our Company's commercial real estate loan portfolio has grown during the quarter ended September 30, 2024, Financial Year ended March 31, 2024, March 31, 2023, and March 31, 2022 and we continue to pursue our expansion strategy. As of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, our Company's AUM were ₹ 28,593.01 lakh, ₹ 28,569.77 lakh, ₹ 22,567.98 lakh and ₹ 13,291.94 lakh, respectively, while our AUM (for commercial real estate assets) to Company's AUM were 93.19%, 91.59%, 88.92% and 100.00% respectively.

Further, as NBFCs, we are regulated by the RBI and are required to adhere to the prudential norms on Income Recognition, Asset Classification and Provisioning ("**IRACP**") notified by the RBI from time to time, in addition to the Ind AS accounting and provisioning requirements applicable to our Company in the ordinary course. For instance, on November 12, 2021, the RBI issued a circular titled "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications" ("**November 12, 2021 Circular**") with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. November 12, 2021 Circular, among other matters, requires borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts ("**SMA**") as well as NPA is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. November 12, 2021 Circular clarifies that the SMA

classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the November 12, 2021 Circular provides that accounts classified as NPAs may be upgraded to 'standard' only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdue. We cannot assure that the impact of the November 12, 2021 Circular will not impact our current levels of NPAs in the future. Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. General economic slowdown or financial difficulties faced by our customers could unexpectedly increase delinquency rates. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs (based on November 12, 2021 Circular) as our loan portfolio matures or that any of the steps taken by us in avoiding repeat delay and / or default of loan repayments by our borrowers will be sufficient.

As of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, our Company's gross NPA to total AUM ratio was 0%, 0%, 0% and 0%, respectively, and our Company's Net NPA to Net AUM was 0%, 0%, 0% and 0%, respectively. For the six months ended September 30, 2024, Financial Years 2024, 2023 and 2022, our Company's provisions for standard assets amounted to ₹ 66.90 lakh, ₹69.13 lakh, ₹ 56.11 lakh and ₹ 33.70 lakh, respectively. For the same periods, our Company's provision for non-performing assets amounted to Nil, Nil, Nil, and Nil, respectively. The company has had no NPAs in past years but there is a possibility of them arising in the future.

As of December 31, 2024, our Company had secured borrowings of ₹ 21,776.64 lakh (Including Debt Securities) and unsecured borrowings of ₹ 65.00 lakh. For further details, see "*Financial Indebtedness*" on page 155.

The following table sets forth the classification of our Gross Loan Book as at September 30, 2024 and as at Financial Years ending 2024, 2023, and 2022.

(₹ in lakh unless otherwise stated)

	Asset Classification as at			
	Half year ended September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Gross Loan Book (A)#				
Stage 1	25,479.01	28,569.77	22,567.98	13,291.94
Stage 2	3,114.00	-	-	-
Stage 3	-	-	-	-
Gross Loan Book	**28,593.01**	**28,569.77**	**22,567.98**	**13,291.94**
Impairment loss allowance (B)*				
Stage 1	59.02	69.13	56.11	33.70
Stage 2	7.88	-	-	-
Stage 3	-	-	-	-
Total Impairment loss allowance	66.90	69.13	56.11	33.70
Net Loan Book (C = A – B)				
Stage 1	25,419.99	28,500.64	22,511.87	13,258.24
Stage 2	3,106.12	-	-	-
Stage 3	-	-	-	-
Loan Book (Net)	**28,526.11**	**28,500.64**	**22,511.87**	**13,258.24**
Gross NPA (%)	0.00%	0.00%	0.00%	0.00%
Net NPA (%)	0.00%	0.00%	0.00%	0.00%

[#] *Gross Loan Books includes investments in AIF*

[*] *Note: Impairment loss allowance is provision maintained for standard asset.*

Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document may render the document inadmissible in evidence. Consequently, should any default arise in relation to such loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. In addition, for commercial real estate loans extended for properties that are still under construction, we may face risks of non-payment in the event that the builders do not complete construction of the properties on time, or at all, due to cashflow or other issues. Further, if any of our customers take recourse to arbitration or litigation against our claims, it may cause a further delay in our recovery process leading to depreciation of the collateral. A failure or delay in recovering the expected value from sale of collateral could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations.

Further, we are required to adhere to provisioning requirements pursuant to the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended ("**Master Directions**"). If future regulations require us to increase our provisions for any reason, our profits may be adversely affected. Also, our ability to raise additional capital and debt financing as well as our resultsof operations and financial condition could be adversely affected as a result thereof. The amount of NPAs may increase in the future due to the aforementioned factors and other factors beyond our control, and we cannot assure you that we will be able to effectively control or reduce the level of the impaired loans in our total AUM. If we are unable to manage our NPAs or adequately recover our loans, our business, financial condition and results of operations will be adversely affected. If the quality of our loan portfolio deteriorates, we may be required to increase our loan loss reserves. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our business, financial condition and results of operations.

9. Any adverse development in the commercial real estate sector would negatively affect our results of operations.

A significant portion of our credit book is exposed to the real estate sector. Any significant decline in property prices can adversely affect our ability to realise the value of our collateral or fully recover principal and interest in the event of a default. Delay in completion of real estate developments may also affect the value of our collateral and our ability to enforce our rights. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition. Following the introduction of the SARFAESI Act, we are allowed to foreclose on secured property after 60 (sixty) days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 ("**RERA Act**") is expected to have the biggest impact over the long term. After notification of certain provisions of the RERA Act with effect from May 2016, the remaining provisions of the RERA Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to the RERA Act, other states are in the process of doing so.

To ensure compliance with the requirements of the RERA Act, companies in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various companies in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

10. We may face asset-liability mismatches (ALM), which could affect our liquidity and consequently affect our* operations *and financial performance adversely.

As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium-term funding sources such as bank loans, non-convertible debentures, Inter-Corporate Deposits (ICDs), etc. While we aim to diversify our funding sources, and we pay careful attention to the maturity of liabilities while creating financial assets, extending the duration of our financial liabilities as needed, the maturity of our loan assets may not match the maturity of our liabilities. Consequently, our inability to raise further credit facilities or renew our existing facilities in a timely and cost-effective manner or at all, may lead to mismatches in our assets and liabilities leading to an increase in liquidity risk. Further, mismatches between our assets and liabilities are compounded in case the assets are restructured and we may need to give customers longer tenor loans. Such mismatches could adversely affect our business, financial condition, results of operations and cash flows.

The following table describes the ALM of our Company as on March 31, 2024:

(₹ in lakh unless otherwise stated)

Particulars	up to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and up to 2 months	Over two months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
A. OUTFLOWS											
Capital	-	-	-	-	-	-	-	-	-	2,165.00	2,165.00
Reserves & Surplus	-	-	-	-	-	-	-	-	-	5,271.18	5,271.18
Bonds & Notes	-	-	-	-	-	-	610.00	2,696.50	9,188.50	-	12,495.00
Deposits	-	-	-	-	-	-	50.00	7,328.00	-	-	7,378.00
Borrowings	18.14	-	-	33.33	70.83	449.76	462.50	1,250.00	811.86	-	3,096.43
Current Liabilities & Provisions	-	1.62	201.60	3.00	7.77	-	0.01	-	-	74.64	288.63
Statutory Dues	0.02	-	1.18	-	-	-	-	-	-	-	1.20
Unclaimed Deposits											-
Other Outflows	-	-	-	-	-	1.84	73.99	171.37	-	646.36	893.56
Outflows On Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	-
TOTAL OUTFLOWS	**18.16**	**1.62**	**202.78**	**36.33**	**78.60**	**451.60**	**1,196.50**	**11,445.87**	**10,000.36**	**8,157.18**	**31,589.00**
B. INFLOWS											
Cash (In 1 to 30/31 day time-bucket)	0.77	-	-	-	-	-	-	-	-	-	0.77
Remittance in Transit	-	-	-	-	-	-	-	-	-	-	-
Balances With Banks	1,660.36	-	-	-	1.13	-	73.99	361.37	-	-	2,096.85
Investments	-	-	-	-	-	-	-	-	-	1,123.76	1,123.76
Advances (Performing)	-	-	184.27	105.92	267.83	1,455.82	2,542.13	23,095.19	-	-	27,651.15
Gross Non-Performing Loans (GNPA)	-	-	-	-	-		-	-	-	-	-
Inflows From Assets On Lease	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets (Excluding Assets On Lease)	-	-	-	-	-	-	-	-	-	260.95	260.95
Other Assets	-	-	255.32	0.14	0.32	0.99	165.26	33.24	0.24	-	455.52
Inflows on Account of Off Balance Sheet (OBS) Exposure											
TOTAL INFLOWS	**1,661.13**	**-**	**439.59**	**106.06**	**269.28**	**1,456.81**	**2,781.38**	**23,489.80**	**0.24**	**1,384.71**	**31,589.00**
C. Mismatch (B - A)	1,642.97	(1.62)	236.81	69.73	190.68	1,005.21	1,584.88	12,043.93	(10,000.12)	(6,772.47)	(0.00)
D. Cumulative Mismatch	1,642.97	1,641.35	1,878.16	1,947.89	2,138.57	3,143.78	4,728.66	16,772.59	6,772.47	-	-
E. Mismatch as % of Total Outflows	9044.99%	(100.00) %	116.78%	191.93%	242.61%	222.59%	132.46%	105.23%	(100.00) %	(83.02) %	-
F. Cumulative Mismatch as % of Cumulative Total Outflows	9044.99%	101395.32%	926.21%	5361.15%	2720.88%	696.14%	395.21%	146.54%	67.72%	0.00%	-

***Note**: The above ALM is as per Indian GAAP.*

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

As of December 31, 2024, our outstanding borrowings (both secured and unsecured) on a standalone basisaggregated to ₹ 21,841.64 lakh. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated from our business, which depends on the timely repayment by our customers. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness*" on page 155. Our financing agreements contain several restrictive covenants and we are required to comply with the same, including:

i. Undertaking or permitting any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction without the prior approval of the lender;

ii. Declaration or payment of dividends, or authorising or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders without the prior approval of the lender; and

iii. Making any equity investments in the primary or secondary markets.

Some of our financing agreements also contain cross-default clauses, which are triggered in the event of a default by us under our respective financing agreements. For details of the indicative events of default and the consequence of events of default under our borrowing arrangements, see "*Financial Indebtedness*" on page 155.

Our failure to meet our obligations under our financing agreements, including inter alia creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, default in payment of penal interest wherever applicable could have an adverse effect on our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness*" on page 155.

Our future borrowings may also contain similar or more stringent restrictive provisions. Some of our financing arrangements contain clauses wherein the repayment of the loans can be accelerated. We cannot assureyou that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

The negative covenants as mentioned in this risk factor and in the section "*Financial Indebtedness*" on page 155, and other clause/covenants of a similar nature under the financing arrangements entered into by us are in the ordinary course of business and will continue post listing of the NCDs, as is customary for such borrowing arrangements for listed and unlisted companies. Any inability to meet our obligations under such financing arrangements could adversely affect our business, results of operations and financial condition.

12. Our bank funding is concentrated amongst a few lenders and impairment of our relationship with any, or all, of such lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in the future, may have a material adverse effect on our business, results of operations and financial condition.

As on December 31, 2024, we had outstanding drop line overdraft facilities of ₹ 1,782.95 lakh (after EIR impact as per IND AS) from AU Small Finance Bank. Further, as on December 31, 2024 we had outstanding term loans of ₹ 2,066.72 lakh (after EIR impact as per IND AS) from State Bank of India and ₹ 1,478.47 lakh (after EIR impact as per IND AS) from Indian Overseas Bank. We may have difficulty in obtaining funding on acceptable terms from these or other lenders and other sources which we have not accessed so far. Any impairment of our relationship with any, or all, of our lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in future may have a material adverse effect on our business, results of operations and financial condition.

13. Our Company has high debt equity ratio and any further increase in borrowings may have a material adverse effect on our business, financial condition and results of operations.

Our Company has raised funds from a combination of borrowings such as working capital and term loans from banks and issuance of secured redeemable non-convertible debentures on private placement basis and subordinated debts. We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. As on September 30, 2024, our debt-equity ratio on standalone basis stood at 2.70.

While this strategic choice has facilitated our ability to undertake various initiatives improving the top lines and bottom lines, it also introduces certain financial considerations. We will continue to monitor and evaluate our capital structure to ensure we maintain a healthy balance between debt and equity financing. For further information, refer section '*Capital Structure – Statement of Capitalization*' on page 59.

14. Regulatory restrictions may prevent certain subsidiaries from making payments to the us, including dividend payments.

Regulatory, tax restrictions and other legal restrictions may limit our subsidiaries namely, Prachay Investment

Managers Private Limited, Prachay Securities Private Limited and Prachay AIF Scheme- I Category II, ability to transfer funds freely to us. These laws and regulations may hinder our ability to access funds that we may need to make payments on its obligations or to pay dividends.

15. We require certain statutory and regulatory approvals and licenses for conducting our business. Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows

The laws and regulations governing the lending and financial services industry in India have become increasingly complex and are continuously evolving. The requirement to comply with increasing regulations may continue to adversely affect our business and the industries in which we operate in general.

We are required to obtain and maintain a number of approvals and licenses from governmental and regulatory authorities, including the RBI for operating our business. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure provisioning and other master directions. The RBI also regulates the credit flow by banksto NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance. In the regular course of our business, we may receive queries, clarifications and observations from the RBI and other statutory or regulatory authorities. Failure to addressor satisfactorily address these queries and clarifications in a timely manner or at all may result in us being subject tostatutory and/or regulatory actions. Further, responding to these regulatory actions, regardless of their seriousnessor ultimate outcome, requires a significant investment of resources and management's time and effort. Moreover, our provisions, defenses, grounds or interpretations against regulatory actions may be inadequate. Given the uncertainties and complexity of many of these regulatory actions, their outcome generally cannot be predicted withany reasonable degree of certainty and may have adverse effects on our operations.

For details, see "*Key Regulations and Policies*" on page 140 and for details of penalties levied on us pursuant to non-compliance with the Companies Act in the past, see "*Outstanding Litigations*" on page 164.

Further, as of December 31, 2024, we employ 43 employees, and we are required to comply with various statutory requirements in relation to payment of gratuity, minimum wages, employee state insurance and provident fund payments to such employees. Changes in the compensation requirements for our employees may increase ourcosts or otherwise negatively affect our business, results of operations, financial condition and cash flows.

Some of these approvals are granted for a limited duration and are subject to detailed conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. There is no assurance that the approvals and licenses that we require will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would render our operations non-compliant with applicable laws and may subject us to regulatory action by relevant authorities. While our Company have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending in the ordinary course of business.

Our licenses, approvals and accreditations are subject to periodic renewals, various maintenance and compliance requirements and governmental investigations and reviews, which could be time-consuming and may incur substantial expenditure. If our compliance systems and processes are deemed inadequate or fail and such investigations or reviews find any non-compliance or violations, we may suffer brand and reputational harm and become subject to regulatory actions or litigation, which could adversely affect our business, cash flows, operating results or financial position. We may be required to change our business practices, and we may have to pay fines or be subject to other penalties, including the revocation of permits and licenses, and the modification, suspension or discontinuation of our operations. This would impose additional operating costs and capital expenditures on us and adversely affect our reputation.

We, our directors, executive officers and employees, may also face criminal charges. Furthermore, any investigation or legal and regulatory proceedings in connection with alleged violations could result in the imposition of further

financial or other obligations or restrictions on us and generate negative publicity for our business. Changes to existing public policies, laws, regulations, guidelines and licensing requirements could also impose additional compliance costs that may adversely affect our profitability and business. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses.

As we expand our business under the evolving regulatory landscape, there may be additional approvals or licenses that are or become required for our operations. If we fail to obtain or renew any applicable approvals, accreditations, licenses, registrations or consents in a timely manner, or at all, we may not be able to perform certain activities that may be necessary for us, which may affect our business, cash flows or results of operations.

Our ability to function in the lending and financial services industry will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes. Any change to the existing legal or regulatory framework may require us to allocate additional resources to our business, which may increase our regulatory compliance costs and direct management attention, and consequently affect our business, financial condition, results of operations and cash flows. To the extent that we enter new geographies or new product markets, the complexity of our regulatory environment will increase, potentially increasing the cost of compliance and the risk of non-compliance. Further, if the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. If we fail to comply with these requirements, or are interpreted by the regulators as not having complied with these requirements, we may be subject to penalties and compounding proceedings. For further information on laws and regulations applicable to us, see "*Regulations and Policies*" on page 140.

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

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the Master Directions provides for the regulatory framework governing NBFCs pertaining to provisioning for standard assets. The requirement is to make a provision for standard assets at 0.25% of the outstanding.

The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital.

17. **Non-compliance with RBI inspections, or other regulatory compliance requirements by us may have an adverse effect on our business, financial condition or results of operation. Any adverse observations from such regulators could have an adverse effect on our business, financial condition, results of operation and cash flows.**

We may be subject to periodic inspections by the RBI under the Banking Regulation Act and the RBI Act, pursuant to which the RBI issues observations, directions and monitorable action plans, on issues related to various operational risks and regulatory non-compliances.

While we attempt to be in compliance with all regulatory provisions applicable to us, we cannot assure you that the RBI or any other regulatory or statutory authority will not find any deficiencies in future inspections or the RBI will not make observations in the future. In the event that we are unable to comply with the observationsmade or fail to address or satisfactorily address these queries and clarifications in a timely manner or at all, we couldbe subject to regulatory actions and penalties. Imposition of any penalty or adverse finding by the RBI during any future inspection may have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

18. **We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers.**

As at December 31, 2024 and March 31, 2024, 100% and 100%, respectively, of our total loan portfolio is secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the transaction. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic). In the event of default by our customers, we cannot assure you that we will be able to sell our collateral including machinery, stock, equipment or properties provided as security, due to various reasons including, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, stock market downturns, fraudulent transfers by our customers, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets.

In addition, the value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the pedigree of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

Similarly, for some of our loans, equipment's are hypothecated in our favour by our customers as security for the loans provided by us. The value of the equipment however, is subject to depreciation, deterioration, or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such assets. The hypothecated assets, being movable property, may be difficult to locate or seize in the event of any default by our customers.

19. We are subjected to supervision and regulation by the RBI as a NBFC- BL, and changes in RBI's regulations governing us could adversely affect our business.

As a NBFC-BL, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change which may restrict the availment of credit facilities from such banks in the future and which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the Master Directions and SBR Framework, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs.

Even though the RBI, has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

20. We are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business and results of operations.

We are subject to certain legal proceedings including civil suits, statutory and regulatory proceedings, recovery proceedings etc. We incur cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations.

Our Company, our Group Companies and our Subsidiaries are party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations

and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

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

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	2	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
By the Group Companies	Nil	Nil	Nil	Nil	1	58.80
Against the Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

For, further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" on page 164.

21. We have had negative net operating cash flows in the past and may continue to have negative cash flows in the future.

The following table sets forth a summary of our cash flows for the periods indicated:

(₹ in lakh)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net cash flows (used in)/generated from operating activities	1742.42	(3130.66)	(7894.52)	(2939.33)
Net cash flows (used in)/generated from investing activities	(1319.44)	(1305.17)	(191.18)	(302.69)
Net cash flows (used in) /generated from financing activities	(2039.08)	5978.31	8179.73	2966.87

For further details, see "*Financial Information*" on page 153.

Our company is engaged in lending activities. The outflows on account of loans disbursed are classified under operating activities. As the AUM grows, disbursement shall increase resulting in negative cash flow from operating activities.

22. Our business depends on the trust our customers place in us and our brand, and any failure to maintain, protect, enhance and promote such trust would adversely affect our business, financial condition, results of operations and cash flows.

Our business success is closely tied to the trust, satisfaction, and reputation we build with our clients, particularly because we offer financial products and services. If our clients perceive our services as substandard, it could severely damage our reputation and hinder both client retention and new client acquisition. Maintaining and safeguarding

trust in our brand, "PRACHAY," which is registered under our Promoter, Girish Murlidhar Lakhotiya, is essential. This trust could be eroded if we fail to meet quality standards, protect client data adequately, or ensure proper user rights. Shortcomings in areas such as compliance, decision-making, or risk management could also diminish client confidence.

Additionally, given the nature of our work, we face significant legal risks, including potential securities class actions from clients' shareholders or other third parties. These risks are often difficult to predict and may remain undetected for long periods. While we have extensive client indemnities and legal protections in place, they may not fully shield us from exposure, and we could still face considerable legal costs and regulatory consequences. Any major legal or reputational setback could have a serious impact on our financial standing, operations, and long-term growth prospects.

23. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts and our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

We may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for us to hedge against a change or event at a price sufficient to fully protect our assets from the decline in value of the positions anticipated as a result of such change or event. In addition, it may not be possible to hedge against certain changes or events at all. While we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged may result in a poorer overall performance for the group than if we had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the positions being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose the group to additional risk of loss.

Our risk management techniques may not be fully effective in mitigating our risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated.

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

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

Our business processes personal and business data (with our users' consent) and analyses this data. Our privacy policies concerning the collection, use and disclosure of personal and business data (andusers' rights thereto) are consented to by our customers and made accessible for their reference at any point in time.We face risks inherent in

handling and protecting a large volume of data. In particular, we face several challenges relating to data security and privacy, including but not limited to:

i. protecting the data in and hosted on our system, including against attacks on our system by outside parties,data leakage, fraudulent behaviour or improper use by our employees;

ii. addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among our own businesses, with business partners, vendors or regulators), and other factors that may arise from our existing businesses or new businesses and new technology; and

iii. complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants, loss of confidence or trust in the company, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have an adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, we may share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We may also rely on certain third- party service providers in relation to the sourcing of data for potential customers. We may have certain vendors who would provide or enable, *inter alia,* PAN verification with the National Securities Depository Limited ("**NSDL**"), and AadhaarXML download from the Unique Identification Authority of India ("**UIDAI**"). During the course of providing such services, customer data may be accessed. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of the data, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. Further, while no regulatory or legal action has been taken against us in relation to any instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

25. We operate in a highly competitive industry and our inability to compete effectively may adversely affect ourbusiness.

We operate in a highly competitive industry. Given the diversity of our businesses, and the range of products and services that we offer, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, SFBs, HFCs and other NBFCs. Competition across our business lines depends on, among other things, the ongoing evolution of government policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In particular, margins from our commercial real estate loans and other loans businesses are affected in part by our ability to continue to secure low-cost financing and charge optimum interest rates at which we lend to our customers. As a result, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the rates of financing on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. Many of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide, thus affecting our ability to compete with them effectively. In addition to NBFCs, we believe that the competition we face from banks is increasing as more banks are targeting products and services similar to ours.

We cannot assure you that we will be able to react effectively to market developments or compete effectively with new and existing players in the industries in which we operate. Increasing competition may adversely affect our net interest margins, income and market share.

26. We may face damage to our professional reputation and risk legal liability to our clients and affected third parties if our services are not regarded as satisfactory.

All of our businesses depend to a large extent on our relationships with our clients and our reputation for integrity and high calibre professional services to attract and retain clients. As a result, if a client is not satisfied with our services, it may be more damaging to our business than to other businesses.

Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could initiate securities class actions against us. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial period of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant harm to our reputation, which could seriously harm our business prospects.

27. We depend on the services of our management team and employees. Our inability to retain existing members ofour management team and recruit new members for our management team may adversely affect our business.

Our future success depends substantially on the continued service and performance of members of our management team and employees and also upon our ability to manage key issues relating to human resources by hiring, retaining and developing key managerial personnel. Competition in hiring professionals with the necessary experience, reputation and relationships in our industry is intense and we may not be successful in recruiting and retaining the required personnel that perform our critical functions. There can be no assurance that we will not experience any disruptions to our operations due to disputes or other problems with our employees, which may adversely affect our business and results of operations. As of December 31, 2024, we employed 43 employees.

If we cannot hire additional or retain existing management personnel and employees, our ability to expand our business will be impacted and our revenue could be adversely affected. While we have an incentive-based remuneration structure, employee stock option schemes and training and development programs designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

Further, we may have frequent changes in our KMPs. High attrition rates could also have significant impacts on our business continuity. Failure to effectively train and motivate our employees may result in an increase in attrition rates thus affecting our loan origination and collection rates, increasing our exposure to high-risk credit and imposing significant costs on us.

28. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information not detected by our information systems could adversely affect our business and financial performance.

For certain key elements of our credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. Moreover, the availability of accurate and comprehensive credit information on customers in India is relatively less, which reduces our ability to accurately assess the credit risk associated with such lending.

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

In addition, we are subject to the risk of fraudulent activity. Our resources and technologies may be insufficient to accurately detect and prevent fraud. Significant increases in fraudulent activity could negatively impact our

reputation and may render it necessary to take additional steps to reduce fraud risk, which could increase our costs and expenses.

In our loans business, we also face the risk of fraudulent borrowers being issued loans using forged documents. As a result, we also face the risk of defrauded individuals (who have been impersonated by such fraudulent borrowers) filing complaints against us with jurisdictional authorities. While we have implemented and continue to improve measures aimed at detection and prevention of frauds, sales misrepresentations, money laundering and other misconduct by our employees, customers and external parties (including intermediaries), we may not be able to timely detect or prevent such misconduct, which could harm our reputation and have an adverse effect on our business, financial condition, results of operations and prospects.

Though such incidents of fraud have not occurred in the past, we cannot assure you that such incidents of fraud will not occur, and any such occurrences could have an adverse effect on our business, financial condition, results of operations and reputation.

We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on customers in India is limited, which reduces our ability to accurately assess the credit risk associated with such lending.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets. While we are implementing measures aimed at minimising the inaccuracy and incompleteness of information provided by or on behalf of our customers, intermediaries and counterparties, we may not be able to minimise such inaccuracies and incompleteness, which could lead us to evaluate risks incorrectly or lead to regulatory action and have an adverse effect on our business, financial condition, results of operations and prospects, and result in a violation of laws, including anti-money laundering laws.

29. Any failure or significant weakness of our internal controls system could cause operational errors or incidents offraud, which would adversely affect our profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified.

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. Failures or errors in our internal controls systems may lead to transaction errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

30. We may utilise the services of certain third parties for parts of our operations. Any deficiency or interruption in the third parties' services and invocation of indemnity obligations could adversely affect our business and reputation.

We may engage third-party service providers for certain parts of our operations including, *inter alia*, (a) third-party collection and recovery agents, (b) for contractual staffing, managing and facilitating recruitment requirements, (c) to avail financial technology related services, and (d) marketing. Our agreements with such third parties may typically donot provide for any exclusivity, and accordingly, they can work with other companies, including our competitors. In the event any of these third parties were to terminate their contractual relationships with us or fail to provide the agreed services to us for any reason, our business, results of operations and cash flows may be disrupted and we may be held liable legally or suffer reputational damage on account of any deficiency of services on the part of suchservice providers.

If our third-party service providers, or the third-party service providers engaged by us, subject to data breaches which have the effect of any leaks in customer or operational data, mismanagement of the cash flow customer interface, or failure to operate or comply with applicable regulations or governance standards, our business could suffer reputational harm and may be subjected to regulatory actions. Also see, "*Our Business"* on page 103.

We also cannot guarantee that our agents that may interface directly with customers, such as our third-party collection agents, will behave appropriately with our customers despite having in place codes of conduct and other policies. This may expose us to customer complaints to regulatory authorities or legal action by such customers, which would require us to expand resources to resolve and could lead to penalties and generate legal fees. This could also expose us to reputational harm.

31. Our Company depends significantly on the capabilities of our Promoter.

Our Company depends significantly on the financial capabilities of our Promoter, for our products and services, and in the event that our Promoter is unable to provide our Company with the quality or extent of services as per the current levels or is unable to scale its financial capabilities in tune with the growth of our business for any internal or external reasons, it may adversely impact our business and results of operations. Further, in the event that our Promoter is unable to provide services to us at the current levels, or at all, we cannot assure you that we will be able to replace our Promoter with other service providers within the requisite timelines or on terms whichare commercially favourable to us, which may have an impact on our business, financial condition and results of operations.

32. Any non-compliance with mandatory Anti-Money Laundering and Know Your Customer policies could expose us to additional liability and harm our business and reputation.

In accordance with the requirements applicable to us, we are mandated to comply with AML, anti-terrorism laws, KYC and other regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. In the ordinary course of our operations, we run the following risks: (i) risk offailing to comply with the prescribed KYC procedures; (ii) the consequent risk of fraud and money laundering by fraudulent customers; and (iii) risk of assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation. For further details, see "*Key Regulations and Policies*" on page 140.

33. Majority of our loans for our business purposes availed majorly by corporate or non-corporate borrowers, who generally are more likely to be affected by declining economic conditions. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business and financial condition.

Our borrowers are majorly corporates or non-corporates who have availed loans from us for business purposes. Our borrowers are less financially resilient, and as a result, they are typically more adversely affected by declining economic conditions. Furthermore, unlike many developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about our borrowers. It is therefore difficult to carry out precise credit risk analysis on our borrowers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for borrowers will not be required. Failure to maintain sufficient credit assessment policies, could adversely affect our loan portfolio, which could in turn have an adverse effect on our financial condition and results of operations.

34. Our inability to open new branches at correct locations may adversely affect our business.

Our business is dependent on our ability to service and support our customers from proximate locations and thereby giving our customers easy access to our services. Further, it is vital for us to be present in key locations for sourcing business as we depend on these branches to earn revenue. Thus, any inability on our part to open new branches at correct locations may adversely affect our business and results of operations.

35. We derive a significant portion of our revenue from certain business lines, and any decrease in demand for such business lines could reduce our revenues and adversely affect our business, financial condition and results of operations.

For the six months period ended September 30, 2024, Financial Year 2024, 2023 and 2022, our Company's revenue derived from interest on commercial real estate loans was ₹ 2,510.95 lakh, ₹ 4,152.05 lakh, ₹ 3,267.84 lakh and ₹ 2,134.02 lakh, representing 90.96%, 98.01%, 96.97%, and 99.69% of our total income (on a standalone basis), respectively. Accordingly, any downturn in the performance of this business line may result in an adverse change in our business, financial condition, results ofoperations and cash flows.

Note*: Interest on commercial real estate loans includes interest from investment in AIF.*

36. There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

In past we have filed an application under section 441 of Companies Act, 2013 seeking compounding of alleged violation of section 96 of the Companies Act, 2013, whereby the Company failed to conduct annual general meeting within 6 months from the closure of the financial year and there was a gap of more than fifteen months from its last annual general meeting held on May 31, 2022. For further details on penalties imposed on our Company due to delays and non-compliances in relation to secretarial and regulatory filings, see "*Outstanding Litigations*" on page 164. Accordingly, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutoryauthorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

37. Our Company does not maintain any insurance coverage to adequately protect us against any or all hazards, which may adversely affect our business, results of operations, financial condition and cash flows.

We do not maintain insurance coverage for our operations in normal course which may adversely affect our business, results of operations, financial condition and cash flows. We could be exposed to the risk of fraud and other misconduct by employees or customers and from our other business operations. Our Company does not maintain insurance policies to cover any damage or loss suffered by us. A large damage or loss suffered, could adversely affect our business, financial condition and results of operations.

38. Our operations could be adversely affected by strikes or demands by our employees or any other kind of disputeswith our employees.

Although we have not experienced any material employee unrest in the recent past, however we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adverselyaffect our ability to continue our business operations. Any employee unrest directed against us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Such employee actions are difficult or impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

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

39. We are required to comply with the requirements of certain labour laws which may impose additional costs on us.

We might open branches which would be required to be registered under the relevant shops and establishments laws and verifications under Standards of Weights and Measures Act, 1976 of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays, leave and

overtime compensation. If we fail to obtain or retain any of these approvals, exemptions or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any conditions, our certificate of registration may be suspended or cancelled, and we may not be able to carry on such activities.

In addition, our employees are required to be registered under the provisions of certain labour laws such as the Employees' State Insurance Act, 1948, the Maharashtra Shops and Commercial Establishments Act, 1948, the Maharashtra Labour Welfare Fund Act, 1953, and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Our employees are eligible for Payment of Gratuity Act, 1972. We are also required to maintain certain records under the provisions of these laws, which add to our costs. If we are subject to penalties under these labour laws or if we do not obtain the requisite approvals, our business, financial condition and results of operations may be adversely affected.

40. We do not own all our offices, including our Registered Office. Any termination or failure by us to renew the lease and license agreements in a favourable and timely manner, or at all, could adversely affect our business and results of operations.

As on the date of this Prospectus, our registered office is located on leased premises. If the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition, results of operations and cash flows.

41. We have entered into related-party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For details on our related-party transactions, see "*Related Party Transactions*" on page 139. Although all related-party transactions that we may enter into are subject to approval by our Audit Committee, Board or shareholders, and are at arm's length, as required under the Companies Act, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to our interest andwe cannot assure you that such transactions, individually or in aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

42. The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilisation of the Net Proceeds or in the terms of the conditions as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We intend to use the Net Proceeds of the Issue for the purpose of onward lending and financing and repayment of existing loans and borrowings of our Company and general corporate purpose, as described in "Objects of the Issue" on page 62. At this stage, we cannot determine with any certainty if we would require Net Proceeds to fund any other expenditure or any exigencies arising out of changes in our competitive environment, business conditions, economic conditions or other factors beyond our control.

Our funding requirements and deployment of Net Proceeds are based on internal management estimates and current market conditions and have not been appraised by any bank or financial institution or other independent agency. It is subject to amendment due to changes in external circumstances, costs, other financial condition or business strategies. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. The management will have significant flexibility in applying the proceeds received by us from the Issue. Additionally, various risks and uncertainties, including those set forth in this "Risk Factors" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

43. We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds for the purposes described in "*Objects of the Issue*" on page 62 of this Prospectus. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments. Such investments would be in accordance with the investment policies approved by our Board from time to time.

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

The industry and market information contained in this Prospectus includes information that is derived from the industry report titled "NBFC Report" dated November 2024 prepared and issued by CRISIL MI&A. While we believe such information to betrue, we cannot assure you that such information is complete or reliable. Given the scope and extent of the reports, disclosures herein are limited to certain excerpts and the reports have not been reproduced in their entirety in this Prospectus. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Accordingly, investors should read the industry-related disclosure in this Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ from those included in this Prospectus. While these industry sources and publications may takecare and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on or base their investment decision solely on this information.

45. A rise in the general income level of our customers may adversely affect the demand for our loans.

The size of our loans portfolios is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

46. We continue to be controlled by our Promoter and it will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoter will always favour our best interest.

Our Promoter holds directly and indirectly 90.00% of our outstanding Equity Shares as on December 31, 2024. Our Promoter exercises significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising theircontrol, our Promoter could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

47. This Prospectus contains certain Non-GAAP measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.

This Prospectus may include certain non-GAAP measures, including, *inter alia*, Net Worth, AUM, Total Debts to total assets, Bad debts to Loans ratio, Gross NPA (%), Net NPA (%) CRAR% etc which are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. We consider these non-GAAP measures useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies inthe industry for computing such measures, and those non-GAAP measures we included in this Prospectus may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarlytitled measures differently, limiting their usefulness as comparative measures to our data. We encourage investorsand others to review our financial information in its entirety and not rely on a single financial measure.

Risks relating to the Issue and the NCDs

48. Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

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

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

50. Credit ratings may not reflect all risks. Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.

The NCDs proposed to be issued under the Issue have been rated "Crisil BBB-/ Stable" (pronounced as CRISIL triple B minus rating with stable outlook) by CRISIL for an amount of up to ₹ 25,000 lakh by way of its letter dated January 24, 2025 and press release for rating rationale dated January 24, 2025. Credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed here, and other factors that may affect the value of the NCDs. Further, Crisil Ratings Limited vide their rating letter dated January 24, 2025 reaffirmed the rating of our long-term bank loans of ₹ 6,100 lakh as "BBB-/ Stable" (pronounced as CRISIL triple B minus rating with stable outlook).

The rating provided by Crisil Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement of financing

arrangements. As per the terms and conditions of the existing financing arrangement, on downgrade of our credit ratings the loans / credit facilities availed by us can be recalled by the lenders at their sole discretion. For details regarding ratings received by our Company, please refer to "*Our Business - Credit Ratings*" on page 120 and "Annexure II" on page 285.

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

Substantially all of our Company's current assets represented by the receivables are being used to secure our Company's debt. As of December 31, 2024, our Company's secured borrowings was ₹ 21,776.64 lakh (including debt securities). While the security on our NCDs is pari passu as of the date of this Prospectus, the terms of the NCDs do not prevent our Company from incurring additional debt subject to maintenance of minimum-security cover. In the event that we incur additional debt in the future, which is secured against our assets, the NCDs will rank *pari passu* to the future indebtedness and other secured liabilities and obligations of our Company.

52. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

53. The Issuer is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

54. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% security cover for the NCDs at the time of allotment of NCDs, which shall have pari passu charge along with other secured borrowings of the Company in the form of bank loans, NCD's issued through private placement etc. Any decrease in assets provided as security in future might result in Company not meeting the security cover stipulated as per the respective term sheet. This can adversely affect ability of our Company to meet its payment obligations. Further, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs.

While the debenture is secured against a charge to the tune of 100% of the principal and interest amount in favour of debenture trustee, and it is the duty of the debenture trustee to monitor that the security is maintained, however, the possibility of recovery of 100.00% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

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

56. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In theevent of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

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

57. Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.

Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is not required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. While the Security provided for the Issue is not classified as 'assets' under section 281 of the IT Act, in the event there are any proceedings against our Company prior to the creation of the security, and in the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will bevoid as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of such proceedings.

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

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

59. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen.

60. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other secured creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation.

61. The liquidity for the NCDs in the secondary market is very low and it may remain so in the future and the price of the NCDs may be volatile.

The Issue will be a new public issue of NCDs for our Company and the liquidity in NCDs at present is very low in the secondary market. Although an application has been made to list the NCDs on BSE, there can be no assurance that liquidity for the NCDs will improve, and if liquidity for the NCDs were to improve, there is no obligation on us to maintain the secondary market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence

market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

62. In case of outstanding debt instruments, deposits, or borrowings, any default in compliance with the material covenants could expose you to significant risks. These covenants may include the creation of security as per the agreed terms, default in payment of interest, default in redemption or repayment, and default in payment of penal interest wherever applicable.

Our ability to comply with these covenants is subject to various factors including our financial condition, profitability, and the general economic conditions in India and in the global financial markets. In accordance with the terms and conditions **of** the outstanding debt instruments, deposits, or borrowings, any failure to comply with the material covenants could lead to significant risks. These covenants may include the creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, and default in payment of penal interest, among others.

While our Company shall take all necessary steps to comply with these covenants within the timelines prescribed under the agreements and the applicable law, there could be a failure or delay in compliance due to unforeseen circumstances. Any such default could lead to penalties, legal actions, or even trigger a default on other obligations under cross-default provisions which may adversely affect our business, results of operations, financial condition and cash flows. There is no assurance that the Company will be able to avoid such defaults, and any such event could expose you to significant financial and legal risks. It is important for investors to understand these risks and consider them when making their investment decisions.

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

While facts and other statistics in this Prospectus relating to India, the Indian economy have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 66. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

EXTERNAL RISKS

64. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and all of our assets and employees are located in India. As a result, the performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by central or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

i. increase in interest rates may adversely affect our access to capital and increase our borrowing costs, whichmay constrain our ability to grow our business and operate profitably;

ii. political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

iii. change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;

iv. India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years;

v. contagious diseases such as the COVID-19 pandemic, the pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. Any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Consumer confidence, consumer spending, unemployment and overall economic growth rates are among the main factors that often impact the demand for credit. Poor economic conditions and regulatory forbearances or relaxations tend to adversely affect our end-customers' ability and willingness to repay the amounts borrowed, thus increasing delinquencies, charge-offs and provisions for credit losses, and decreasing recoveries. While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition. Further, the global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favourable than that of recent years. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the fluctuations in the stock markets in the global stock markets on account of geopolitical tensions or other events, could also have a negative impact on the Indian economy. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

65. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

66. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and health and education cess on the tax and the surcharge.

The central or state government may in the future increase the corporate income tax or surcharge/cess it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations and profitability.

67. We may be affected by competition law in India and any adverse application or interpretation of the CompetitionAct could in turn adversely affect our business.

The Competition Act, 2002 (the "**Competition Act**") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert

between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

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

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

69. If the rate of inflation in India increases, our business and results of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased interest rates and increased costs to our business, including finance costs as well as costs of salaries and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit demand and growth. Consequently, we may also be affected and fall short of business growth and profitability.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future. As a result, high inflation in India could have a material adverse effect on our financial condition and results of operations.

70. Our ability to raise foreign debt capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms. In addition, we cannot assure you that any required regulatory approvalsfor borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

71. Investors may have difficulty in enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. All of our directors and executive officers are residents of India. All of our assets are currently located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against us or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment

has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want ofjurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature ofany amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty anddoes not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court inIndia. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in Indian. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

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

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

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated on February 7, 2017, as Pracaya Financial Services Private Limited, as a private limited Company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Further on March 27, 2019, the name of our Company was changed to Prachay Capital Private Limited, following the issuance of a fresh certificate of incorporation by the Registrar of Companies, Pune.

Subsequently on June 27, 2024, a special resolution was passed at the general meeting of our shareholders, whereby our Company was converted into a public limited Company. A fresh certificate of incorporation was issued by the Registrar of Companies, Central Processing Centre (ROC-CPC), on September 4, 2024, and the name of our Company was changed to Prachay Capital Limited.

NBFC Registration

Our Company obtained a certificate of registration from the Reserve Bank of India (RBI) dated August 11, 2017, bearing registration number N-13.02198, allowing us to carry out activities as a Non-Banking Financial Company (NBFC) without accepting public deposits under Section 45IA of the RBI Act, 1934. Subsequently, upon the change of name from Pracaya Financial Services Private Limited to Prachay Capital Private Limited, a new certificate of registration was issued on May 7, 2019 in lieu of original certificate. Following the conversion to a Public Limited Company, we received a fresh certificate of registration in the name of Prachay Capital Limited on October 7, 2024.

Registration

The registration number and corporate identity number of our Company are as follows:

- **Company Registration Number:** 168737
- **Corporate Identification Number**: U65900PN2017PLC168737
- **Permanent Account Number**: AAICP9544R
- **RBI Registration Number**: N-13.02198
- **Legal Entity Identifier**: 984500B96EB0FBU9A680

Registrar of Companies, Pune at Maharashtra

PCNTDA Green Building,
Block A, 1st & 2nd Floor,
Near Akurdi Railway Station, Akurdi,
Pune – 411 044, Maharashtra, India.
Tel: +91 20 2553 0042
Email: roc.pune@mca.gov.in
Website: www.mca.gov.in

Liability of the members of the Company - Limited by shares

Registered Office

Office No 1401/1402, 14th Floor,
Next Gen Avenue, Wing B, CTS No 2850,
S No 103, Bahiratwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune – 411016, Maharashtra, India.
Tel: +91 20 2553 2224
Tel: +91 98224 00036
Email: info@prachay.com
Website: www.prachay.com

For further details regarding changes to our Registered Office, see "*History and Certain Other Corporate Matters*" on page 122.

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Prospectus:

Name	Designation	DIN	Address
Girish Murlidhar Lakhotiya	Managing Director	02699138	D 2002, T4, Castel Royale Towers, S.No. 86 To 90 Pune University, Bopodi, Near Joshi Gate, Range Hill, Pune – 411 020, Maharashtra
Roshan Rajendra Sancheti	Executive Director	07707109	Flat No. 504, J Building, Shanti Nagar Society, Gangadham Katraj Road, Near VITT Hostel, Pune, Maharashtra – 411048
Divya Raizada	Executive Director	10432172	Plot No. 2, Aashirwad Building, Shivaji Housing Society Bahiratwadi, Shivajinagar, Senapati Bapat Road Pune, Maharashtra 411016
Nilesh Rameshchandraji Saboo	Non-Executive Independent Director	07078878	Flat No. A1706, Monte Rosa, Tushar Builders & BKP Infra, Sr. No.19/C, Sinhagad Rd, Hingne Chowk, Pune -411 051, Maharashtra
Archna Rastogi	Non-Executive Independent Director	10673171	Row House No. 15, Hermes Heritage, Phase 1 Shastri Nagar, Near Sahyadri Hospital, Pune – 411 006, Maharashtra
Vinita Bhattacharjee	Additional Non-Executive Independent Director	10871076	Unit No.503, Tower 16, Lodha Belmondo Off Mumbai Pune Expressway Gahunje – 412 101, Maharashtra.

For further details of Directors of our Company, please see "*Our Management*" on page 125.

Chief Financial Officer

Ankur Purushottam Agrawal
Office No 1401/1402, 14th Floor,
Next Gen Avenue, Wing B, CTS No 2850,
S No 103, Bahiratwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune – 411016, Maharashtra, India.
Email: accounts@prachay.com
Tel: +91 20 2553 2224

Company Secretary and Compliance Officer

Sonal Gupta
Office No 1401/1402, 14th Floor,
Next Gen Avenue, Wing B, CTS No 2850,
S No 103, Bahiratwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune – 411016, Maharashtra, India.
E-mail: cs@prachay.com
Tel: +91 20 2553 2224

Lead Manager to the Issue

Galactico Corporate Services Limited
68, Business Bay Premises,
Shri Hari Kute Marg, Tidke Colony,
Nashik – 422002, Maharashtra, India.
Tel: +91 25 3295 2456

Email: info@galacticocorp.com
Investor Grievance e-mail: investorgrievance@galacticocorp.com
Website: www.galacticocorp.com
Contact Person: Vishal Sancheti
SEBI Registration Number: INM000012519
CIN: L74110MH2015PLC265578

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right), Kothrud,
Pune – 411 038, Maharashtra.
Tel: +91 22 4922 0555
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi, Managing Director
SEBI Registration No.: IND000000034
CIN: U74999PN1997PLC110262

Registrar to the Issue

KFin Technologies Limited
Selenium, Tower-B,
Plot No – 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi – 500 032,
Telangana, India
Tel: +91 40 6716 2222/ 18003094001
Fax: +91 40 6716 1563
Email: prachay.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M.Murali Krishna
Compliance Officer: Manju Anand
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post Issue related grievances such as non-receipt of Allotment Advice, demat credit of allotted NCDs or refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPIID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

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

Form was submitted by the ASBA Applicant.

All grievances relating to ASBA process where the Application is submitted to a Member of Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of Syndicate and the relevant SCSB.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism (app based/web interface platform) of the Stock Exchange, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

Credit Rating Agency

CRISIL Ratings Limited
CRISIL House,
Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076
Tel: + 91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Ajit Velonie
SEBI Registration No: IN/CRA/001/1999

Credit Rating

The NCDs proposed to be issued pursuant to this Issue have been rated BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) by CRISIL for an amount of up to ₹ 10,000 lakh by way of its letter dated January 24, 2025 and press release for rating rationale dated January 24, 2025. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and such securities carry moderate credit risk.

Our Company has also obtained "CARE BBB-; Stable" ratings by CARE Ratings Limited in respect of non-convertible debentures for an amount of up to ₹25,000 lakh. The "CARE BBB-; Stable" ratings by CARE Ratings Limited have not been accepted by the Company.

Disclaimer clause of CRISIL Ratings

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

Legal Counsel to the Issue

Khaitan & Co

One World Centre
13th& 10th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6636 5000

Statutory Auditors

Shah Khandelwal Jain & Associates
Chartered Accountants,
Level 3, Riverside Business Bay, Wellesley Road,
Near RTO, Pune – 411001, Maharashtra, India
E-mail: ashish.khandelwal@skj.ican.in
Website: www.skjican.com
Telephone: +91 20 6721 5500
Contact Person: Ashish Khandelwal
Firm Registration No.: 142740W

Banker to our Company

AU Small Finance Bank Limited
Nandadeep Ground Floor FC, Road Pune -411004
Tel: +91 7030919621
Contact Person: Vivek Dilip Patil
Email: pune@aubank.in
Website: www.aubank.in
CIN: L36911RJ1996PLC011381

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank

HDFC Bank Limited
Lodha - I Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai - 400042
Tel: +91 2230752929 / +91 2230752928 / +91 2230752914
Fax: +91 2225799801
Email: Siddharth.jadhav@hdfcbank.com, Sachin.gawade@hdfcbank.com, Eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com
Contact Person: Siddharth Jadhav/Sachin Gawade/ Eric Bacha /Tushar Gavankar/ Pravin Teli
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Syndicate Member

Prachay Securities Private Limited
1401/1402, 14th Floor, NextGen Avenue,
Wing B, CTS No. 2850, S No. 103, Bahiratwadi,
Near ICC Tower, Senapati Bapat Road,
Model Colony, Pune,
Maharashtra, India, 411016
Contact Person: Anuj Kulkarni
Telephone: +91 2025532224

Email: director@prachay.com
Website: www.bondsmart.com
SEBI Registration Number: INZ000322839

Impersonation

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

"Any person who:

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

shall be liable for action under Section 447"

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

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

Syndicate SCSB Branches

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

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI NCS master circular, UPI Investors making an Application in the Issue using the UPI Mechanism,may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in, as updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at http://www.bseindia.com, for CRTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

Arrangers/Guarantor to the Issue

There are no arrangers/guarantor to the Issue.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue size. If our Company does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 3,750 lakh prior to the Issue Closing Date, the entire subscription amount blocked shall be unblocked in the respective ASBA Accounts of each Applicant, within eight working days from the date of closure of the Issue, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amountshall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15% (fifteen percent) per annum for the delayed period.

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

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled "Master Circular for Debenture Trustees" dated May 16, 2024 and as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Consents

Consents in writing of Directors of our Company, Company Secretary and Compliance Officer, Statutory Auditors, Legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, Bankers to our Company, Public Issue Account Bank, Sponsor Bank, Refund Bank and the Debenture Trustee to act in their respective capacities, have been obtained and will be filed along with a copy of this Prospectus with the RoC as may be required under Section 26 of the Companies Act, 2013. Further such consents shall not be withdrawn up to the time of delivery of this Prospectus with the RoC.

Inter-se allocation of Responsibility

The following table sets forth the responsibilities for various activities by the Lead Manager:

No.	Activities	Responsibility
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of the Offering Document and memorandum containing salient Features of the Issue Document. (The Merchant Banker(s) shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange(s), RoC and SEBI including finalisation of Offering Document and RoC filing).	Galactico
2.	Co-ordination with Auditors on Auditor Deliverables and co-ordination with lawyers for legal opinion	Galactico
3.	Structuring of various issuance NCDs with relative components and formalities etc.	Galactico
4.	Drafting and approval of all publicity material including statutory advertisement, application form, corporate advertisement, brochure, etc.	Galactico
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Debenture Trustee, Lead Brokers Advertising Agency and Banker(s) to the Issue	Galactico
6.	Preparation of road show presentation and FAQs.	Galactico
7.	Marketing Strategy for Investor(s)	Galactico
8.	Coordination with the Stock Exchange for the bidding software	Galactico
9.	Finalisation of refund stationery items including refund order, allotment & refund advice, letter of allotment, etc.,	Galactico
10.	Coordination with Registrar and Bankers to the Issue (including the Sponsor Bank) for management of Public Issue Account, and daily collection figures under different categories, for collection certificate, finalisation of Basis of Allotment with Designated Stock Exchange and allotment resolution.	Galactico
11.	Post Issue activities for the Issue involving essential follow up steps, which include refund money, dispatch of allotment and refund advices, demat credit of bonds, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue. Coordination with the Registrar and Stock Exchange (s) for completion of listing and trading. Redressal of investor grievances in relation to post issue activities.	Galactico

Underwriting

This Issue is not underwritten.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds, please refer to "*Objects of the Issue*" on page 62.

Issue Programme

Issue Opens on	Friday, February 28, 2025
Issue Closes on	Thursday, March 13, 2025[#]
Pay in Date	Application Date. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The date on which the Board or the Liabilities Management Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

[#] *This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing this Prospectus with ROC) as may be decided by the Board of Directors of our Company or Liabilities Management Committee and subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue*

advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 189.

*Applications Forms for the Issue will be accepted only from 10:00 am to 5:00 pm (Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 am to 3:00 pm and uploaded until 5:00 pm (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 pm on one Working Day after the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 pm (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither the Issuer, nor the Lead manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to *failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription and thereafter, if any, where the Allotment will be proportionate in accordance with SEBI NCS Master Circular.*

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our Authorised, Issued, Subscribed and Paid-up share capital and securities premium account as on December 31, 2024:

Sr. No.	Particulars	Amount in (₹)
A.	**AUTHORIZED SHARE CAPITAL**	
	2,80,00,000 Equity Shares of face value of ₹ 10 each	28,00,00,000
	20,00,000 Preference Shares of face value of ₹ 10 each	2,00,00,000
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	2,16,50,000 Equity Shares of face value of ₹ 10 each at par	21,65,00,000
	0 Preference Shares of ₹ 10 each at par	-
C.	**SECURITIES PREMIUM ACCOUNT**	13,45,00,000

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

1. Details of change in authorised share capital of our Company for the last three financial years and current financial year up to December 31, 2024:

Except as disclosed below, there have been no changes in the authorised share capital of our Company since last three financial years and current year as on December 31, 2024.

S. No.	Date of Shareholders' meeting	AGM/ EGM	Particulars
1.	October 25, 2021	EGM	Reclassification of Authorized Share Capital from ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores Only) Equity Shares of ₹ 10/- (Rupees Ten Only) to ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into ₹ 28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crores and Eighty Lakh Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each and ₹ 2,00,00,000/- (Rupees Two Crores Only) divide into 20,00,000 (Twenty Lakh Only) Preference Shares of ₹ 10/- (Rupees Ten Only) each.

2. Share capital history of our Company for the last three financial years and current financial year

The history of the paid-up Equity Share capital of our Company for the last three financial years and current financial year, is set forth below:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share capital (in ₹)	Equity Shares Premium (in ₹)
October 18, 2022	8,50,000[(1)]	10	60	Cash	Rights Issue	2,08,50,000	20,85,00,000.00	4,25,00,000
July 27, 2023	8,00,000[(2)]	10	125	Cash	Rights Issue	2,16,50,000	21,65,00,000.00	13,45,00,000

[(1)] Allotment of 8,50,000 Equity Shares on right issue basis to Rahul Rathi, as enlisted in the return of allotment filed.

[(2)] Allotment of 8,00,000 Equity Shares on right issue basis to Priya Nahar and Shruti Nahar, as enlisted in the return of allotment filed.

3. Issue of Equity Shares for consideration other than cash for the preceding three financial years and current financial year.

Our Company has not issued any Equity Shares for consideration other than cash.

4. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on December 31, 2024

Category (I)	Category of shareholder (II)	Number of shares holders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid- up Equity Shares held (V)	Total number ofEquity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B)	Number of Voting Rights held in each class of securities (IX)				Number of Equity shares underlying outstandingconvertible securities (including warrants) (X)	Shareholding,as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B)	Number oflocked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
							Number of Voting Rights			Total as a % of (A+B)			No (a)	As a % of total Shares held(b)	No (a)	As a % of total Shares held (b)	
							Class (Equity Share)	Class (Other)	Total								
(A)	Promoter and PromoterGroup	2	1,95,08,312	Nil	1,95,08,312	90.10	1,95,08,312	Nil	1,95,08,312	90.10	Nil	90.10	Nil	Nil	Nil	Nil	1,95,08,312
(B)	Public	7	21,41,688	-	21,41,688	9.90	21,41,688	-	21,41,688	9.90	Nil	9.90	Nil	Nil	NA	NA	21,41,688
(C)	Non Promoter – Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil
(C1)	Shares Underlying DRs	Nil	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil
	Total	9	2,16,50,000	Nil	2,16,50,000	100.00	2,16,50,000	Nil	2,16,50,000	100.00	Nil	100.00	Nil	Nil	NA	NA	2,16,50,000

5. List of top 10 Equity Shareholders of our Company as on December 31, 2024:

S. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares in demat form	Total shareholding as a percent of total number of Equity Shares (in %)
1.	Girish Murlidhar Lakhotiya	1,71,59,870	1,71,59,870	79.26
2.	Prachay Advisors Private Limited	23,48,442	23,48,442	10.85
3.	Rahul Ramkumar Rathi	8,50,000	8,50,000	3.93
4.	Shruti Sunil Nahar	4,00,000	4,00,000	1.85
5.	Priya Sunil Nahar	4,00,000	4,00,000	1.85
6.	Roshan Rajendra Sancheti	3,11,688	3,11,688	1.44
7.	Abhinandan Ravindra Sakla	60,000	60,000	0.28
8.	Makarand S Savagaonkar	60,000	60,000	0.28
9.	Sunil Popatlal Nahar	60,000	60,000	0.28
	Total	**2,16,50,000**	**2,16,50,000**	**100.00**

6. List of top ten holders of secured privately placed non-convertible debentures of our Company as on December 31, 2024 (on cumulative basis):

S. No.	Name of the holders	Category of holder	Face value of holding (Amount in ₹)	Holding as a % of total outstanding non-convertible securities of the issuer
1	Raviraj Creative Associates	Association of Person	10,00,00,000	6.08%
2	Shamkant Jagannath Shende	Individual	10,00,00,000	6.08%
3	Arun Town Spaces Private Limited	Private Limited Company	10,00,00,000	6.08%
4	Abhijeet Gokul Kotkar	Individual	10,00,00,000	6.08%
5	Tejal Diggikar	Individual	7,50,00,000	4.56%
6	Eminence Equipments Private Limited	Private Limited Company	7,00,00,000	4.26%
7	BM Addon Services	Partnership Firm	6,00,00,000	3.65%
8	R P Enterprises	Individual	5,62,00,000	3.42%
9	93 Avenue Condominium	Body of Individuals	5,55,00,000	3.37%
10	Baner Life Spaces LLP	Limited Liability Partnership	5,00,00,000	3.04%

7. List of top 10 holders of commercial paper as on December 31, 2024 in terms of value (on cumulative basis):

As on December 31, 2024 our Company has not issued any commercial papers.

8. Statement of Capitalization

Statement of capitalization on a consolidated basis as on September 30, 2024:

Particulars	As on September 30, 2024	
	Pre- Issue	Post- Issue[#]
Debt		
Debt Securities	15,039.50	25,039.50
Borrowings (other than Debt Securities)	5,840.62	5,840.62
Subordinated Liabilities	-	-
Total Debts	**20,880.12**	**30,880.12**
Equity		
Equity Share Capital	2,165.00	2,165.00
Other Equity		
Securities Premium	1,345.00	1,345.00
Retained Earnings	3,484.90	3,484.90
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	962.50	962.50
Capital Redemption Reserve	7.10	7.10

Particulars	As on September 30, 2024	
	Pre- Issue	Post- Issue#
Employees Stock Options Reserve	48.18	48.18
Non-controlling Interest	103.43	103.43
Less: Unamortized expenses of Public Issues, term loans, and other prepaid expenses	8.19	8.19
Less: Employees Stock Options Reserve	48.18	48.18
Less: Deferred Tax Assets	88.76	88.76
Less: Intangible Assets	60.16	60.16
Less: Goodwill on consolidation	70.70	70.70
Total Equity	**7840.12**	**7840.12**
Debt/Equity	**2.66**	**3.94**

** The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000 lakh from the Issue and does not include contingent and off balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.*

Statement of capitalization on a standalone basis as on September 30, 2024:

Particulars	As on September 30, 2024	
	Pre- Issue	Post- Issue#
Debt		
Debt Securities	15,039.50	25,039.50
Borrowings (other than Debt Securities)	5,875.62	5,875.62
Subordinated Liabilities	-	-
Total Debts	**20,915.12**	**30,915.12**
Equity		
Equity Share Capital	2,165.00	2,165.00
Other Equity		
Securities Premium	1,345.00	1,345.00
Retained Earnings	3,461.62	3,461.62
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	912.14	912.14
Capital Redemption Reserve	7.10	7.10
Employees Stock Options Reserve	48.18	48.18
Less: Unamortized expenses of Public Issues, term loans, and other prepaid expenses	8.19	8.19
Less: Employees Stock Options Reserve	48.18	48.18
Less: Deferred Tax Assets	88.23	88.23
Less: Intangible Assets	60.16	60.16
Total Equity	**7,734.28**	**7,734.28**
Debt/Equity	**2.70**	**4.00**

** The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000.00 lakh from the Issue and does not include contingent and off balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.*

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

Except for 8,50,000 Equity Shares acquired by Prachay Advisors Private Limited, no Promoter, Promoter Group, our Directors/or their relatives and the directors of our Promoter has purchased or sold Securities of our Company and our Subsidiary Company within six months immediately preceding the date of filing of this Prospectus.

For details on the total outstanding debt of our Company, please refer to "*Financial Indebtedness*" on page 155.

10. Details of any acquisition or amalgamation in the last one year

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

11. Details of any reorganization or reconstruction in the last one year

Our Company has not made any reorganization/reconstruction in the last one year prior to the date of this Prospectus.

12. Details of debt securities that were issued at a premium or a discount by the Company

Our Company does not have any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

13. Details of pledge or encumbrance of equity shares held by Promoter and Promoter Group

Except for 7,25,000 Equity Shares which are held by Prachay Advisors Private Limited, as disclosed below, no Equity Shares held by our Promoter and Promoter group are pledged or encumbered otherwise.

Sr. No.	Name of the Trustee	Name of the Issuer	No. of equity Shares pledged	Nature of Facility	Amount Sanctioned (₹ in lakh)	Amount Outstanding (₹ in lakh)
1.	Catalyst Trusteeship Limited	Prachay Advisors Private Limited	7,25,000	Optionally Redeemable Convertible securities	10.00	10.00
	TOTAL		**7,25,000**		**10.00**	**10.00**

14. As on the date of this Prospectus, 2,16,50,000 Equity Shares of our Company are in dematerialised form.

15. Employee Stock Option Scheme

The details of our ESOP Schemes as on the date of this Prospectus are set forth below:

Prachay Capital Limited Employees Stock Option Plan 2023

The Issuer instituted the Prachay Capital Limited Employees Stock Option Plan 2023 ("ESOP 2023") pursuant to a special resolution dated April 11, 2023. Under ESOP 2023, the Issuer can grant employee stock options exercisable into not more than 10,42,500 Equity Shares of ₹ 10 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2023 and is approved by the Board of Directors.

The options granted shall vest on the eligible employees of the Issuer, as determined in accordance with ESOP 2023, within a period of not less than 12 months and not more than 60 months from the date of grant, as mentioned in the ESOP Plan, with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

Please refer below for the details of ESOP 2023 as on December 31, 2024:

Sr. No.	Particulars	Number of ESOPs
1	Stock options granted	3,69,635
2	Stock options vested	Nil
3	Stock options exercised	Nil
4	Total number of shares arising out of exercise of Stock options	Nil
5	Stock options lapsed during the FY 2023-24	21,820
6	Stock options outstanding	3,47,815
7	Exercise price (In ₹)	125.00

OBJECTS OF THE ISSUE

Our Company has filed this Prospectus for a public issue of listed, rated, secured, redeemable, non-convertible debentures of face value of ₹1,000 each ("NCDs") for an amount up to ₹ 5,000 lakh ("Base Issue Size") with an option to retain over subscription up to ₹ 5,000 lakh ("Green Shoe Option"), aggregating up to ₹ 10,000 lakh ("Issue Size" or "Issue Limit").

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

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

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

Description	Estimated Amount (₹ in lakh)
Gross proceeds of the Issue	Up to 10,000[#]
Less: Issue related expenses*	Up to 341.89
Net Proceeds	Up to 9,670.81

[#]Assuming the issue is fully subscribed and our Company retains over-subscription.
**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of Funds and Utilization of Net Proceeds

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

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	i. For the purpose of onward lending [Note 1] ii. For the purpose of investments in current and future AIF schemes of our alternate asset management business managed by our Subsidiary Prachay Investment Managers Private Limited, which investments will be used for investments in unlisted privately placed corporate bonds. iii. For the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company [Note 2]	At least 75%
2.	General corporate purposes [Note 3]	Maximum up to 25%
	Total	**100%**

Note 1*:* Onward lending includes funding to individuals, LLP and corporates and investment in non-convertible debentures of other companies.

Note 2: The outstanding borrowings proposed to be repaid / pre-paid by the Company are inter-corporate deposits and non-convertible debentures. For more details on relevant borrowings of the Company please refer to section titled "*Financial Indebtedness*" on page 155.

Note 3: The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds, in compliance with the SEBI NCS Regulations.

Our funding requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above *(Requirement of Funds and Utilization of Net Proceeds)* are based on internal management assessments of current and expected sectoral and market conditions, which are subject to change in the future. However, the deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. We may

have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business and growth strategy and other external factors in the business eco-system such as changes in market conditions, regulatory climate, competitive environment, etc which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws.

Issue related expenses break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, and intermediaries as provided for in the SEBI master circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expenses directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue are as follows.

Particulars	Estimates expenses (₹ in lakh)*	As percentage of Issue proceeds (in %)*	As percentage of total expenses of the Issue (in %)
Lead managers fees	17.50	0.18%	5.12%
Underwriting commission	Not Applicable	Not Applicable	Not Applicable
Brokerage, selling commission and upload fees	200.00	2.00%	58.50%
Fee Payable to the registrar to the issue	1.62	0.02%	0.47%
Others			
Fees payable to Credit Rating Agency	34.53	0.35%	10.10%
Fees payable to the legal advisors	33.00	0.33%	9.65%
Advertising and marketing expenses	26.05	0.26%	7.62%
Fees payable to the regulators including stock exchange.	13.95	0.14%	4.08%
Expenses incurred on printing and distribution of issue stationary	5.00	0.05%	1.46%
Any other fees, commission or payments under whatever nomenclature.	10.25	0.10%	3.00%
Grand Total	**341.89**	**3.42%**	**100%**

**Assuming the issue is fully subscribed and our Company retains oversubscription up to ₹ 5,000 lakh.*

Note: 1) Issue related expenses disclosed above are exclusive of GST as applicable on such expenses. Our Company shall claim input tax credit for the expenses.
2) In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

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

Our Company shall pay processing fees to the SCSBs for Application forms procured by the Designated Intermediaries and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10 per Application Form procured (plus other applicable taxes). However, it is clarified that in case of Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

Our Company shall pay to the Sponsor Bank ₹ 8 per valid block of application amount (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

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

Summary of the project appraisal report

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

Schedule of implementation of the project

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

Monitoring and reporting of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilization of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant Financial Year commencing from Fiscal 2025, the utilization of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, shall submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible debentures, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Interim use of proceeds

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

Variation in terms of contract or objects in this Prospectus

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

Other Confirmations

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

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect).

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

Benefit / interest accruing to our Promoter/Directors out of the object of the Issue

We propose to utilize the proceeds of the issue towards onward lending, financing and for repayment of interest and principal of our existing borrowings. Our Company has provided certain loans in the form of inter corporate deposits to such borrowers where one or more of our Promoter or Directors may also be a director. For further details in relation to the other directorships of our Promoter and Directors, please see "*Our Management*" on page 125. Further, for details of loans availed in the form of inter corporate deposits by such companies, please see "*Related Party Transactions*" and "*Financial Statements*" beginning on page 139 and 153, respectively. Except to the extent that the proceeds of the Issue are utilized to lend to such borrowers except our Group Companies, neither our Promoter nor our Directors of our Company are interested in the Objects of this Issue.

Utilization of the proceeds of the Issue

a. All monies received out of the Issue of NCDs shall be credited/transferred to a separate bank account maintained with Public Issue Account Bank as referred to in Section 40 of the Companies Act, 2013.

b. Details of all monies utilized out of Issue referred to in sub-item (a) shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilized.

c. Details of all unutilized monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

d. The details of all utilised and unutilised monies out of the monies collected in the previous issue made by way of public issue shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.

e. We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Prospectus, creation of security, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue Size being ₹3,750 lakh.

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

The Issue Proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The Information under this section has been derived from various sources and multiple industry reports in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead manager, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Prospectus.

An overview of the Indian economy

Navigating Global Headwind

While the global economy faces headwinds, India is poised to continue its growth

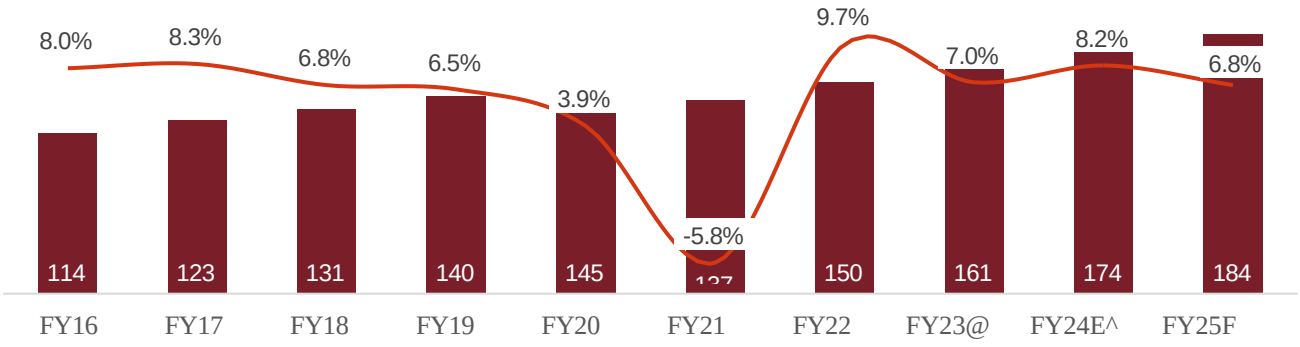
Despite grappling with the formidable challenges of Covid-19, geopolitical conflicts, and climate change, the Indian economy has demonstrated notable resilience and exceeded growth expectations. Amid a global slowdown, tighter monetary conditions, and high inflation, India has achieved a higher economic growth rate compared to many of its peers. This success is attributable to strong domestic consumption, lower dependence on global demand, and continued resistance to external headwinds. Optimism prevails as the rural economy shows signs of recovery, while strong growth in manufacturing, robust bank balance sheets, increased credit growth, and high-value manufacturing bolster India's underlying growth potential.

India's gross domestic product (GDP) exceeded expectations yet again. According to the National Statistics Office (NSO)'s second advance estimates (SAE), real GDP accelerated to 8.2% on-year in fiscal 2024 from 7.6% in fiscal 2023. Growth of the past two quarters were revised up (fourth quarter was revised to 7.8% from 5.9%, and third quarter to 8.6% from 8.4%).

After a strong GDP print in the past three fiscals, GDP grew at 6.7% on year in first quarter of fiscal 2025. The print was a deceleration vs the fourth quarter of fiscal 2024, which saw the economy expand at 7.8%. The nominal GDP moderated as well to 9.7% from 9.9% in last quarter of fiscal 2024 but was higher than 8.5% in the year ago quarter.

CRISIL MI&A Research expects the GDP growth to moderate to 6.8% this fiscal after a higher of 8.2% last year, weighted down by high interest rates and low fiscal impulse. Last year's laggards – agriculture and consumption – are poised to rise. Rural demand is expected to drive consumption.

The Indian economy will take support from domestic structural reforms and cyclical levers and can retain and even improve its growth prospects. This can be done by continuing to build infrastructure both digital and physical and undertaking growth- enhancing reforms aimed at improving the ease of doing business. Amid global risks, this can also allow India to grasp opportunities from diversifying global supply chains.





Note: F: Forecast, @:1st Revised Estimate, ^: Provisional Estimate
Source: National Statistical Office (NSO), CRISIL MI&A Research

In the near term gradually the government of India will start receding its capex, and expectations the pass on being taken up by the private sector. Some sectors have already been picked up by the private capex such as electronics, EVs and green transition accounted for 16% of incremental capex in fiscals 2023 and 2024.

Macroeconomic outlook

Macro variable	FY23	FY24	FY25F	Rationale for outlook
Real GDP (%, y-o-y)	7.0	8.2^	6.8	High interest rates and lower fiscal impulse (from reduction in fiscal deficit to 5.1% of GDP) will temper domestic demand. Net indirect tax impact on GDP is expected to normalise this fiscal. Uneven growth in key trade partners will restrict healthy export recovery. But budgetary support to capex and rural incomes will support growth.
Consumer price index (CPI)-based inflation (%, y-o-y)	6.7	5.4	4.6	Soft commodity prices and healthier farm output should help moderate inflation. A non-inflationary budget that focuses on asset creation rather than direct cash support bodes well for core inflation and hence monetary policy
Current account balance/ GDP (%)	-2.0	-0.7	-1.0	Softer crude oil prices and moderation in domestic growth will keep trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances will keep the current account deficit (CAD) in check
Rs/$ (March end)	82.3	83.0	84.0	Narrower CAD and healthy foreign portfolio flow into debt amid a favourable domestic macro environment will support the rupee
Fiscal deficit (% of GDP)	6.4	5.6	4.9	Continued pursuit of fiscal consolidation aided by moderation in revenue spending and robust tax collections will reduce the fiscal deficit and lead to lower government borrowings from the market
10-year G-sec yield (fiscal-end, %)	7.4	7.1	6.7	Lower gross market borrowings will reduce the pressure on yields. Lower inflation and expected rate cuts by the MPC will create downside pressure on yields. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt

*^National Statistical Office (NSO) third advance estimate; *FY24 and FY25 numbers are government's revised and budget estimates*
Note: F - forecast
Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

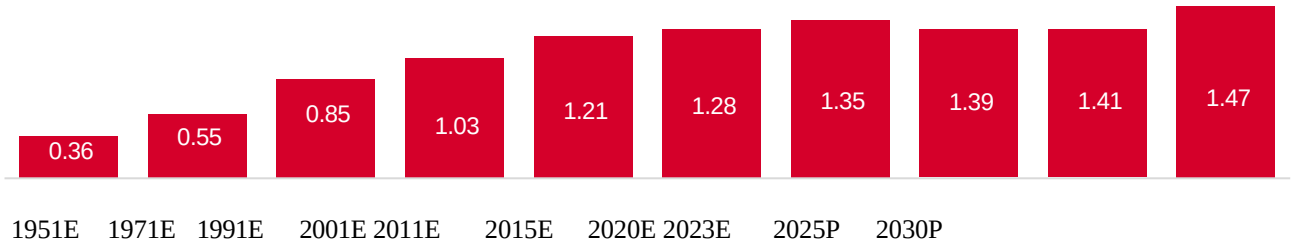
A young and growing India: Demographic trends shaping the economy

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that the decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective. Additionally, as per United Nations Department of Economic and Social Affairs, India has overtaken China as the world's most populous country in April 2023.

India's population growth trajectory (billion)

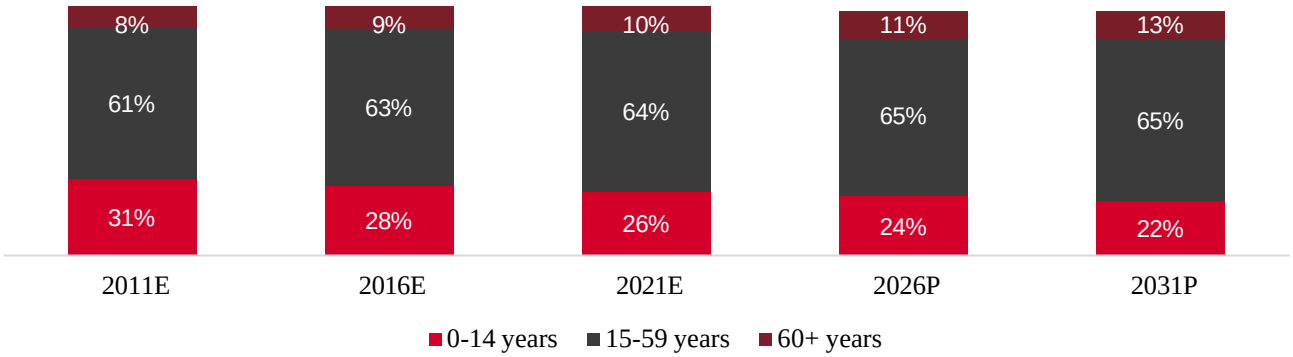


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



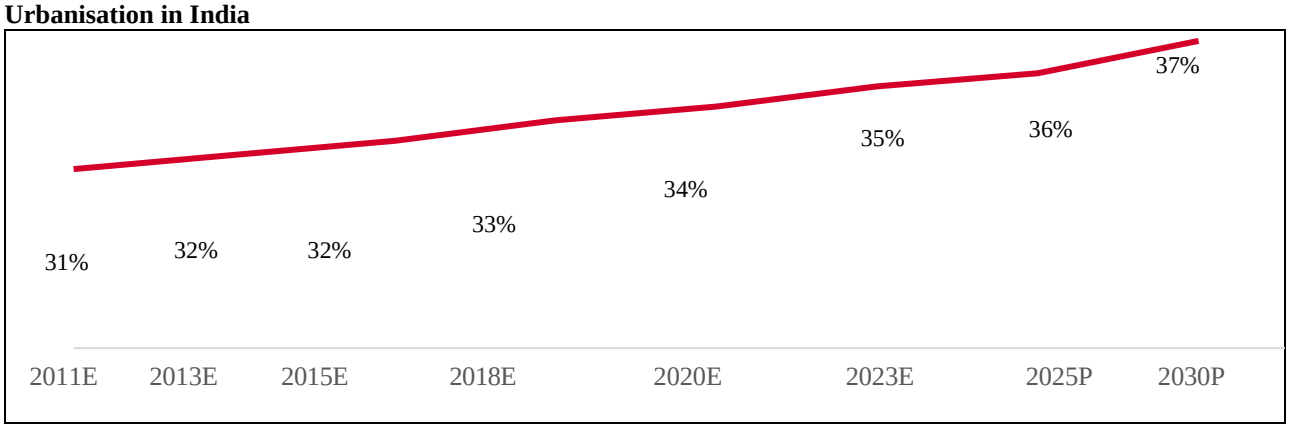
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 36% by 2025 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



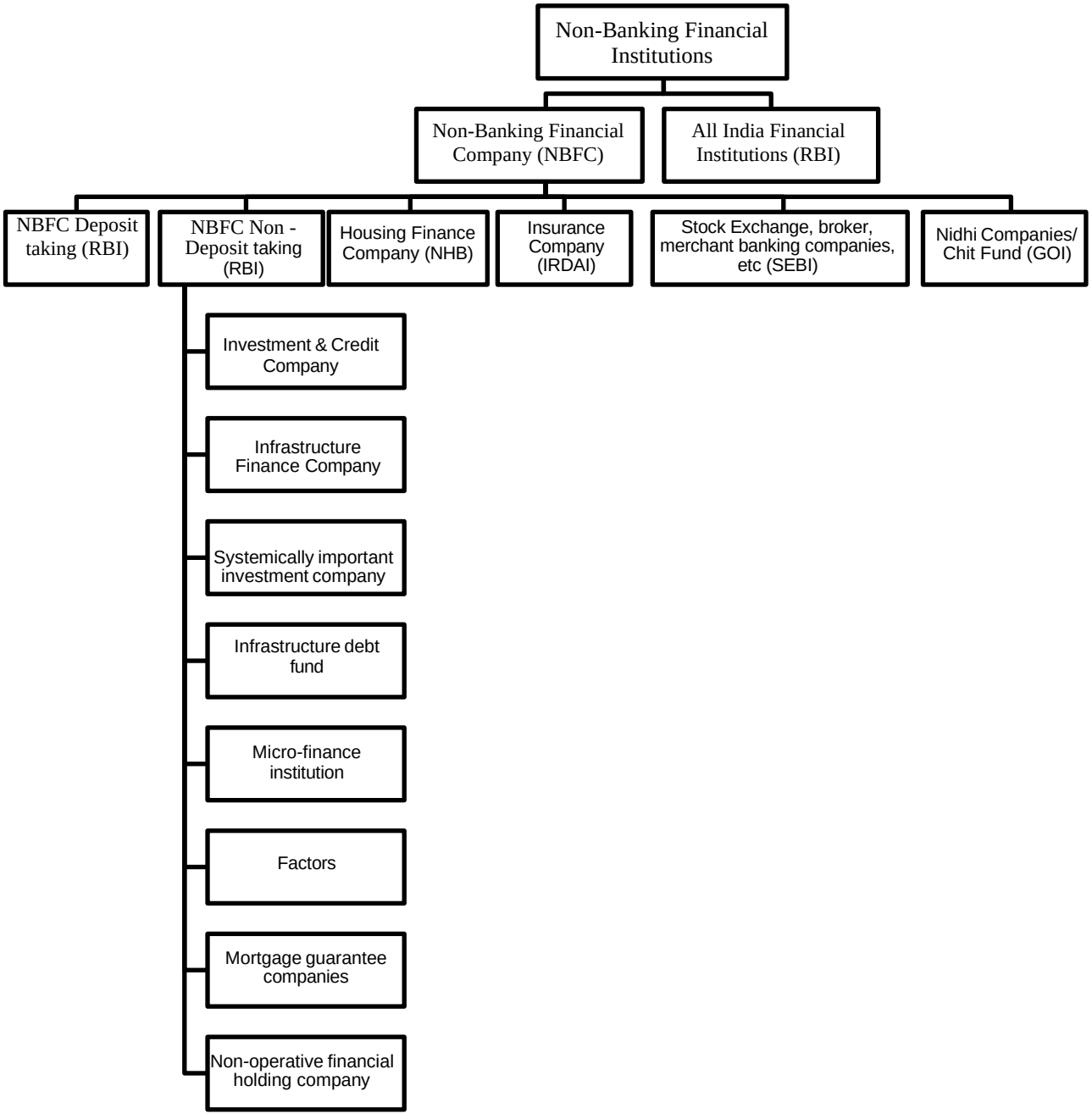
NBFCs industry overview

NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions.

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

Structure of non-banking financial institutions in India



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial

Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL MI&A Research

Classification of NBFCs

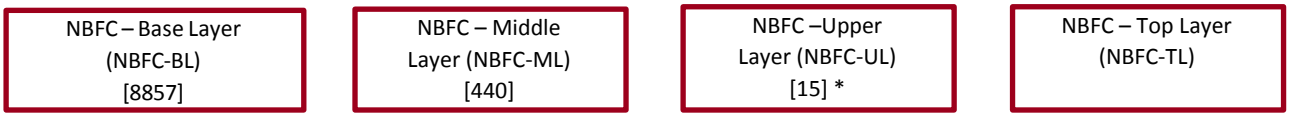
NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021 introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL)

Scale based classification of NBFCs

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

Classification on the basis of scale-based regulation



Note: Data in [bracket] represents the number of NBFCs as of June 2024.
**The data for Upper Layer NBFCs includes HFCs, as per circular dated September 2023. Source: RBI, CRISIL MI&A Research*

Base Layer – NBFC – BL shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

Upper Layer – NBFC – UL shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer – NBFC – TL shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

Other regulatory changes under Scale Based Regulations

Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to Rs 10 cr timelines for change in NOF for above mentioned NBFCs is as follows.

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC – ICC	Rs 2 crore	Rs 5 crore	Rs 10 crore
NBFC – MFI	Rs 5 crore (Rs 2 crore in NE region)	Rs 7 crore (Rs 5 crore in NE region)	Rs 10 crore
NBFC – Factors	Rs 5 crore	Rs 7 crore	Rs 10 crore

NPA classification: NPA classification norms stands changed to the overdue period of more than 90 days for all categories of NBFCs, timelines to adhere change for NBFC – BL to 90 days NPA norm is as follows.

NPA norms	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
>90 days overdue	By March 31, 2026

Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

Ceiling on IPO Funding – RBI prescribed ceiling of Rs 1 crore per borrower for financing subscriptions to IPO. NBFCs can fix more conservative limits. This regulation shall come into effect from April 01, 2022.

Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories:

(a) deposit-taking; and
(b) non-deposit taking.

Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.

Activity-based classification

As per the RBI circular dated February 22, 2019, the central bank merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC)

1. **Investment and credit company – (NBFC-ICC):** An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. **Infrastructure finance company (IFC):** An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans and has minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. **Infrastructure debt fund (IDF-NBFC):** An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

4. **Micro-finance institution (NBFC-MFI)**: An NBFC-MFI is a non-deposit-taking NBFC with not less than 75% of its assets in qualifying assets, which satisfy the following criteria:

    - NBFC MFIs can disburse loans to borrowers with household annual income not exceeding Rs 300,000. The household shall mean an individual family unit, i.e., husband, wife and their unmarried children.
    - All collateral-free loans will be considered as qualifying assets. Such loans will include all non-collateral loans irrespective of end use and mode of application/ processing/ disbursal.
    - The loan shall not be linked with a lien on the deposit account of the borrower.

5. **Factors (NBFC-Factors)**: An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

6. **Mortgage guarantee companies (MGC)**: An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is at least Rs 100 crore.

7. **Non-operative financial holding company (NOFHC):** An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

8. **Account Aggregators (NBFC-AA):** NBFC Account Aggregator is a financial entity which functions as the Account Aggregator for the customers of NBFC. NBFC-AA accumulates and provides information concerning multiple accounts which are held by the customers in various NBFC entities.

9. **Peer to Peer Lending (NBFC-P2P):** NBFC –Peer to Peer Lending platform (NBFC-P2P) is a type of Non-Banking Financial Company which carries on the business of providing services of Loan facilitation to willing lenders and borrowers through online platform.

Prompt corrective action framework

NBFCs have been growing in size and now have substantial interconnectedness with other segments of the financial system. Accordingly, in October 2022, the RBI made effective a prompt corrective action (PCA) framework to further strengthen the supervisory tools applicable to NBFCs. The objective of the framework is to enable supervisory intervention at the appropriate time.

It requires the supervised entity to initiate and implement remedial measures in a timely manner to restore its financial health. It does not preclude the central bank from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the framework.

The PCA framework applies to all NBFC-Ds and all NBFC-NDs in the middle, upper and top layers, identified under the new SBR. It excludes NBFCs not accepting/ not intending to accept public funds, government companies, primary dealers and HFCs.

The risk thresholds when breached that may result in invocation of PCA are:

For NBFC-Ds and NBFC-NDs (excluding CICs):

Indicator	Risk threshold 1	Risk threshold 2	Risk threshold 3
CRAR	Up to 300 bps below the regulatory minimum CRAR (currently, CRAR <15% but ≥12%)	More than 300 bps, but up to 600 bps below regulatory minimum CRAR (currently, CRAR <12% but ≥9%)	More than 600 bps below regulatory minimum CRAR (currently, CRAR <9%)
Tier 1 capital ratio	Up to 200 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <10% but ≥8%)	More than 200 bps, but up to 400 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <8% but ≥6%)	More than 400 bps below the regulatory minimum tier 1 capital ratio [currently, tier 1 capital ratio <6%]
NNPA ratio (including NPIs)	>6% but ≤ 9%	>9% but ≤12%	>12%

Source: RBI

For CICs

Indicator	Risk threshold 1	Risk threshold 2	Risk threshold 3
Adjusted net worth (ANW) / aggregate risk weighted asset (RWA)	Up to 600 bps below the regulatory minimum ANW/ RWA (currently, NW/RWA <30% but ≥24%)	More than 600 bps, but up to 1200 bps below regulatory minimum ANW/ RWA (currently, ANW/RWA <24% but ≥18%)	More than 1200 bps below regulatory minimum ANW/ RWA (currently, NW/RWA <18%)
Leverage ratio	≥2.5 times but <3 times	≥ 3 times but <3.5 times	≥3.5 times
NNPA ratio (including	>6% but ≤ 9%	>9% but ≤12%	

Indicator	Risk threshold 1	Risk threshold 2	Risk threshold 3
NPIs)			

Source: RBI

Credit concentration norms

RBI, in its April 19, 2022, guidelines on Large Exposure Framework for Non-Banking Financial Company – Upper Layer (NBFC-UL), permits exposures to the original counterparty to be offset with certain credit risk transfer instruments. These include instruments such as cash margin/caution money/security deposit against which the right to set off is available, held as collateral against the advances, and government guaranteed claims (0% risk weight for central and 20% for state government for CRAR computation) However, this was exclusive to NBFC-UL.

In a move towards standardisation, the RBI has extended this provision to NBFCs in the middle and base layers. This harmonisation levels the playing field for all NBFCs across layers.

Out of 9,306 RBI-registered NBFCs (excluding HFCs), only 9 falls under the NBFC-UL category, while the majority are in the middle and base layers.

Regulatory measures towards consumer credit and bank credit to NBFCs

In November 2023, RBI announced measures to address concerns over unsecured loans by increasing the risk weight on such loans by 25 % for all lenders and bank loans to NBFCs. This move follows the RBI's earlier cautionary stance on the rapid growth of consumer credit and the increasing reliance of NBFCs on bank borrowings.

The RBI had been warning banks and non-banks to strengthen their internal surveillance mechanisms, identify potential risks, and implement safeguards to mitigate them. After monitoring the situation for several months, the RBI decided to increase the risk weights on consumer credit exposure of banks and NBFCs from 100% to 125%.

The increased risk weights will apply to commercial banks' consumer credit exposure, including personal loans, but excluding housing loans, education loans, vehicle loans, and loans secured by gold and gold jewelry. Similarly, NBFCs' retail loans, excluding housing loans, education loans, vehicle loans, loans against gold jewelry, and microfinance/SHG loans, will also attract a 125% risk weight. Credit card receivables of scheduled commercial banks (SCBs) and NBFCs will now carry a risk weight of 150% and 125%, respectively.

Furthermore, the RBI has increased the risk weights on SCBs' exposures to NBFCs, excluding core investment companies, by 25 percentage points, where the existing risk weight is below 100%. Loans to Housing Finance Companies (HFCs) and priority sector-eligible loans to NBFCs will be exempt from this increase.

Segment	Old risk weight	New risk weight
Consumer credit exposure – Banks & NBFCs	100%	125%
Credit card receivables – Banks	125%	150%
Credit card receivables – NBFCs	100%	125%
Bank credit to NBFCs	Increase by 25% where extant risk weight is below 100%	

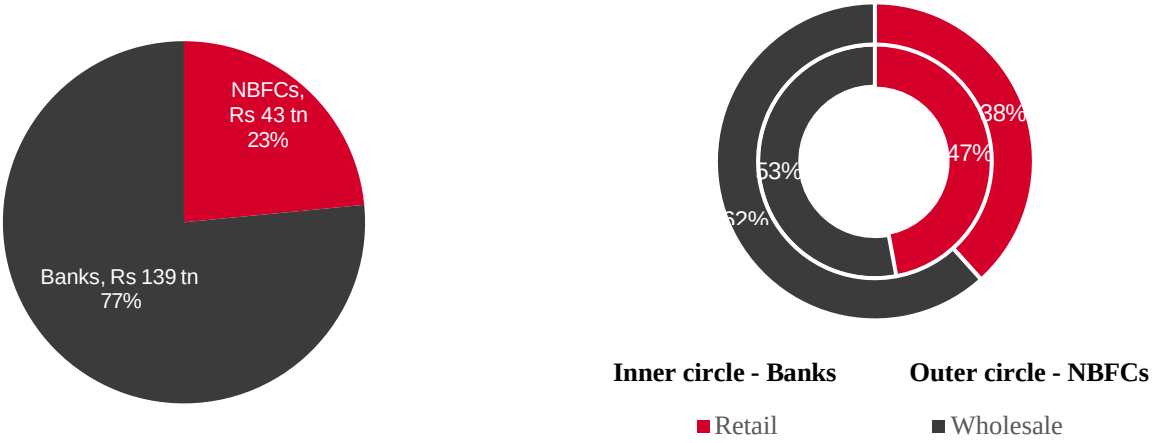
In addition to these measures, the RBI has directed regulatory entities to review their sectoral exposure limits for consumer credit and establish board-approved limits for various sub-segments, including unsecured consumer credit exposures. These limits will be strictly monitored by the Risk Management Committee on an ongoing basis as part of prudent risk management practices.

The move by RBI on increase in risk weights will result in higher capital requirements for the lender translating into higher lending cost for borrowers. Entities with exposure to consumer loans will accelerate their incremental capital raising plans to augment their capital buffers. A spike in borrowing costs and capital raising activities concentrated to larger entities will provide impetus for securitisation and co-lending.

Credit growth faces temporary turbulence amid challenges in managing unsecured credit

Wholesale credit continues to dominate lending

Outstanding book by lender category (FY24) Outstanding exposure (FY24)

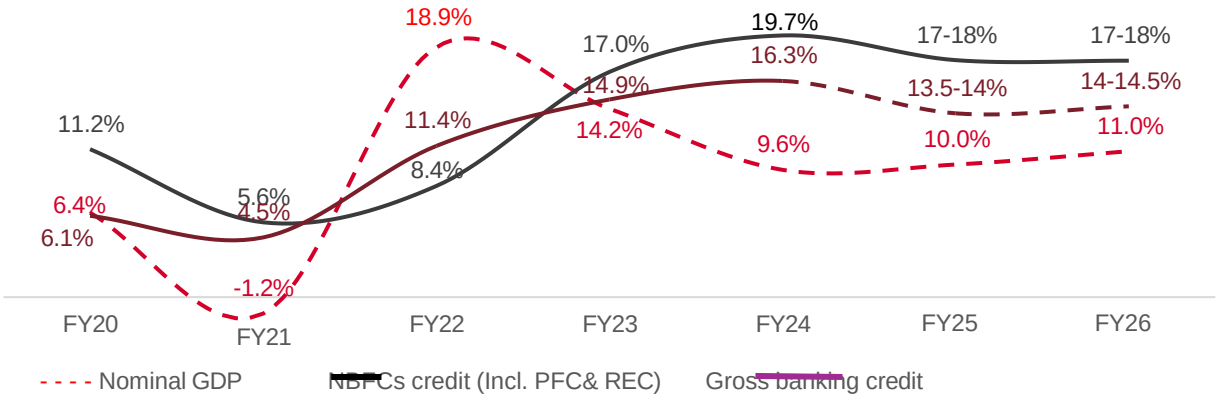


Note: 1. The above representation of bank credit is exclusive of agriculture credit
1. Numbers in the presentation are adjusted for HDFC merger, with booked moved to banks for like-for-like comparison Source: RBI, company reports, CRISIL MI&A Research

The financing market, including banks (excluding agriculture credit) and NBFCs/HFCs, stood at Rs 182 trillion as of March 2024. Banks dominated the market with a Rs 139 trillion share and NBFCs accounted for the remaining Rs 43 trillion. While wholesale lending is a major segment for both banks and NBFCs, the share of loans of NBFCs/HFCs—excluding two major government infrastructure finance companies—tilted towards retail at 61%.

Momentum in credit growth continued in fiscal 2024, fuelled by the key retail segments of vehicle and personal loans and microfinance and housing finance. On the wholesale front, segments such as MSMEs and infrastructure financing drove growth. In fiscal 2023, there was a resurgence in credit growth, mirroring pre-pandemic trends. This marked a turnaround from the slower growth witnessed in fiscals 2021 and 2022 due to pandemic-related disruptions. Notably, non-banking finance companies' credit grew at a healthy CAGR of 13% between fiscals 2020 and 2024.

Credit growth: Banks to trail NBFCs as deposit growth remains sluggish



P - Projected
Note: Historical credit growth numbers adjusted for the merger of HDFC Ltd with HDFC Bank for fair comparison
Source: Reserve Bank of India (RBI), National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

India's real gross domestic product (GDP) has exceeded forecasts, expanding at 8.2% in fiscal 2024. While growth is expected to moderate to 6.8% this fiscal, it will still outpace the pre-pandemic decadal average of 6.7%, solidifying India's position as the fastest-growing major economy.

The Reserve Bank of India (RBI) has maintained status quo on interest rates since February 2023, citing slower cooling of inflation and a strong growth trajectory. Its cautious approach differs from the monetary policy stance of other major global central banks that have initiated rate cuts. The RBI's decision is driven by its concerns over elevated food prices,

which have persisted for over a year, and the potential impact of geopolitical tensions and surging global commodity prices on inflation.

In its latest meeting in October 2024, the RBI's Monetary Policy Committee (MPC) changed its stance from accommodative to neutral, owing to the progress on disinflation and a favourable monsoon. The decision provides the MPC with the flexibility to respond swiftly to any unexpected setbacks in the disinflation process, particularly those triggered by external factors.

CRISIL MI&A Research expects a rate cut by the RBI during the second half of this fiscal, driven by expectations of easing food inflation following a bountiful monsoon and a rebound in consumption this fiscal year, fuelled by strengthening rural demand.

Performance of NBFCs to remain healthy in fiscals 2025 and 2026

NBFCs' credit grew 19.7% on-year in fiscal 2024, but the momentum is expected to moderate, with a projected expansion of 17-18% in fiscals 2025 and 2026 amid short-term headwinds. Retail segments will continue to drive credit growth, although the unsecured lending segment is likely to normalise from an elevated base. Meanwhile, the RBI's vigilant oversight and recent risk weight circular will temper growth in unsecured portfolios, ensuring a more measured pace of expansion. On the other hand, wholesale credit is expected to grow faster, supported by momentum in infrastructure finance NBFCs and MSME lending.

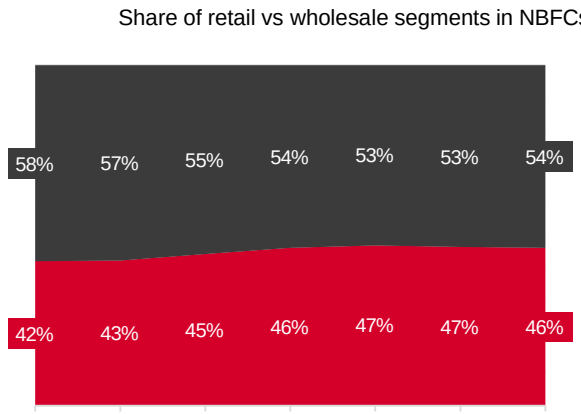
The retail segment was driven by strong growth in vehicle, personal and housing loans and microfinance in fiscal 2024, while on the wholesale front, MSMEs and infrastructure finance, particularly power finance companies, led the way with high double-digit growth rates.

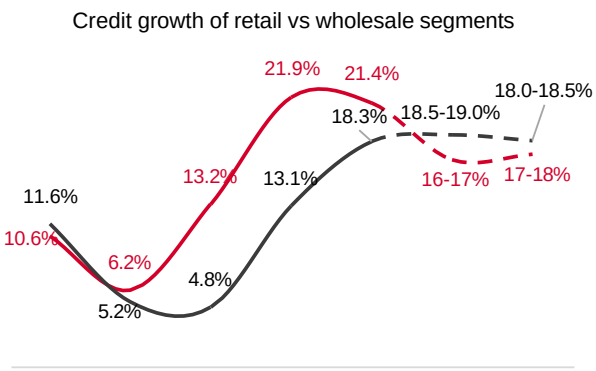
Lending to MSMEs has gained traction over the past three fiscals, with NBFCs' increasing focus on unsecured business loans amid higher competition from banks in the traditional segments.

Also, consolidation within certain corporate groups and other corporate activities indicate buoyancy among NBFCs and expectations of good credit conditions, albeit with a pinch of caution. The entry of a new player in the retail space is expected to intensify competition in the fiscals to come.

Asset quality continued to show a declining trend in fiscal 2024, with gold and personal loans being the exception. However, some stress in collections has been witnessed in unsecured lending segments such as microfinance and personal loans since December 2023. This was also visible from the declining collection efficiencies of MFIs in securitised pools. The buoyant growth since fiscal 2022 is in sharp contrast to fiscal 2021, when the Covid-19 pandemic brought economic activity to a sudden halt and slowed demand for credit, impacted by funding challenges. But banks benefitted in this milieu and used their surplus liquidity to gain market share in a few key segments. In fiscal 2022, the economy began to reopen, and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities—this drove credit growth in most segments.

Recovery in wholesale lending and a steady retail segment to aid short-term credit growth





P — Projected Notes:
1) Retail includes housing, auto, gold, microfinance, personal, consumer durables and education loans

2) *Wholesale includes MSME, real estate and large corporate, infrastructure and construction equipment loans Source: Industry, CRISIL MI&A Research*

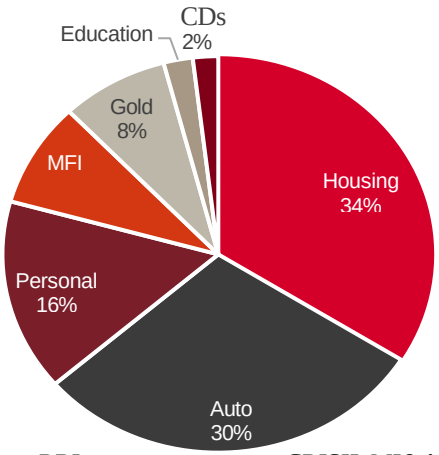
Strong credit growth momentum over the last two fiscals has driven up the share of the retail segment in the lending mix by 100 bps to 47% in fiscal 2024. Going forward, the growth trend is expected to moderate owing to a cautious approach to unsecured lending and visible stress in the unsecured book, especially the microfinance and personal loan segments. The microfinance and personal segments have seen higher slippages in stage 1 loans in the first quarter of fiscal 2025 due to overleveraging of customers and the impact of elections. The share of the retail and wholesale segments is expected to be steady at 47% and 53%, respectively, in fiscal 2025, and 46% and 54%, respectively, in fiscal 2026.

Over the past two fiscal years, the retail segment has experienced robust credit growth of over 20%. However, CRISIL expects the pace to moderate to 16-17% in fiscal 2025 and 17-18% in fiscal 2026. In contrast, wholesale credit growth has been strong, with an 18.3% increase in fiscal 2024, and the segment is projected to continue growing at 18.5-19.0% in fiscal 2025 and 18.0- 18.5% in fiscal 2026. The slowdown in retail growth is attributed to the normalisation of unsecured segments that had previously experienced rapid growth—the normalisation followed RBI's risk weight circular. Meanwhile, the wholesale segment is expected to benefit from improvements in underlying asset quality and focused investment in infrastructure.

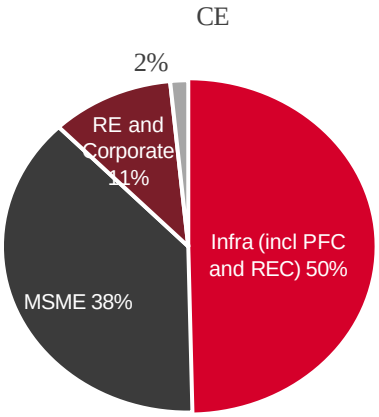
Post the NBFC crisis of fiscal 2018, the retail segment had led the NBFC sector's growth, while the wholesale segment posted low single-digit growth between fiscals 2020 and 2022. In fiscal 2023, the retail segment grew a sharp 22% and wholesale lending expanded 14%. While credit growth in the retail segment was broad-based, the MSME segment drove growth in the wholesale segment, supported by steady growth in infrastructure financing on a high base.

Break-up of retail and wholesale NBFC credit in fiscal 2024

Retail credit

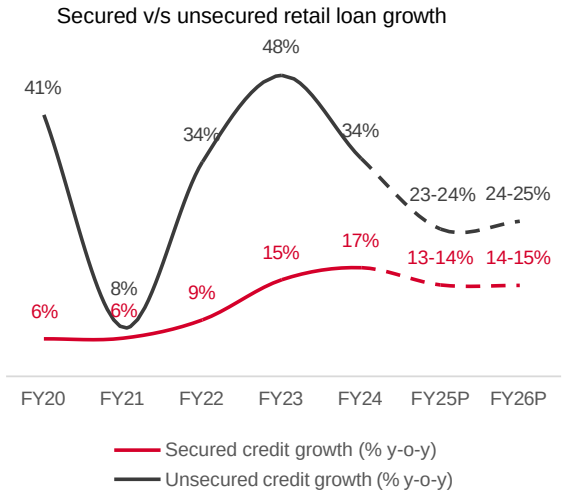


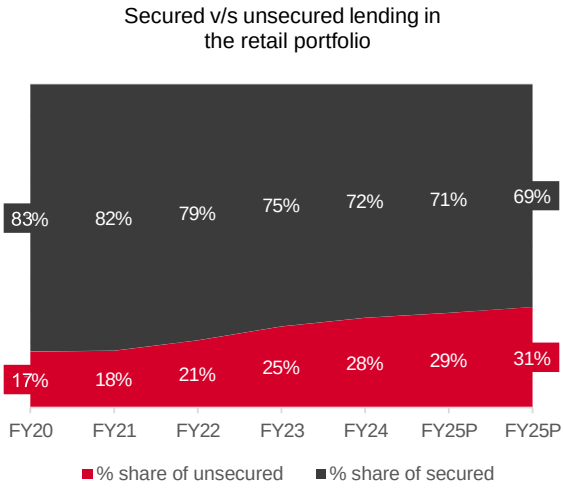
Wholesale credit



Source: RBI, company reports, CRISIL MI&A Research

Unsecured credit growth to normalise on regulatory efforts, trend above secured lending Secured segment to lose further ground





P – Projected
Note: For calculation of unsecured retail loans given by NBFCs, segments such as personal, microfinance and consumer durables loans, and a share of education loans are considered.
Source: RBI, NHB, MFIN, CRISIL MI&A Research

The retail portfolio of NBFCs stood at Rs 20 trillion as of March 2024. Within the space, the unsecured portion expanded from 17% in fiscal 2020 to 28% in fiscal 2024. The RBI circular acted as a catalyst against this backdrop of rapid growth in unsecured lending by NBFCs and banks and its underlying risks.

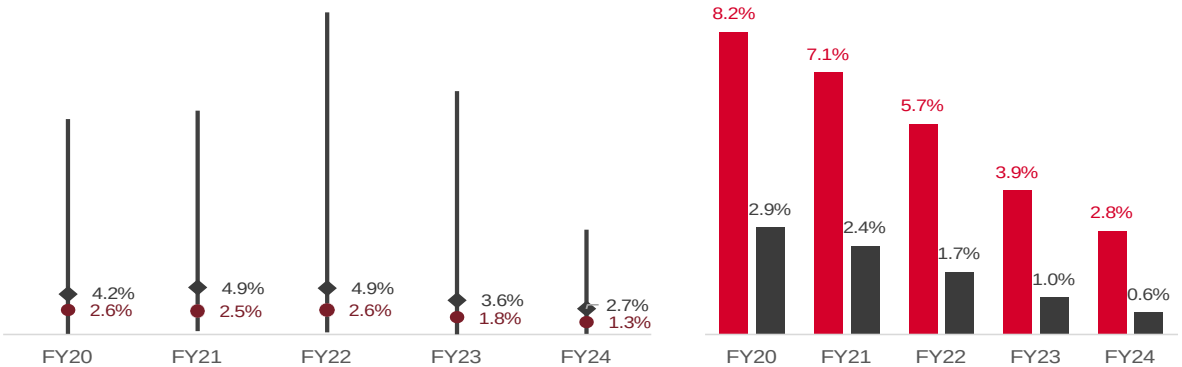
Higher inflation, along with stagnant income, could cramp the borrower's repayment capability. Overleveraging at the borrower's end could also augment asset quality vulnerability. This is further exacerbated in unsecured lending, where there is no recourse to collateral and, hence, the loss given default is high. Following RBI's circular, lenders are required to keep higher capital buffers against such exposures. The impact of the circular was visible in the second half of fiscal 2024, with reduced growth in the unsecured segment. CRISIL MI&A Research expects the growth to moderate to 23-24% in fiscal 2025 and to 24-25% in fiscal 2026.

Between fiscals 2021 and 2024, i.e. the post-pandemic period, the secured segment logged 14% CAGR, surpassing pre-pandemic growth of 8%. In contrast, the unsecured segment clocked a staggering 38% CAGR as NBFCs expanded their reach by targeting the new-to-credit customer segment and focusing on Tier 2 and lower-tier cities.

A decadal low savings rate of Indian households of 5.1% owing to rising financial liabilities indicates a debt-driven consumption-led post-pandemic recovery. The emergence of fintech companies (fintechs) has played a key role in driving the growth of the unsecured segment. Fintechs have been at the forefront of innovative lending practices, often catering to segments that traditional financial institutions might not reach.

Asset quality to remain rangebound in key NBFC segments

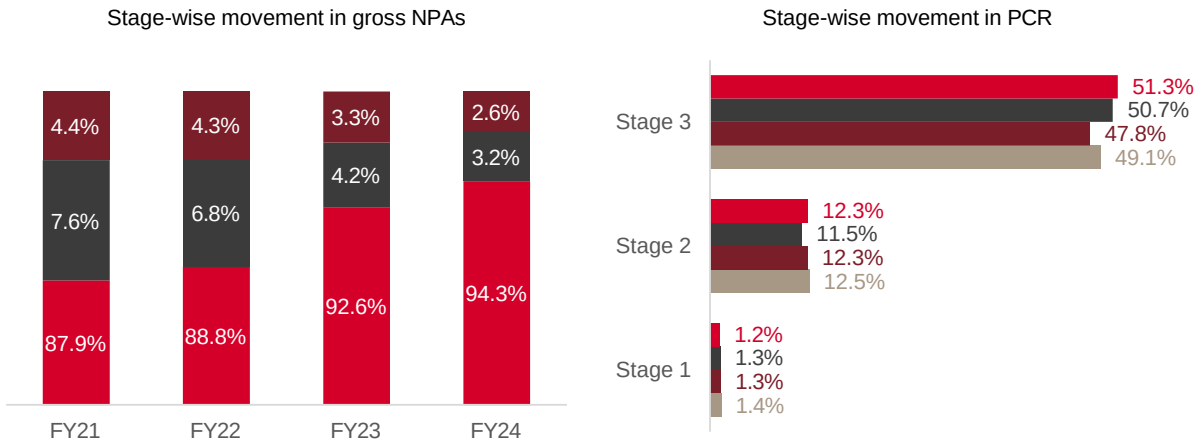
Improving asset quality a positive for mid-term growth





Note: For calculating GNPA and NNPA, 100 NBFCs that collectively accounted for loans and advances of Rs 23,000 billion as on March 31, 2024 were considered, The above set excludes PFC and REC.
Source: RBI, company reports, CRISIL MI&A Research

Decline in stage-2 assets and higher provisioning instill optimism

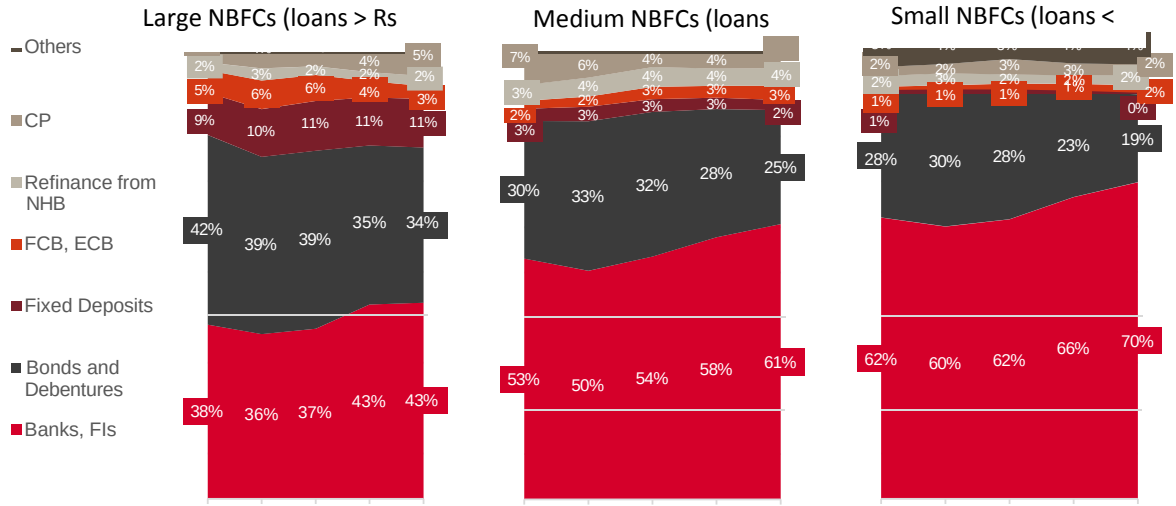


Note: The above analysis is basis aggregate data for NBFCs / HFCs that covers 27 companies in FY24, that collectively account for a gross exposure of Rs 15,810 bn as on March 31, 2024.
Source: RBI, company reports, CRISIL MI&A Research

The asset quality of NBFCs continued to improve till March 2024, but challenges in the unsecured lending segments and high PAR 90 in the gold finance segment will lead to an increase in NPAs in the short term. In addition, credit costs and write-offs are also expected to be elevated in fiscal 2025 due to deterioration in the unsecured lending portfolio, especially microfinance and personal loans.

Share of bank funding expected to moderate in the near to medium term for NBFCs

Bank and capital market borrowings interplay to evolve with transmission of rate hikes in a liquidity-deficit banking system



Note: Coverage includes 100 NBFCs (including HFCs) constituting 70% of the total NBFC market size (excluding PFC, REC and HDFC)
Source: Company reports, CRISIL MI&A Research

While the impact of the risk weight circular is expected to result in increased cost of capital for NBFCs with exposure to consumer lending segments, NBFCs rated A- and above and operating in these segments will also face additional impact on their borrowing cost from bank funding as banks pass on the increased cost of capital to NBFCs. Higher lending rates by banks to NBFCs could spill over to corporate bonds through higher yields via widening of spreads for NBFCs.

From a scale perspective, large NBFCs (with loan book >Rs 500 billion) have a higher capability to tap capital markets and raise bonds and debentures for their funding requirements due to a strong market presence, larger scale of operations and better ratings. However, due to an elevated interest rate environment, the share of bonds in the borrowing mix declined from 39% in fiscal 2022 to 34% in fiscal 2024. Correspondingly, the share of bank borrowings continued to increase.

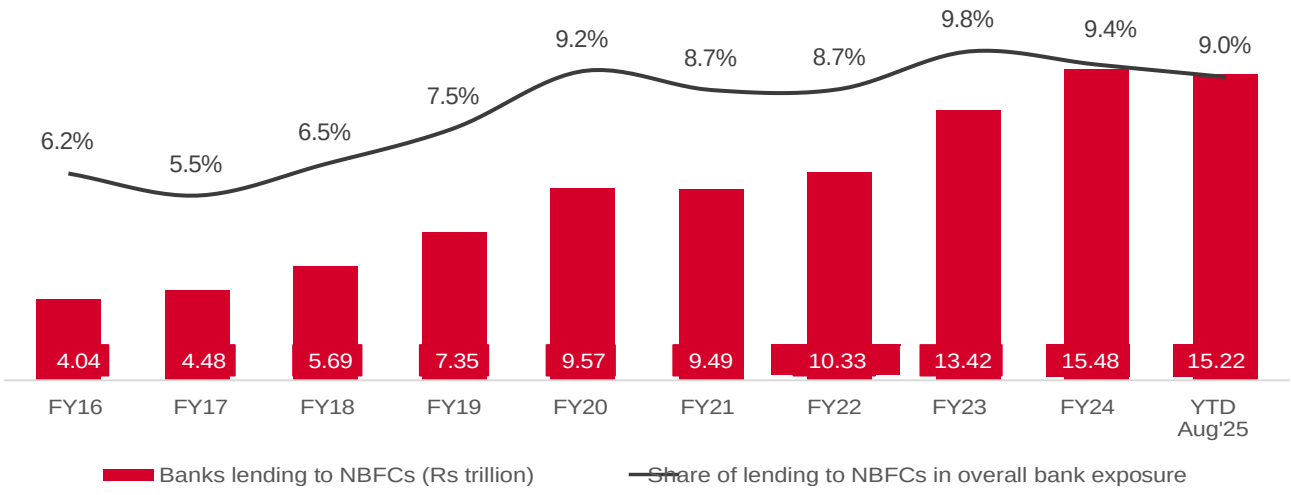
With softer policy rates abroad, large NBFCs have also tapped overseas funding options through the external commercial borrowing (ECB) route. As a result, ECBs held a 6% share in the borrowing mix in fiscal 2022, compared with 5% in fiscal 2020. However, with reversal of interest rates in fiscal 2023 and most central banks adopting aggressive rate hikes, the share of ECBs declined to 3% at end-fiscal 2024, with some NBFCs even opting to prepay their ECB/foreign currency borrowings.

Refinance from NHBs occupied a small but steady share in large NBFCs. With a decline in rates globally, the share of borrowings via the ECB route is expected to see an uptick this fiscal and the next.

Meanwhile, small and medium-sized NBFCs depend on term loans from banks as the principal source in their borrowing mix. In addition, the share of deposits is lower as a higher share of small and medium-sized NBFCs are non-deposit taking. With limited access to capital markets compared with large NBFCs, impacted further during the liquidity crisis, small and medium- sized NBFCs have become more dependent on banks and financial institutions for funding. Hence, the share of term loans has increased rapidly at these NBFCs after the crisis. Notably, there was a small decline in the share of bank borrowings in fiscal 2021, when interest rates were low and capital markets offered attractive yields, resulting in an increase in the share of bonds.

Commercial papers have historically been a lesser-used financing source for NBFCs. However, in fiscal 2025, there has been an uptick in their usage as non-banks access the short-term funding market in anticipation of an interest rate decline in the near term. Following this decline, bond and bank term loan funding options are expected to become more attractive. Nevertheless, the pass-through of interest rates will occur with a lag, causing the cost of funds to rise for most NBFCs, thereby exerting pressure on their margins.

Impact of risk weight circular and hardening of rates led to a decline in share of banks' lending to NBFCs



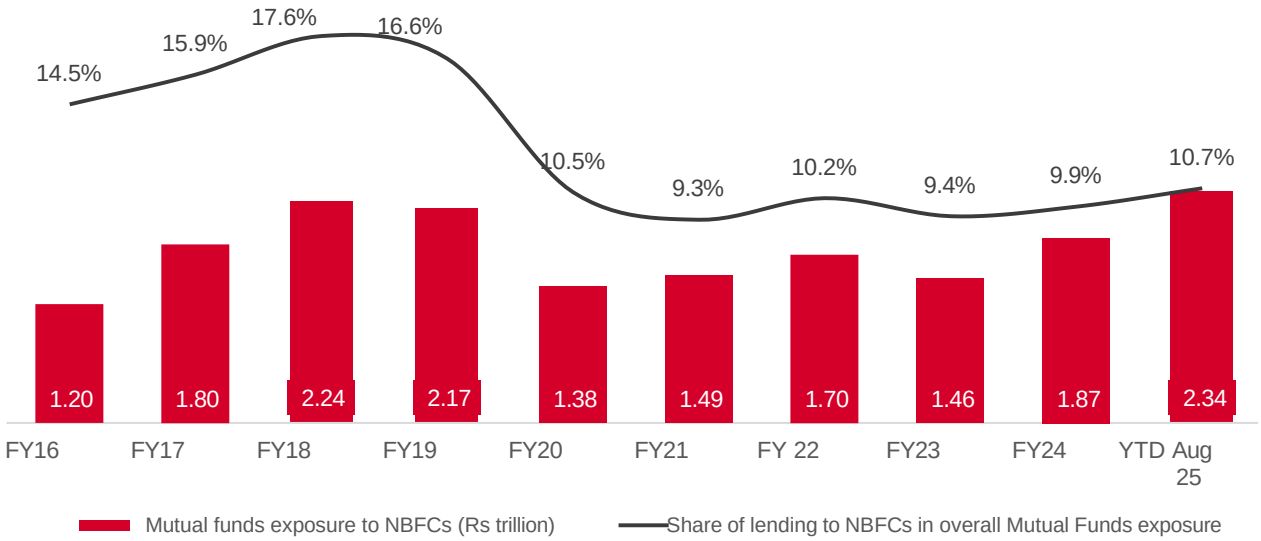
Source: RBI, CRISIL MI&A Research

In absolute terms, banks' credit exposure to NBFCs increased 16% on-year to Rs 15.5 trillion in fiscal 2024 from Rs 13.4 trillion in fiscal 2023. On the other hand, the share of NBFCs in the overall credit exposure declined from 9.8% in fiscal 2023 to 9.4% in fiscal 2024 and further to 9.0% in August 2024. The moderation was driven by dynamic management of banking liquidity, which led to increased lending rates among banks and was further compounded by the RBI's risk weight circular.

The weighted average lending rates on outstanding rupee loans for banks increased from 8.72% in April 2022 to 9.89% in August 2024 (9.91%, if HDFC merger is excluded). Hardening of bank lending rates in relation to other funding avenues such as domestic capital markets and ECBs could lead to further moderation in the share of bank borrowings going forward.

Bank lending to NBFCs has grown almost four times in the past 10 years. More recently, amid increasing interest rates, term loans of banks became the preferred source of borrowing as the rates transmitted to bank lending rates with a lag.

Debt mutual fund investment in NBFCs sees a pick-up this fiscal



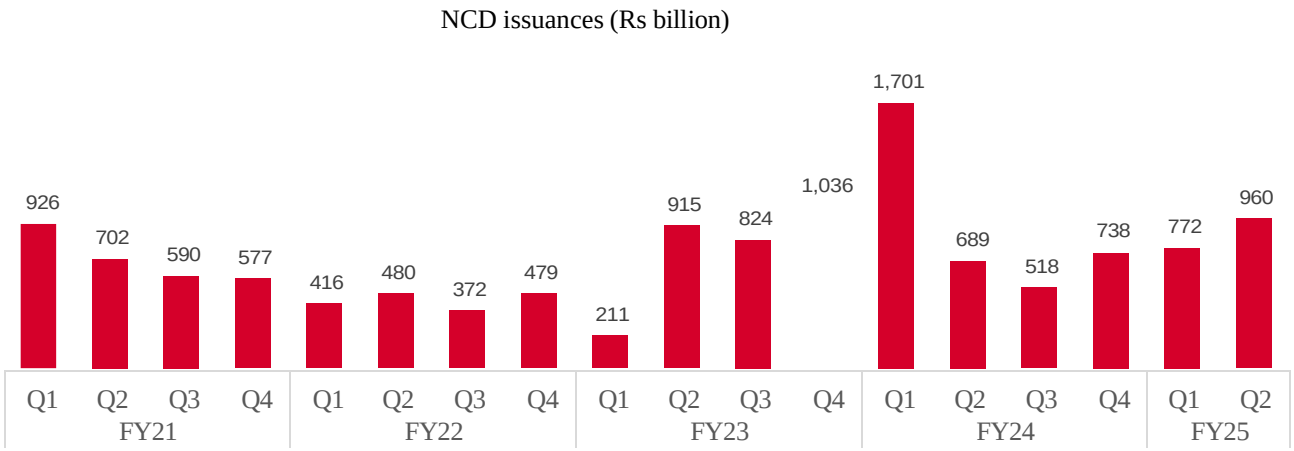
Note: Exposure refers to debt mutual funds
Source: Securities and Exchange Board of India, CRISIL MI&A Research

The IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investing in NBFCs. Exposure declined from ~18% in fiscal 2018 to 10% in fiscal 2022, and this trend continued until fiscal 2023, with the lowest share at 9.4%. Thereafter, investments saw a pick-up in both commercial papers and non-convertible debentures (NCDs), supported by healthy balance sheets of non-banks and improvements in asset quality and credit momentum. As of end-fiscal 2024, debt mutual fund allocation towards NBFCs stood at 9.9%, which further increased to 10.7% in August 2024.

The growth trend continued in fiscal 2025, with an increase of over 80 bps during the first six months. In August 2024, investments in commercial paper stood at Rs 1.29 trillion and in corporate bonds at Rs 1.05 trillion.

NCD issuances remain a monitorable

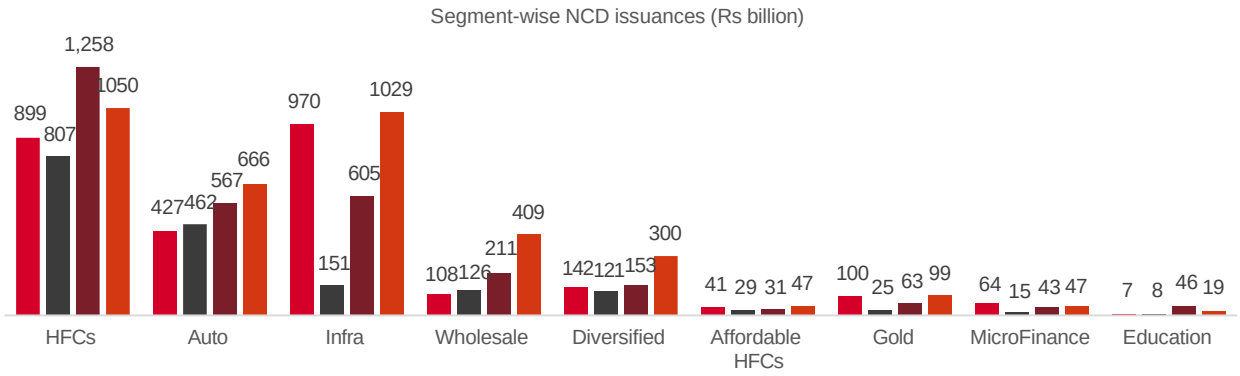
Issuances showed an uptick in Q2FY25



Note: Above data represents trend for key 160 NBFCs forming more than 95% of loans and advances of estimated NBFC sector outstanding
Source: F' track, monthly portfolio disclosures by mutual funds, CRISIL MI&A Research

NCD issuances plummeted after the first quarter of fiscal 2024, impacted by the HDFC merger as a significant issuance was made by HDFC Ltd in May 2023 (~37%) and June 2023 (~31%) out of total issuances of NCDs. Subsequently, the company merged with HDFC Bank with effect from July 2023.
NBFC issuances rebounded 42% on-quarter to Rs 738 billion in the last quarter of fiscal 2024. This surge led total issuances to grow 22% on-year in fiscal 2024. The momentum has continued, with NCD issuances reaching a four-quarter high of Rs 960 billion in the second quarter of fiscal 2025, indicating a sustained upswing in the market.

NCD issuances in the retail segment perform better than in the wholesale segment



Note: Top 100 companies by AUM considered for issuances Source: CRISIL MI&A Research

In fiscal 2023, NCD issuances surpassed fiscal 2020 levels across all retail segments, with the highest increase in education loans on a low base of fiscal 2022. Issuances also picked up in the wholesale segment, driven by infrastructure finance issuers.

In fiscal 2024, total NCD issuances surpassed fiscal 2023 levels by 23%. Though HFCs' issuances fell 17% on-year, they still accounted for the largest share (29%), followed by infra finance companies (28%) and auto finance (17%). The three segments collectively formed ~75% of total issuances.

Bank originations gather pace, mitigating impact of HFC exit and regulatory measures on gold finance

In the second quarter of this fiscal, securitisation volume surged 56% on-year to approximately Rs 700 billion, driven by significant offerings from a major private sector bank and a few NBFCs specialising in vehicle financing. Notably, the first half of the fiscal saw broad participation from 150 originators, which was significant compared with 165 originators seen throughout the entire previous fiscal. Furthermore, investors such as mutual funds have shown renewed interest in the market.

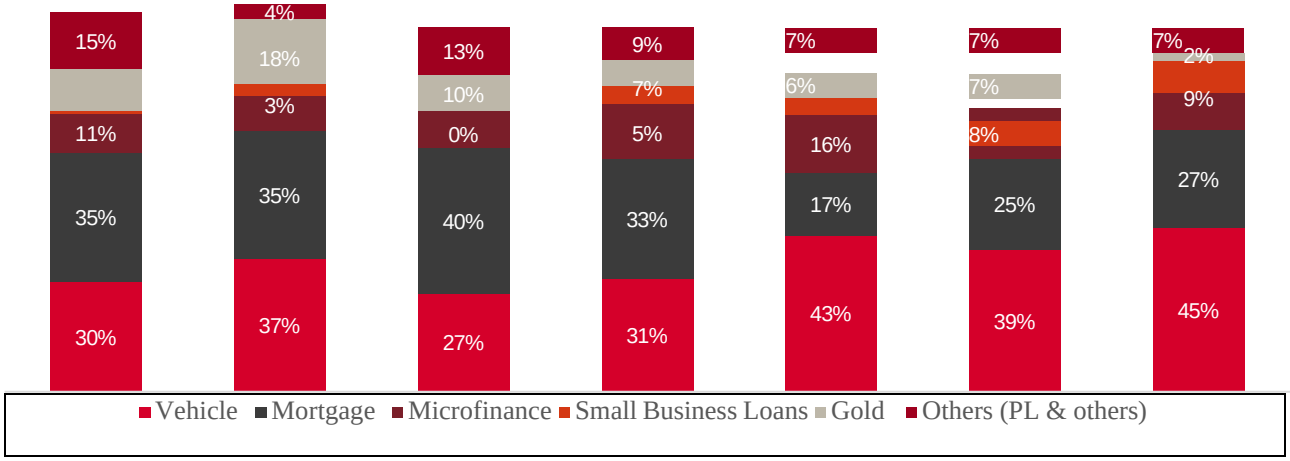
The number of originators involved in securitisation transactions increased to 165 (completing ~1,100 transactions) in fiscal 2024 compared with 160 (~1,000 transactions) in fiscal 2023. Despite the exit of a major HFC originator from the market following its merger with a bank in the second quarter of fiscal 2024, overall market activity remained resilient, posting a growth rate of over 5%. Adjusted for the significant HFC's volume, the growth rate accelerated to around 27%. This upward trend continued into fiscal 2025, with securitisation volume growing 15% on-year to Rs 1,150 billion in the first half.

In the first half of fiscal 2025, vehicle loans accounted for a significant 45% of total securitisation volume, maintaining their position as the largest asset class. Meanwhile, mortgage-backed securitisation loans experienced robust growth of around 23% and reclaimed a 10% share of the market. The personal loan (7%) and business loan (9%) segments maintained their market shares, but microfinance loans saw a significant decline (from 16% to 10%). This decline was attributable to originators' cautious approach to new lending and growth due to emerging concerns over asset quality. As a result, microfinance securitisation is expected to slow down in the third quarter, as investors wait for collection performance to stabilise.

Additionally, gold loan securitisation remained stagnant during the first half of fiscal 2025, as the regulatory ban was only lifted late in the second quarter of this fiscal, limiting its growth.

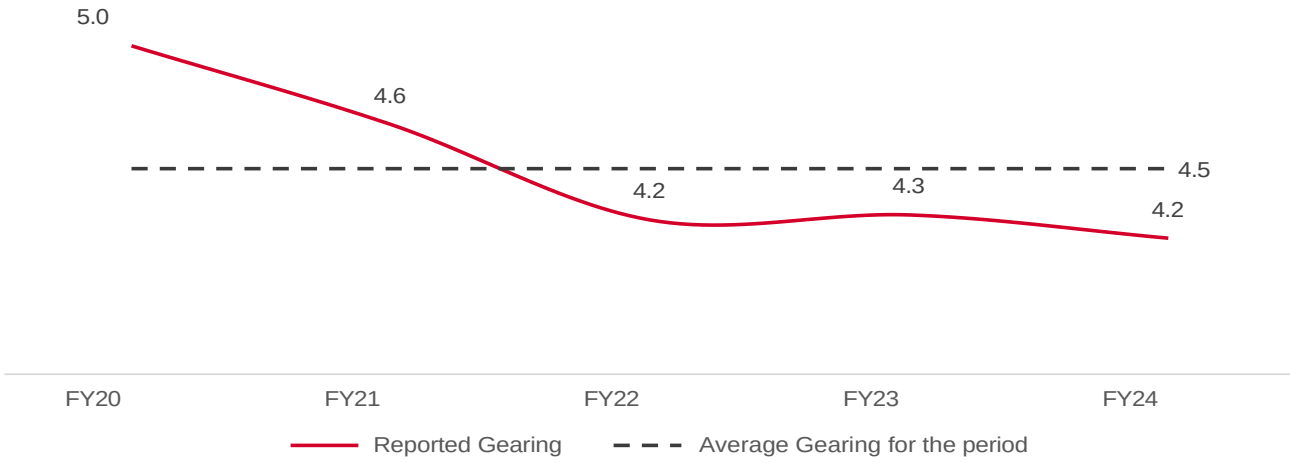
The investor base in the securitisation market remained largely unchanged in the first half of fiscal 2025, with banks dominating the market with more than 70% of the volume. Securitisation continues to be an attractive alternative funding source for banks, which are grappling with high credit-deposit ratios. Growth of retail credit at NBFCs, particularly in vehicle financing, has also supported their large-scale originations in the market. Favourable market conditions, including softening yields, have further boosted activity in the securitisation market.

Vehicle loans dominate asset class



Source: CRISIL Ratings

Securitisation volume up 56% on-year in Q2FY25, touches Rs 1.15 trillion in H1FY25



Note: 100 NBFCs covered (including HFCs) constituting 70% of the total NBFC market size (excluding PFC, REC and HDFC)
Source: CRISIL MI&A Research

During the pandemic, NBFCs underwent a deleveraging phase as they became cautious in lending to preserve asset quality, which constrained the growth of assets under management (AUM). As a result, gearing declined to 4.2x as of March 204 from

5.0x as of March 2020. The decline was further supported by healthy internal accrual post the pandemic, which was a result of pent-up credit demand and low-interest rate environment.

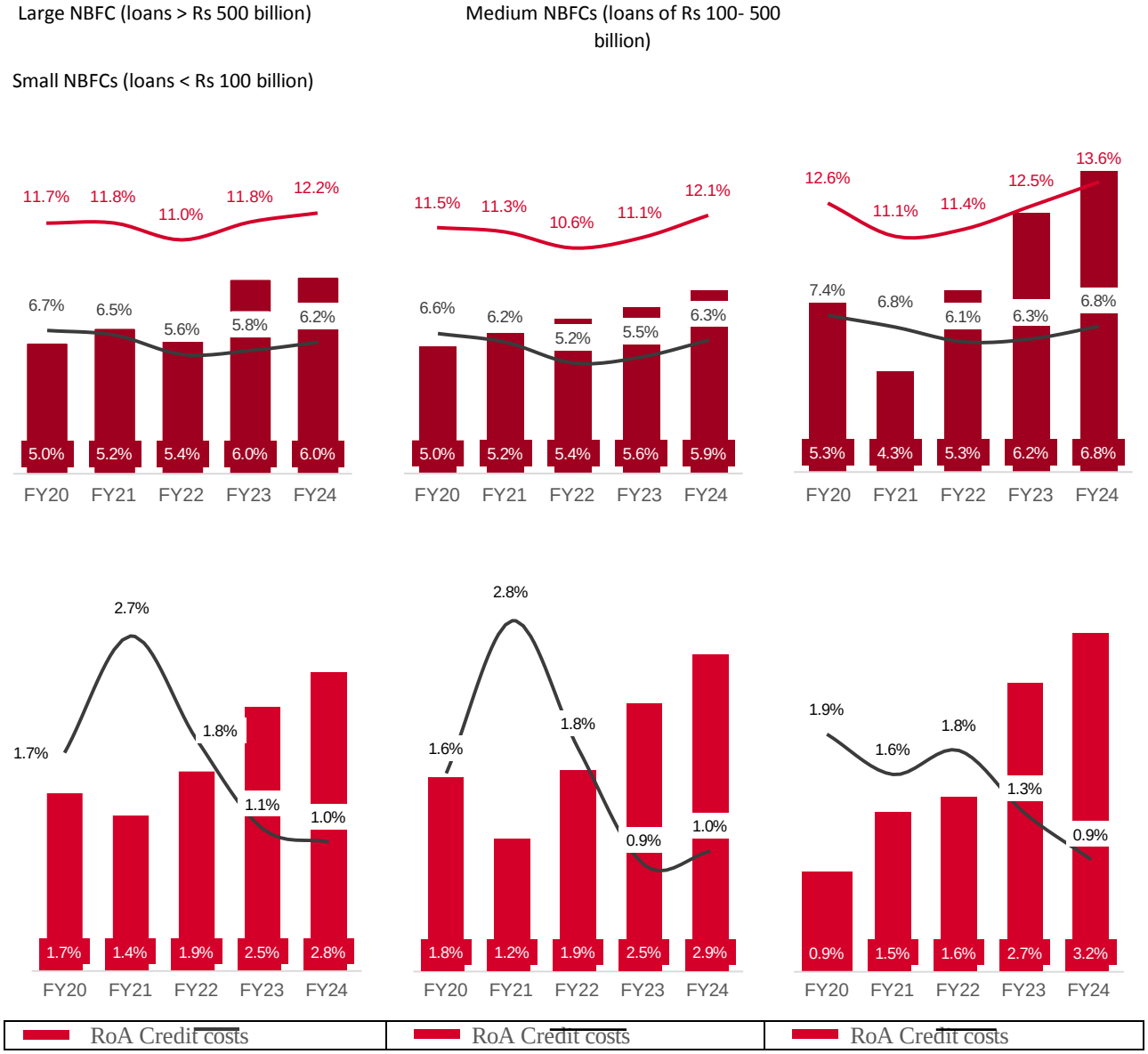
While gearing as of March 2024 remained below the average of 4.5x between fiscals 2020 and 2024, it provides NBFCs a launchpad for accelerated credit growth and a cushion for any asset quality-related shocks in future.

Noting the exuberant growth of unsecured lending against the backdrop of a rising interest rate environment, RBI introduced the risk weight circular as a deterrent to the growth of unsecured loans. As per the circular, the risk weights of all consumers loans for both banks and NBFCs (including credit card receivables) was increased by 25%, excluding loans on housing, vehicle, education and gold. Additionally, the risk weights for exposure by banks to NBFCs where the extant risk weight of the NBFC is below 100% was also increased by 25%.

In response, banks faced an impact of ~85 bps on capital adequacy, whereas the impact was as high as ~200-400 bps for key NBFCs operating in the consumer lending segments. Larger NBFCs rated A- and above and operating in these segments will also face the additional impact on their borrowing cost from bank funding as capital cost for the same increases for banks. Such an increase in COF for these NBFCs could also drive demand for securitisation and co-lending. This could accelerate capital raises by entities for managing loan book growth, while maintaining adequate capital buffers. In short, this could lead to higher capital requirements by the lenders.

Profitability for fiscal 2024 stays resilient even as COF inches up

Net interest margin protected by marginal pass on of rising interest rates in fiscal 2024



Note: 100 NBFCs covered (including HFCs) constituting 70% of the total NBFC market size (excluding PFC, REC and HDFC)
Source: Company reports, CRISIL MI&A Research

NBFCs saw historically highest return on assets during fiscal 2024 on account of faster pass-on of interest rates hike on asset side compared to the increase in funding cost. The RBI increased the repo rate by 250 bps with the rate currently at 6.50%.

The borrowing costs, yields, and spreads of large, medium-sized, and small NBFCs have historically exhibited significant variations. In fiscal 2024, NBFCs demonstrated varying degrees of success in passing on the interest rate hikes to their borrowers. Notably, small NBFCs, including NBFC-MFIs and AHFs, which typically possess stronger pricing power, increased their interest income to average assets by a substantial 110 bps. During the same period, NBFCs of all sizes experienced a rise in their cost of funds, with medium and small NBFCs bearing the brunt of the increase.
In terms of gearing, large and small NBFCs witnessed a decline, while medium NBFCs saw a marginal increase in fiscal 2024 compared to the previous year. The impact of these changes on NIMs varied across the three groups. Medium NBFCs experienced a marginal 30 bps increase in NIM, driven by a slight rise in gearing and an insignificant change in spreads. In contrast, small NBFCs saw a 50 bps increase in NIM, driven by a decline in gearing and a proportionate rise in spreads.

The Return on Assets (RoA) of medium and small NBFCs witnessed the most significant improvement, rising by 50 basis points each in fiscal 2024. Large NBFCs also saw a notable increase in RoA, albeit to a lesser extent, with a 30 basis point rise during the same period. The key driver of this improved profitability was the greater increase in yields compared to the rise in COF across all NBFCs, which supported their bottom line in fiscal 2024. During the same period, large and small NBFCs benefited from a decline in credit costs, whereas medium NBFCs faced a 10 basis point increase in credit costs, marking a divergent trend among the three groups.

Wholesale and Real estate finance – Industry overview

Customized financial solutions for mid-to-large businesses

India's wholesale finance sector caters to the needs of mid-to-large sized businesses, institutional clients, and real estate developers, offering tailored solutions to meet their specific requirements. This type of lending is marked by customized loan amounts, intricate financial arrangements, and tailored credit facilities that meet the business requirement.

Such solutions would include term loans, which provide long-term financing with fixed interest rates with tailored repayment schedules, and revolving credit facilities, which offer short-term loans with flexible repayment terms and interest rates. Further, syndicated loans are available, where a group of lenders, often led by a lead bank, provide big ticket loans to borrowers

Financial institutions build long-term relationships with clients, offering a suite of services beyond lending, including cash management and risk management. To ensure sustainability, they employ advanced risk management strategies to mitigate potential risks.

However, the wholesale finance sector comes with inherent risks, including credit risk from borrower defaults, market risk from fluctuating loan values, operational risk from fraud or system failures, and regulatory risk from complex compliance requirements. Effective risk management is crucial to mitigate these risks and ensure the success of wholesale financial institutions in India.

Government support and regulations

The Indian government's increased investment in infrastructure development, as reflected in the Union budget, is expected to have a positive impact on the real estate market. The creation of new infrastructure such as roads, bridges, and airports will unlock new areas for development, increase property values, and attract businesses and population growth, thereby boosting the local economy and supporting the real estate market. Additionally, government support through investment funds will benefit wholesale lenders in the medium term, helping to alleviate the current stress in the segment, which has been exacerbated by the Covid-19 crisis. In the long term, the wholesale finance segment is likely to undergo significant structural changes.

Regulatory Authority on HFCs shifted from NHB to the RBI

The Union Budget 2019-20 announced the transfer of regulatory power on housing finance companies (HFCs) from National Housing Bank (NHB) to the Reserve Bank of India (RBI). This has resulted in streamlined regulations and implementation as well as a better risk management framework for HFCs. The RBI Act was amended to give the central

bank powers to regulate HFCs. This move was expected to ensure there is greater parity in regulations for NBFCs and HFCs.

NHB's Refinance to aid borrowing cost for HFCs catering to Affordable housing

While access to the debt markets allows large HFCs to mobilize resources at competitive rates, niche HFCs have benefited from the NHB's refinance schemes. The NHB runs various schemes under which it refinances banks and HFCs. This funding is available to affordable housing players at a very low rate, but it comes with an interest rate capping. It leads to improvement in borrowing cost but at the same time reduces the yield too, while keeping the spread at similar levels.
Implementation of the Real Estate (Regulation and Development) Act (RERA)

Implementation of RERA in 2017 had a direct impact on the supply-demand dynamics in the sector. RERA is expected to improve transparency, timely delivery, and organized operations over time. It does not permit developers to launch new projects before registering them with the real estate authority.

This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities. RERA puts an end to fund diversion across projects as it mandates 70% of the funds collected from customers for a specific project should be maintained in a separate escrow account and used only for the same project. Besides, developers have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule.

Framework of RERA

- Transparency:
  - Compulsory registration of all ongoing and upcoming real estate projects; existing under-construction projects which have not received completion certificates are covered under the Act. Developers to disclose project-related details including project plan, layout, and government approvals to the customers. The details include sanctioned FSI, number of buildings and wings, number of floors in each building, etc.
  - Buyers pay only for the carpet area.
  - Consent of two-third allottees to be taken for any major addition or alteration.

- Liability:
  - Any structural defect, or any other obligations of the promoter as per the agreement for sale, brought to notice of promoter within five years from possession to be rectified free of cost.
  - No false statements or exaggerated commitments to be given in advertisements.
  - Buyers have to comply with the payment schedule mentioned in model sale agreement (which mandates them to pay up to 30% of total consideration on execution of agreement, an additional up to 15% of total consideration on completion of plinth work; and remaining payment as per clauses mentioned in the model sale agreements).

- Security:
  - 70% of the money received from buyers for a particular project to be transferred to an escrow account.
  - Withdrawals to be in accordance with project completion and need to be certified by engineer, architect, and a practicing-chartered accountant.

- Discipline:
  - Developers have to register their projects with the RERA before advertising or marketing.
  - Brokers/ agents to be registered with RERA.
  - Project details to be updated quarterly on RERA website.
  - Project accounts to be audited annually by a CA.

- Compliance:
  - In case of delay, developers have to pay interest to home buyers at State Bank of India's highest marginal cost of lending rate plus 2%.
  - Developer may terminate the agreement in case of three payment defaults by buyers (by giving 15 days' notice).
  - Monetary fines/ penalties for not registering the projects and continuous default/ non-compliance with any provision of the Act/ non-compliance with the order of Appellate Tribunal (does not mention imprisonment penalties to developers).

- Justice:

- The complaint at the initial stage will be handled by the authority, with further appeal resting with the RERA Appellate Tribunal. A second appeal is also allowed to be filed before a High Court

SWAMIH Investment Fund

On September 14, 2019, the Ministry of Finance announced several measures to revive the real estate sector and boost economic growth. Among them was the establishment of the Special Window for Completion of Affordable and Mid-Income Housing (SWAMIH) Investment Fund. As on March 17, 2023, the fund had delivered over 22,500 homes. In a short span of time since its inception, the private equity fund managed by SBICAP Ventures Ltd has become the largest social impact fund in India. The alternative investment fund, which provides last-mile funding for stalled affordable-housing and mid-level projects, was created to boost real estate investments, primarily in the form of non-convertible debentures. The objective of the scheme is to trigger last-mile construction of stalled units and ensure delivery to home buyers. The fund offers loans at a rate of 12% per annum without any processing fees.

Criteria for developers to avail SWAMIH Investment Fund

- At least 90% of the available floor space index (FSI)/floor area ratio (FAR) is being developed as affordable housing units or mid-income housing units and the net worth has to be in the positive
- Is a part of RERA-registered projects, has incurred at least 30% of project costs, and requires last-mile funding, sufficient to complete the project
- The capital provided by the fund shall have a senior charge (except in cases where a regulatory authority holds first charge) over the portion of the project for which the funding shall be used
- Affordable or mid-income housing units have been defined as housing units that do not exceed 200 sq m RERA carpet area and are priced as follows (as applicable):
  i. Less than Rs 2 crore in the Mumbai Metropolitan Region (MMR)
  ii. Less than Rs 1.5 crore in the National Capital Region (NCR), Chennai, Kolkata, Pune, Hyderabad, Bengaluru and Ahmedabad
  iii. Less than Rs 1 crore in the rest of India

Status of SWAMIH Investment Fund as of March 2023

As of March 2023, SWAMIH had accorded final approval for about 130 projects, with sanctions worth over Rs 12,000 crore. In the three years since its inception in 2019, the fund completed 20,557 homes and aimed for completion of more than 81,000 homes in the next three years across 30 tier 1 and 2 cities. The fund has projects in 30 cities, including Amravati, Amritsar, Coimbatore, Dehradun, Jaipur, Jodhpur, Meerut, Mohali, Nagpur, Nasik, Thrissur, Vizag, MMR, NCR, Pune, Hyderabad, Bengaluru and Chennai. The fund will continue to evaluate and commit to new projects until its deadline in December 2024. As of March 2023, the fund had given preliminary approval to about 1.1 lakh units, exited 12 real estate projects and partially exited 17 projects either post completion or once the project became viable and sustainable by itself.

PM Gati Shakti

This programme is aimed at building next-generation infrastructure, which improves the ease of living as well as ease of doing business. The multi-modal connectivity will provide integrated and seamless connectivity for the movement of people, goods and services from one mode of transport to another. It aims to facilitate last-mile connectivity of infrastructure and reduce travel time. Developments in infrastructure and connectivity are expected to support the real estate segment in the medium term.

REITs and infrastructure investment

A strong infrastructure is crucial for a country's economic development, especially for a developing economy like India. Real estate and infrastructure investments can accelerate economic expansion. Due to lack of resources, the public sector is unable to fully meet the funding required for infrastructure development. Private sector investments in the sector are constrained due to its capital-intensive nature and sluggish yields.

Infrastructure investment trusts (InvITs) and REITs are cutting-edge pooled investment vehicles that enable the monetisation of real estate and infrastructure assets, while also giving investors the chance to engage in these assets without actually owning them.

Given the significance of private investment in infrastructure development and the crucial roles that REITs and InvITs may play, the Securities and Exchange Board of India (SEBI) has consistently worked to both enhance and simplify the regulatory framework governing them.

What are REITs?

REITs are investment trusts that own and manage real estate properties, earning regular income and capital growth on their investments, like mutual funds.

They pool money from investors and give them a liquid means to invest in real estate, while also assisting in portfolio diversification, regular income generation and long-term capital growth.

Measures taken to support REITs

- **Shortening of timelines for listing**: To streamline the process of public issue of REITs, the time taken for allotment and listing after the closure of the issue has been reduced from 12 to 6 working days. This will help enhance liquidity in the market and bring about parity with the equities as an investment avenue.

- **Amendments to guidelines for institutional placement of units**: The mandatory listing period for institutional placement of units by listed REITs has been reduced from 12 to 6 months. Further, sponsors were allowed to be allotted units on institutional placement for the unsubscribed portion, subject to fulfilment of certain conditions.

- **Issue and listing of CPs**: To improve the robustness of REITs by allowing them greater flexibility in capital structuring, REITs were allowed to issue and list commercial papers (CPs), provided it is beneficial for stakeholders of REITs.

- **Reduction in minimum unitholding requirement:** The minimum holding requirement of units by sponsor(s) and sponsor group(s) of REITs has been reduced from 25% to 15% of total outstanding units on a post-initial-offer basis, in line with the requirements specified for sponsor(s) in the InvIT regulations, 2014

- **UPI mechanism:** To provide additional option for individual investors to apply in public issues of units of REITs, a facility to block funds through Unified Payments Interface (UPI) for application value up to Rs 5 lakh has been provided.

REITs' market activity

	FY22	FY23	FY24
Number of trusts	4	5	5
Number of trusts listed on stock exchange(s)	3	3	4
Funds raised (Rs billion)	9.45	0	59.05
Net assets value (Rs billion)	785.55	973.52	971.46*

*Note: Funds raised include proceeds from initial offer, preferential issue, institutional placement and rights issue and funds raised by unlisted REITs. Net asset values are as on latest available dates. * Provisional.*
Source: SEBI, CRISIL MI&A Research

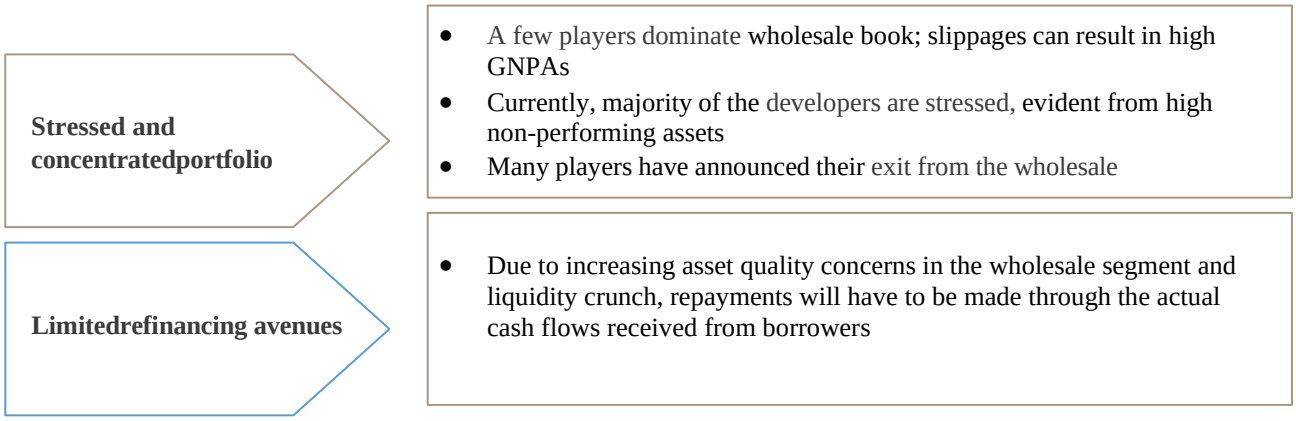
Key Growth Drivers for real estate segment

Rise in urbanization to create demand for residential real estate in urban India: Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. In 2020, about 35% of Indian population lived in urban areas of the country and this share of urban population is expected to increase to about 40% in by 2030. This trend in urbanization has pushed the demand for houses in urban areas.

Infrastructure development across India is driving growth in the real estate sector: The development of infrastructure plays a key role in enhancing the demand for residential estate. Infrastructure development leads to an increase in connectivity through railways, air, and road, reducing commute time. Well planned transportation infrastructure attracts investments and business which further creates demand for commercial and residential real estate. Also, other infrastructure development such medical facilities, educational institutions, entertainment hubs, retail market, business centers, schools, retail outlets etc. promote real estate prices as these infrastructure projects are the most preferred aspect for residential real estate buyers.

Focus on integrated lifestyle especially by millennial buyers : Nowadays, residential real estate buyers, especially millennials, have key preferences for their homes. These residential real estate buyers look for work-life balance and seek residences which offer modern amenities, vibrant communities, and access to leisure and entertainment options. They prefer integrated townships with gated communities which offer a variety of amenities such as fitness centers, swimming pools, and recreational spaces. Due to this, developers today are focusing on offerings to cater these lifestyle-based preferences, resulting in real estate development projects for aspirations and dreams of millennial generation.

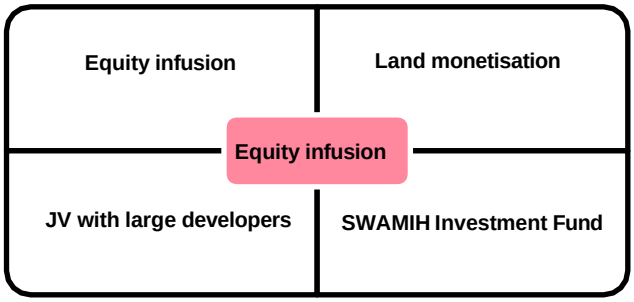
Key challenges



Source: Industry reports, CRISIL MI&A Research

Structural shifts

The stress in the wholesale segment is clearly visible in the higher NPA levels. Over the years, most HFCs and NBFCs have changed their strategies/focus to reduce their wholesale exposure, opening up opportunistic investments for private equity funds.



Source: CRISIL MI&A Research

Wholesale and Real estate finance – Review and outlook

NBFCs' share in wholesale loan book drops 3% over fiscals 2020-2024

Over the past few fiscals, lending by non-banking financial companies (NBFCs) to the real estate sector has changed considerably in terms of size, complexity and interconnectedness with the financial sector. Majority of housing finance companies (HFCs) are downsizing their real estate portfolios, with few focused NBFCs actively expanding.

Wholesale finance involves providing short- and long-term funding by banks and other financial institutions to large and medium-sized firms, including real estate developers, and institutional customers. CRISIL MI&A Research excludes lease-rental discounting and lending to the infrastructure sector from the wholesale book.

Banks expected to gain market share in wholesale lending in short term

Type	Share in book FY24 (%)	Book (Rs billion) FY24	CAGR (%) FY20-24	Growth in FY24 (%)	Growth Outlook for FY25P (%)	Growth outlook for FY26P (%)
HFCs / NBFCs	5	2,410	(4.0)	(0.4)	1-2	1-2
Banks	95	45,253	8.0	15.7	14-15	15-16
Overall	**100**	**47,662**	**7.2**	**14.7**	**14-15**	**15-16**

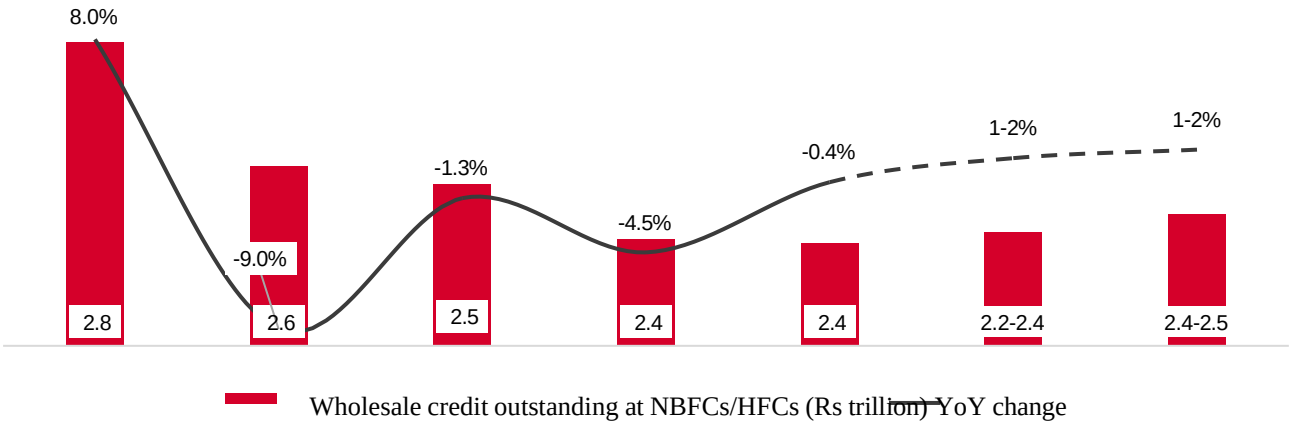
Notes:

1. *P: Projected*
2. *Credit deployment data published by the Reserve Bank of India (RBI) has undergone revision. Hence, comparable numbers for the previous fiscals have been revised accordingly.*
3. *The merger of HDFC Ltd and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real estate segment for normalised credit growth.*

Sources: Company reports, RBI, CRISIL MI&A Research

Wholesale book of NBFCs flat in fiscal 2024, modest growth expected this fiscal and next

NBFCs to see muted 1-2% expansion this fiscal and next



Notes:

1. *P: Projected*
2. *The merger of HDFC Ltd and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real-estate segment for normalised credit growth.*

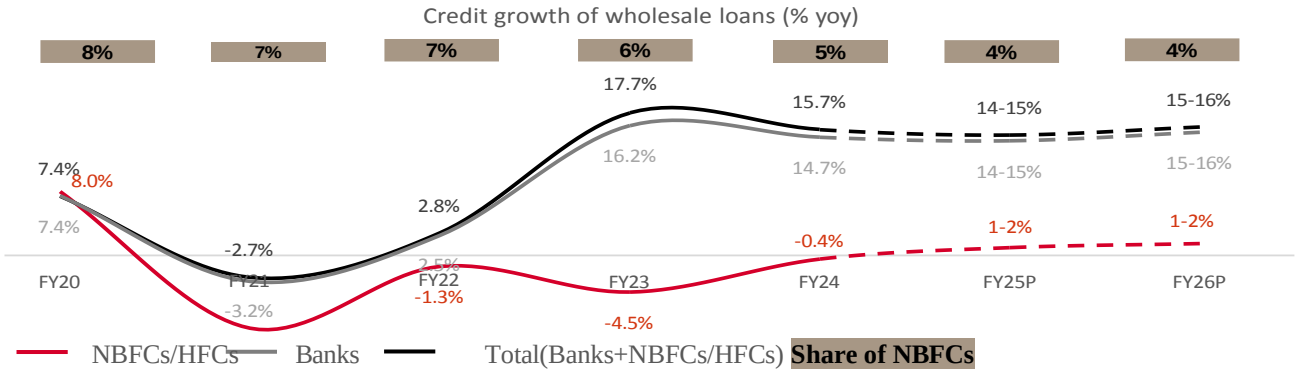
Sources: Company reports, RBI, CRISIL MI&A Research

NBFCs have been cautious while lending to both corporates and real estate companies. As a result, over the past five fiscals their wholesale book declined 4% annually on a compound basis. NBFCs/HFCs that plan to reduce wholesale portfolio are close to achieving their targets this fiscal.

At the same, NBFCs/HFCs that continue to expand their wholesale portfolios are expected to stabilise their lending this fiscal and remain steady in the next. After a slight 0.4% degrowth in fiscal 2024, CRISIL MI&A Research expects the wholesale book of NBFCs to start recovering this fiscal clocking a growth rate of 1-2%. We expect the growth to sustain in fiscal 2026.

Banks to clock double-digit growth in wholesale portfolios

Volatile asset quality weighs on NBFC growth



Notes:
1. P: Projected
2. Credit deployment data published by the RBI has undergone revision. Hence, comparable banking numbers for the previous fiscals have been revised accordingly.
3. The merger of HDFC Ltd and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real-estate segment for normalised credit growth.
Sources: Company reports, RBI, CRISIL MI&A Research

NBFCs have recorded a decline in their lending to the wholesale segment, as they have been prioritising retail credit over wholesale. Volatile asset quality driven by high ticket sizes is the primary reason why they have been gradually shedding their wholesale portfolios. Defaults in these loans result in elevated delinquencies, resulting in deterioration of the overall gross non- performing assets (GNPAs). Another reason is the risky nature of certain real estate projects with high gestation periods. Consequently, product- or segment-focused NBFCs face higher borrowing costs, leading to a contraction in net interest margins (NIMs) and returns on asset (ROAs).

Furthermore, over the last few fiscals, the real estate industry has struggled to make projects viable owing to adverse market conditions such as the introduction of goods and services tax for under-construction properties, labour shortage during the pandemic-driven lockdowns and the rising cost of raw materials.

At present, however, the sector stands on more stable ground and NBFCs are expected to start lending in fiscals 2025 and 2026.

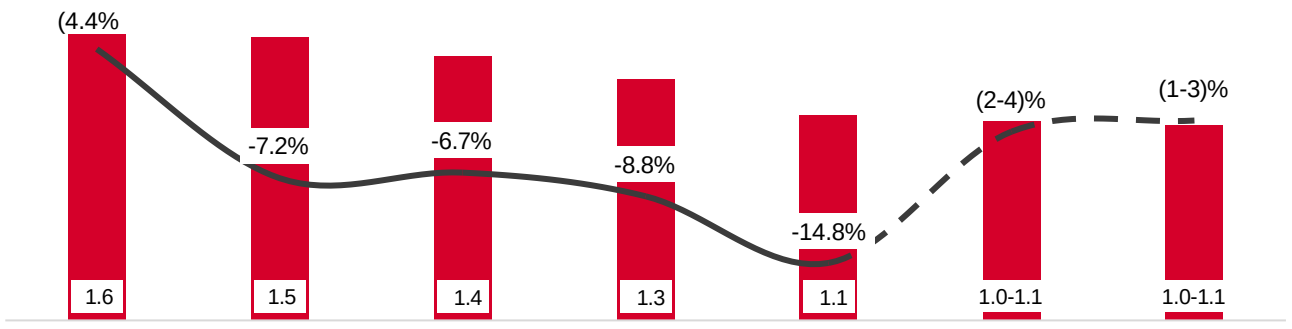
In response to the challenging environment, large, highly rated NBFCs are exploring alternative avenues of wholesale financing to diversify their portfolios. One such strategy is lending to other NBFCs, offering a range of products to mitigate risk. Additionally, they are venturing into lending to broking firms, capitalising on the growing retail participation in stock exchanges.

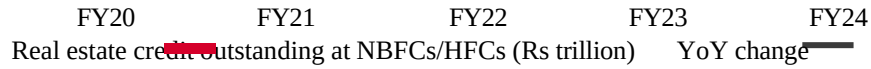
Meanwhile, large HFCs are increasing their exposure to loans against properties (LAPs), which are mortgage-backed business loans. They have a healthy pipeline of housing projects to finance but are expected to maintain their risk-averse approach by partnering only with highly rated developers.

CRISIL MI&A Research projects banks' wholesale credit growth to moderate to 14-15% this fiscal and marginally rise to 15- 16% next fiscal. NBFCs are projected to see 1-2% growth in their wholesale portfolio this fiscal and sustain it next fiscal after a marginal degrowth in fiscal 2024.

Real estate forms 46% of the overall wholesale portfolio; trend to continue

NBFCs' real estate loan growth to witness contraction of (2-4) % this fiscal and (1-3) % next





Notes:
1. P: Projected
2. The merger of HDFC Ltd and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real-estate segment for normalised credit growth.
Sources: Company reports, RBI, CRISIL MI&A Research

NBFCs' real estate lending declined to ~Rs 1.1 trillion in fiscal 2024 from ~Rs 1.6 trillion in fiscal 2020, primarily due to asset quality stress resulting from pandemic-led lockdowns, which halted construction and also gave rise to labour shortages, leading to extended construction timelines and financing challenges. However, government policy interventions such as the Real Estate Regulatory Authorities allowing completion date extensions, low repo rates and cut in stamp duties supported developers by providing the much-needed boost to keep construction projects afloat. These measures led to an improvement in sales, benefitting the entire ecosystem.

The pandemic and its aftermath accelerated the growth of affordable-housing market, outpacing other segments. This was fuelled by an uptick in affordable real estate demand in tier II and III cities. With a young population demographic, major cities have been burdened to fill the supply-demand gap in housing and commercial real estate. Since the pandemic has now subsided, demand for luxury and prime housing is on the rise. Affordable-housing demand, on the other hand, has moderated owing to lower affordability within the targeted costumer segment.

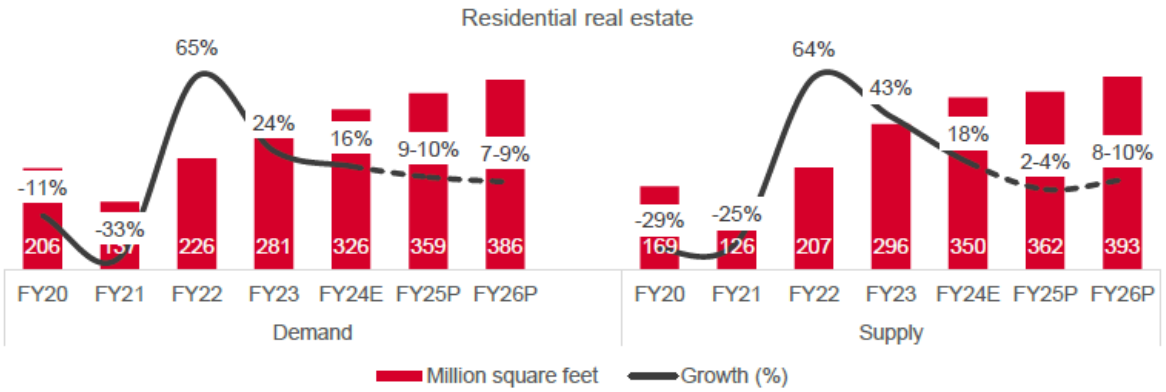
Traditionally, for funds developers were dependent on customer payments collected at the time of property booking, construction-wise payments from customers or their lenders, developers' own capital and bank or NBFC borrowings. But with sudden changes in economic and global conditions, projects have become volatile, elevating the risk of bankruptcies. To address this, the government has introduced a more diversified alternative financing source for developers in the form of real-estate investment trusts (REITs). The players can raise capital from markets through these trusts.

NBFCs' real estate book plummeted 14.8% in fiscal 2024 driven by next to nil disbursements and lower exposure of players to real estate portfolios. With further downsizing of real estate lending books, CRISIL MI&A Research believes the decline in fund flow from NBFCs/HFCs to the real estate segment in fiscal 2025 and 2026 will normalise 2-4% and 1-3%, respectively. The marginal improvement with growth close to muted from a long tail de-growing of NBFCs book is supported by few specialised NBFCs financing the real estate projects along with bottoming out of the real estate portfolios of HFCs of who are now focusing on only retail products.

Firm demand, fewer launches to rationalise inventory overhang

The residential housing market experienced a surge in demand during fiscal 2022, driven by the pent-up demand that had built up during fiscals 2020 and 2021 due to the pandemic. Meanwhile, developers were able to effectively manage market expectations by providing a sufficient supply of housing units, thereby meeting the increased demand. From a funding perspective, developers also received a boost as the financial sector eased lending in fiscal 2022 compared to the previous year, making it easier for them to access capital and finance their projects.

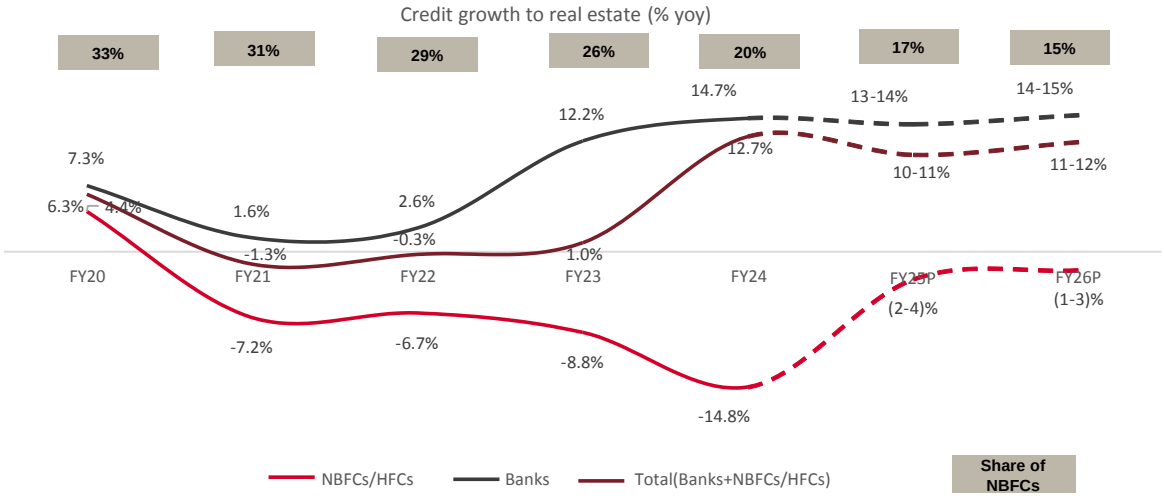
The housing market received a significant stimulus as the repo rate was slashed to a historic low of 4%, while incentives such as reduced stamp duties in some states and the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (PMAY) umbrella made housing more affordable until fiscal 2023. Additionally, sustained economic growth and the shift to hybrid working arrangements-maintained demand, which was met with sufficient supply from developers. However, during fiscals 2023 and 2024, funding from NBFCs dried up, leading to a sharp decline in credit growth. Nevertheless, looking ahead to fiscals 2025 and 2026, the demand-supply dynamics and inventory rationalization are expected to improve, paving the way for a stronger market.



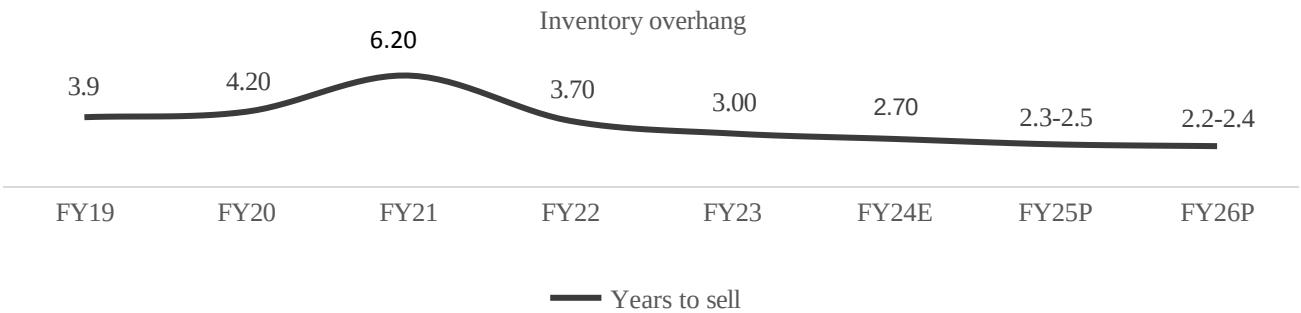
Note: ^Demand refers to booking or absorption in the primary market (developer sales) in newly launched as well as under- construction projects; top 10 cities – MMR, NCR, Pune, Hyderabad, Chennai, Kolkata, Kochi, Ahmedabad, Chandigarh and Bengaluru
Source: Industry, CRISIL MI&A

Real estate focused NBFCs have shifted their strategy in real estate financing, opting to slow down lending to smaller developers and instead prioritize large, AAA-rated developers in India's top India's top residential growth cities. However, smaller and lower-rated developers have found alternative funding avenues, including specialized underwriting by certain NBFCs that value transparency, as enabled by RERA disclosures, and improved financial discipline. Additionally, joint ventures with larger developers have provided another financing option. This shift is a response to the increasing prominence of developers in the Indian market.

Bank surpass NBFCs in lending to real estate



Inventory overhang eases: unsold stock declines sequentially

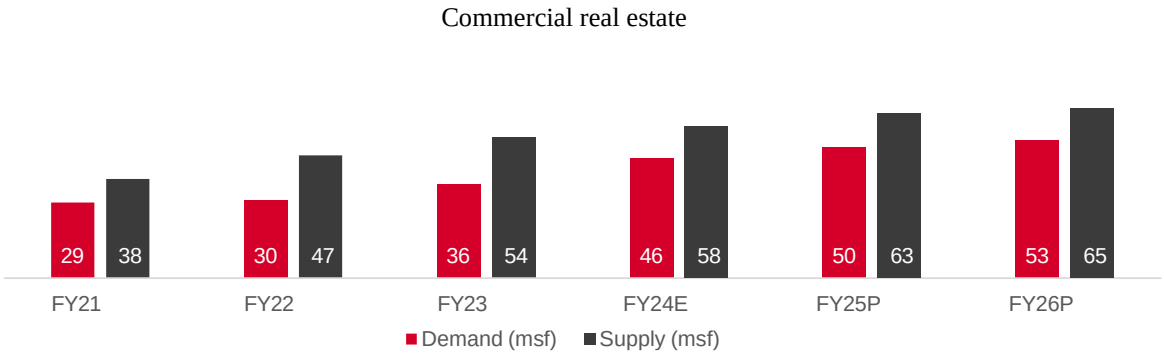


Note: Top 10 cities – MMR, NCR, Pune, Hyderabad, Chennai, Kolkata, Kochi, Ahmedabad, Chandigarh and Bengaluru, years to sale, which denotes how many years it would take for the inventory to be liquidated at current pace of demand
Source: Industry, CRISIL MI&A

In the top 10 residential real estate cities, during fiscal 2021-23, the overall unsold inventory level continued to decline sequentially. Developers were restricting new launches during the Covid years. In post-pandemic environment where hybrid mode of work was established, consumer preferences have pivoted towards larger and bigger configurations in premium housing projects. In sync with this trend, large established developers have also gradually aligned their new launches to premium projects.

Top residential markets witnessed strong momentum since fiscal 2022 supported by sustained economic growth and continuation of hybrid working models, growth is expected to continue in fiscal 2025 primarily due to necessity for larger living spaces and an enhanced lifestyle, catalysed by the pandemic.

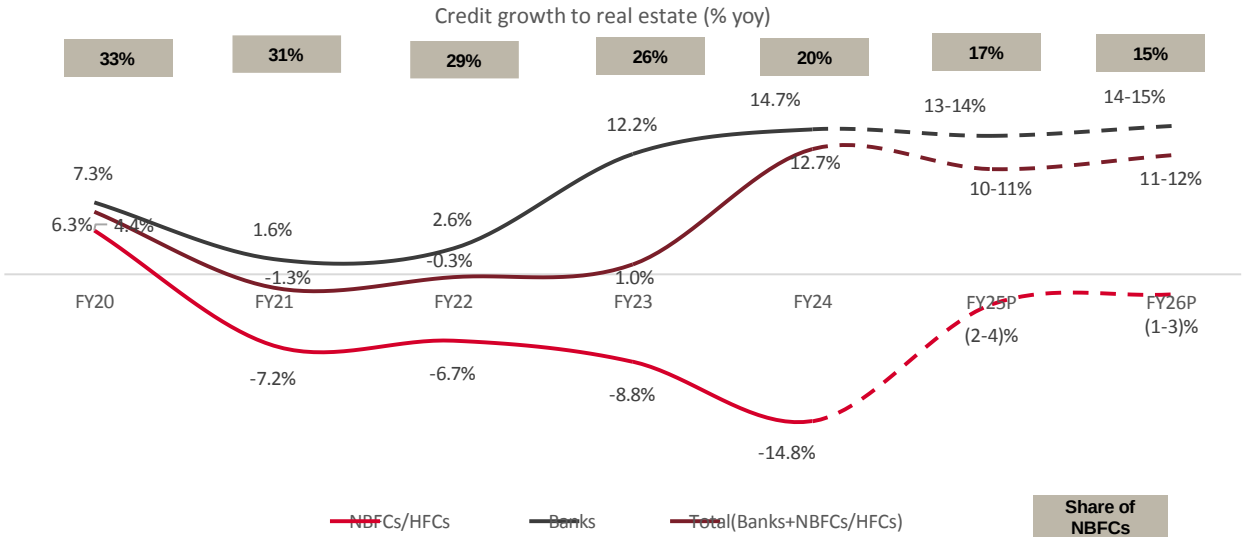
Overall vacancy to stabilize in upcoming fiscal as demand matches incremental supply



Source: Industry, CISIL Research
Note: Above 8 cities reflect >95% of top 10 cities; Source: Industry, CRISIL Research

The Indian commercial real estate market is poised for growth, driven by the thriving corporate and start-up sector, particularly in IT/ITes and BFSI, which is fueling demand for office space. The robust office leasing trend and the increasing presence of multinational companies' Global Capability Centers (GCCs) are expected to further boost the market's expansion. The overall supply and demand in the top 8 cities are expected to reach 63 million square feet (msf) and 50 million square feet (msf) respectively in fiscal 2025.

Banks surpass NBFCs in lending to real estate
Banks surpass NBFCs in lending to real estate



Notes:
1. P: Projected

2. Credit deployment data published by the RBI has been revised. Hence, comparable banking numbers for the previous fiscal have been revised accordingly.
3. The merger of HDFC Ltd and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real-estate segment for normalised credit growth.
Sources: Company reports, RBI, CRISIL MI&A Research

Prior to the 2018 financial crisis, NBFCs had expanded their real estate portfolio aggressively. However, after the crisis hit the sector, the portfolio shrank. Only a few NBFCs continue to expand their real estate portfolios and the growth is marginal. Banks seized the opportunity and started expanding their real estate portfolio, resulting in an increase in their market share to 80% by March 2024 from 67% in 2020. This fiscal and next, banks are poised to expand their real estate credit portfolio 300 bps and
~200 bps, respectively.

CRISIL MI&A Research expects real estate funding to stabilise in fiscals 2025 and 2026, resulting in a modest decline of 2-4% and 1-3%, respectively. This is because NBFCs are expected to gradually withdraw from real estate lending and divest their entire real estate portfolio.

Asset quality

Stress in the real estate and corporate segments has remained higher than in other segments. CRISIL MI&A Research estimates the overall stress in the wholesale book to be high, including contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension. The wholesale GNPAs of NBFCs/HFCs moderated marginally in fiscal 2024. However, for a few players, GNPAs were in high double digits owing to a continued decline in wholesale book and no new disbursements. CRISIL MI&A Research estimates the overall GNPA to remain on a higher side — at 8-10% — this fiscal.

AIF Industry trends

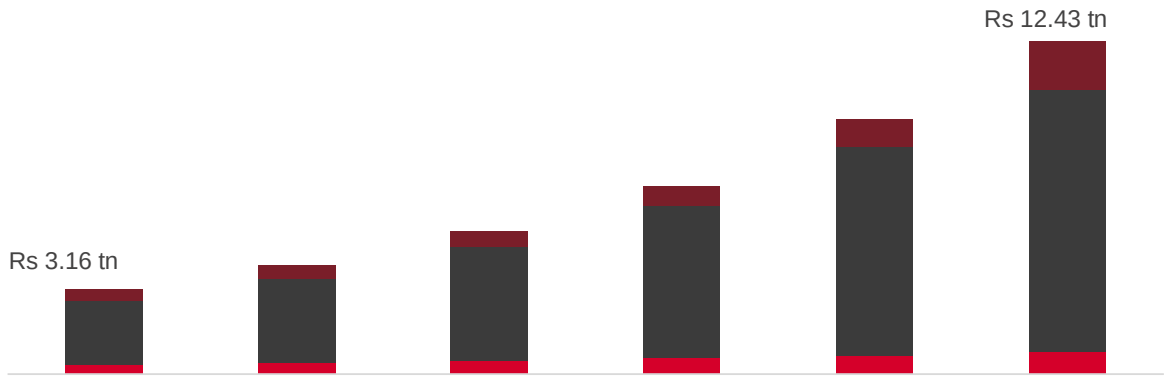
Surging commitments – AIFs gaining traction

In recent years, the investment landscape has witnessed a pivotal shift as investors increasingly seek alternative assets beyond traditional equities and bonds. India's rapid economic growth and the rising number of billionaires accentuate the need for new and diverse investment avenues.

As of October 21, 2024, India has over 1,51,0001 no of registered start-ups. This thriving start-up culture has resulted in enough investment opportunities for fund managers to build their portfolios. This has helped in deepening the market and led to the growth of no. of AIFs. In addition to this, regulatory measures such as standardization of the private placement memorandum (PPM), PPM audits and mandatory benchmarking of AIFs, are a few factors that have played an important role in improving transparency and helping investors make informed decisions thus helping the industry grow.

In barely a decade, AIF has become one of the key segments in private markets in India.

Commitments have grown at a healthy pace with a compounded annual growth rate of 31.44%2 over the past five years as of September 30, 2024.





Source: SEBI

As of September 30, 2024, the total commitments stood at Rs 12,430 billion, while funds raised were at Rs 5,015 billion. Investments made by the AIFs are growing in line with commitments and have increased from Rs 3,168 billion to Rs 4,493 billion from September 2019 to September 2024 respectively.

As per SEBI there were 1,395 AIFs registered as on September 30, 2024. Of these around 47.53% were registered in the past three years ending September 2024. This shows the growing interest in the product in recent years.

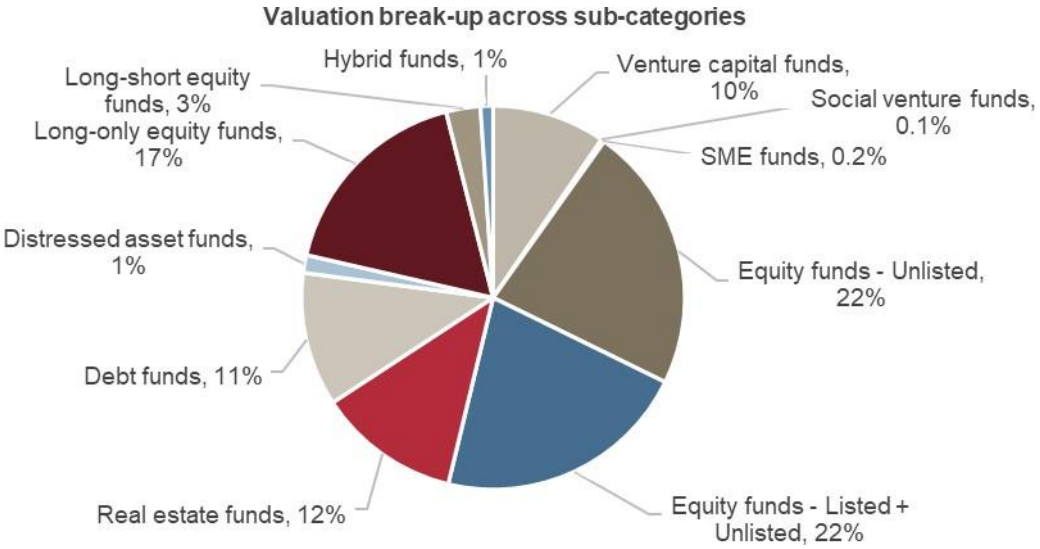
AIFs are not restricted to private equity and venture capital funds but cover multiple strategies like performing credit funds, real estate funds, infrastructure funds, distressed asset funds, long-only funds, long-short funds among others.

Moreover, AIFs as an investment product is expected to remain one of the fastest growing managed products categories over the next few years as more and more high net worth individuals (HNIs) and ultra-HNIs seek out differentiated products that give them an option to generate better returns on their investments.

Valuation break-up across sub-categories as per CRISIL AIF Benchmarks September 2023

As of September 2023, the total valuation of the schemes considered for sub-category benchmarks was Rs 4.13 trillion. Equity funds – unlisted schemes under Category II have the largest asset size of Rs 924 billion, followed by equity funds – listed + unlisted in the same category (Rs 888 billion).

The following chart shows the break-up of the total valuation of the schemes across categories considered for sub-categorization in CRISIL AIF benchmarks as on September 30,2023.



Source: CRISIL MI&A research

Real estate funds and debt funds have 12% and 11% share in the total valuation based on September 2023 benchmarks.

AIFs gain favour in the private credit era

As an asset class, private credit has logged significant growth in India in recent years, driven by a raft of factors.

The tightening of liquidity that followed the non-banking financial company (NBFC) crisis of 2018, reducing credit access for many borrowers, really set the stage for growth of the private credit market.

As such, private credit offers a financing route to small- and mid-sized firms that find it challenging to raise capital through traditional sources of lending for business expansion, new projects, last-mile funding and corporate restructuring. This has led to AIFs tapping opportunities and catering to unmet demand.

Additionally, borrowers are increasingly eyeing this space for other capital needs such as pre-initial public offering bridge funding or raising equity holding—not possible with traditional financing.

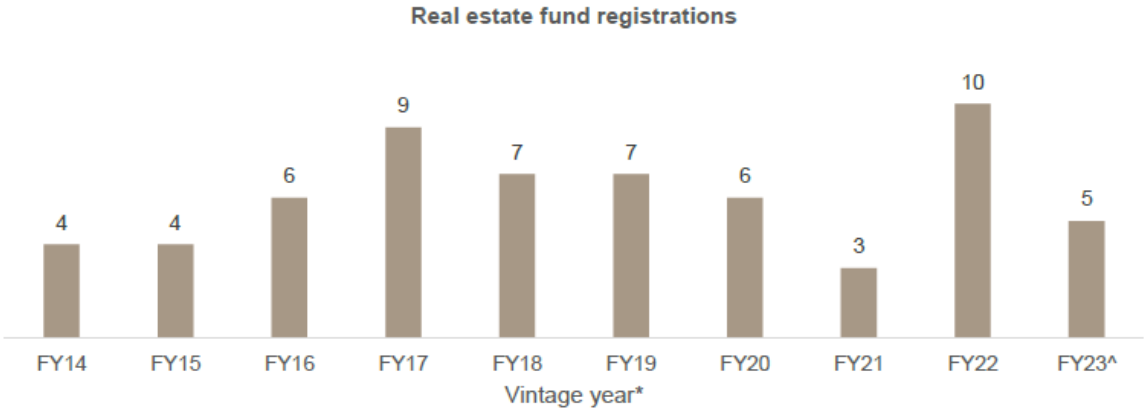
The government's push for large-scale infrastructure projects and frameworks such as the Insolvency and Bankruptcy Code have also created a favourable environment for the private credit market to scale up.

Additionally, the high risk-reward profile of private credit investments attracts many high networth individuals to commit capital in this space, thereby boosting the market.

The resultant buoyancy has rubbed off on private debt AIFs, which invest across sectors. AIFs in the private credit space may be classified into two major categories based on the sector in which they invest – one that primarily invest in real-estate sector (Real estate funds) and others which are sector agnostic (Debt funds).

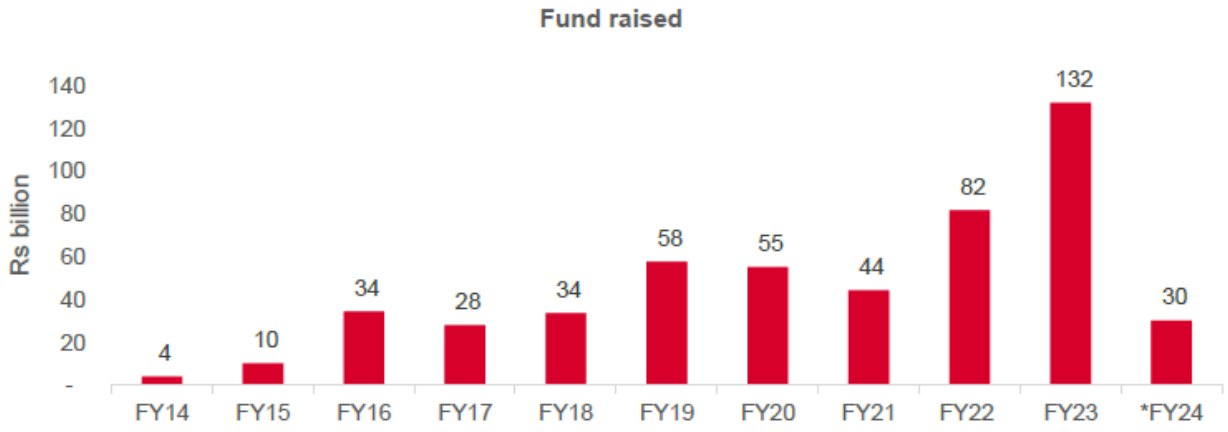
Real Estate AIFs

Real estate AIFs have become prevalent and are playing a crucial role in the Indian real estate sector by injecting much-needed capital in this space. There is considerable demand from both developers for capital and investors as there has been an increase in demand for both commercial and residential spaces over the years.



Source: CRISIL MI&A research
Based on data for September 2023 benchmarks.
61 schemes that invest in real estate sector through debt have been considered for the above analysis.
**The above data is based on vintage years of the funds. Vintage year is defined as the financial year in which a fund had its first close, i.e., the vintage year of a fund will be FY 2014 if it had its first close between April 1, 2013 and March 31, 2014*
^ Funds having their first close between April 1, 2022 and September 30, 2022

Based on the data provided to CRISIL for benchmarking, as of September 2023, the funds raised by real estate AIFs grew to Rs 132 billion in fiscal 2023 from Rs 58 billion in fiscal 2019.



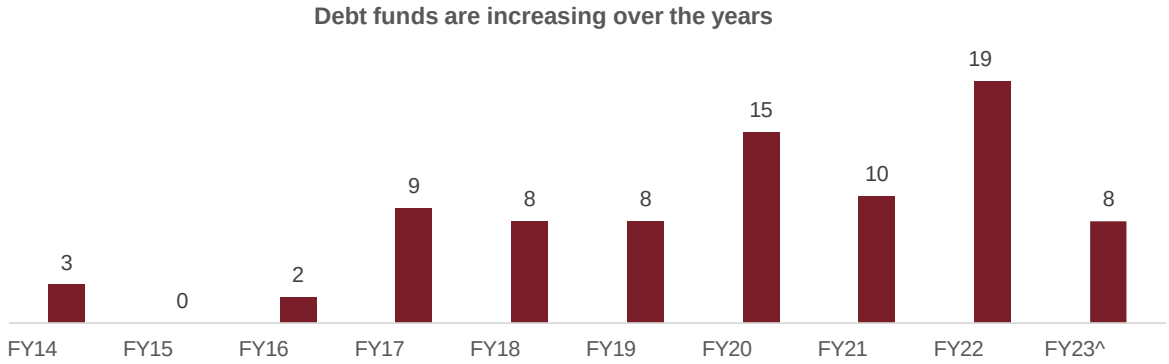
Source: CRISIL MI&A research

Based on data for September 2023 benchmarks.
61 schemes that invest in real estate sector through debt have been considered for the above analysis.
**For the six months ended on September 30, 2023.*

Debt AIFs

A debt AIF invests in a diverse range of debt securities of listed or unlisted investee companies according to its stated objectives. Flexibility in transaction structure make AIFs a popular choice in the private credit market.

Debt AIFs, in particular, have clocked sizeable growth. Indeed, as many as 60 of the 82 debt funds (73%) under CRISIL AIF Benchmarks3 have been launched in the past five years alone. At least eight new debt funds have hit the private credit market every year since fiscal 2017. With 19 funds, fiscal 2022 saw the most number of debt funds being launched till date. The first six months of fiscal 2023 alone saw the launch of eight debt funds.

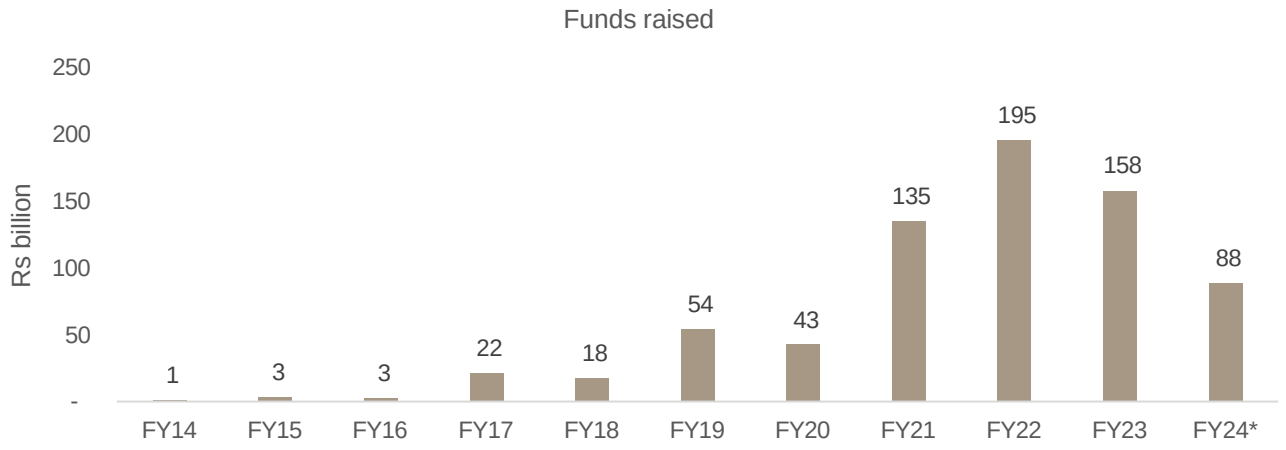


Vintage year

Source: CRISIL MI&A research
Based on data for September 2023 benchmarks.
82 schemes have been considered for the above analysis
**The above data is based on vintage years of the funds. Vintage year is defined as the financial year in which a fund had its first close, i.e., the vintage year of a fund will be FY 2014 if it had its first close between April 1, 2013 and March 31, 2014*
^ Funds having their first close between April 1, 2022 and September 30, 2022

Fund raising by debt AIFs shoots up

The last five years have seen exponential growth in capital raised by debt AIFs. Based on data provided to CRISIL for benchmarking (as of September 2023), the funds raised grew to Rs 88 billion in fiscal 2024 from Rs 54 billion in fiscal 2019. These AIFs raised large amounts over fiscals 2021 and 2023 compared with other years—in the first six months of fiscal 2024 alone, they raised 56% of the capital collected in fiscal 2023.



Source: CRISIL MI&A research
Based on data for September 2023 benchmarks.
82 schemes have been considered for the above analysis.
**For the six months ended on September 30, 2023.*

Debt AIFs could create unique solutions to meet the specific needs of borrowers across maturities and repayment profiles, considering different types of security, collateral or levels of seniority compared with existing debt.
They are opening up sufficient channels for institutional investors, pension funds and endowments to make inroads into the market.

Understanding the corporate bond market in India

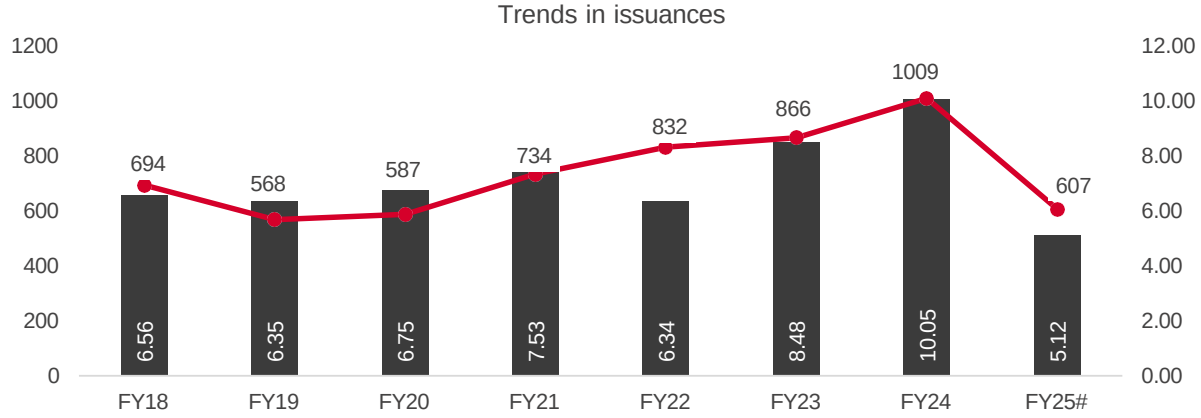
A crucial component of the country's financial system, the corporate bond market in India enables businesses to raise long-term funds and provides investors with opportunities for diversification.

Fund-raising through corporate bonds has been a preferred route with record issuance of Rs 10.05 lakh crore in fiscal 2024 and a cumulative bond issuance of Rs 24.8 lakh crore during fiscals 2022 to 2024. This compares favourably with Rs 25.4 lakh crore raised by corporates (industry and services) from the banking system during the period.

Corporate bonds outstanding has reached ~Rs 50 lakh crore in September 2024, a ~47% jump from September 2020 till date. As of September 2024, the share of corporate bonds in the in the overall debt market remains steady at ~ 21%, while the share of sovereign debt remains higher at ~75%.

Trends in corporate bond issuances

The Indian corporate bond market has grown steadily in recent years. Regulatory reforms and growing investor appetite for fixed-income securities have boosted issuances. Companies, particularly large corporations, are increasingly relying on bonds to secure funds, especially when credit conditions in the banking sector are tight.





Source: CRISIL MI&A, PRIME Database

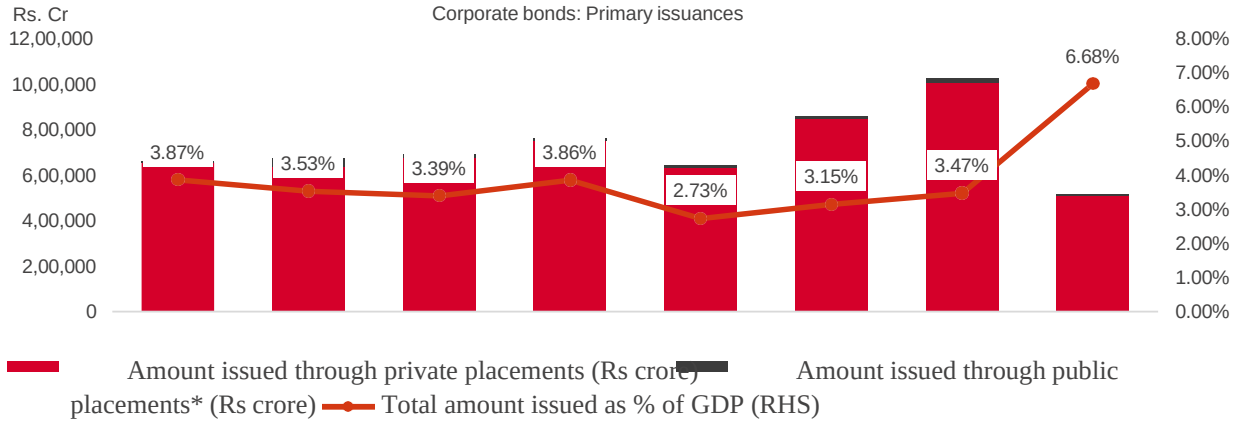
Funds mobilised through corporate bonds rose consistently between fiscal 2018 and 2024, to Rs 10.05 lakh crore from Rs 6.56 lakh crore, marking a peak in corporate bond mobilisation and reflecting strong participation and market confidence.

In fiscal 2024, banks, non-banking financial companies, and public sector undertakings (PSUs) dominated Indian bond market issuances. National Bank for Agriculture and Rural Development (NABARD), REC Ltd, HDFC Bank, Power Finance Corp (PFC) Ltd, and Small Industries Development Bank of India (SIDBI) were among the major issuers. The 10-year maturity bracket witnessed the largest share of fund raising, followed by the three- to five–year segment.

Regulators continue to improve the microstructure of the bond market. In May 2024, the Securities and Exchange Board of India (SEBI) reduced the face value of corporate bonds from Rs 100,000 to Rs 10,000. SEBI also standardised the record date for interest payment/redemption date to 15 days as against the earlier system, where record dates could differ depending on the issuer. These changes are expected to make corporate bonds more accessible to retail investors.

The dominance of private placements

Most of the funds raised via corporate bonds during the period were through private placements due to ease of execution, lower regulatory requirements, and faster transaction times. Private placement remains the dominant route, with ~99% of the total bond issuances.



Source: CRISIL MI&A, PRIME Database

In the first half of fiscal 2025, 607 different issuers tapped the corporate bond market, issuing bonds totalling Rs 5.11 lakh crore. In the fiscal 2025, the corporate bond market saw 200+ new issuers, reflecting growing confidence and participation in the debt market. Moreover, AAA-rated corporate bonds dominated the bond market with ~67% issuances in the first half of fiscal 2025.

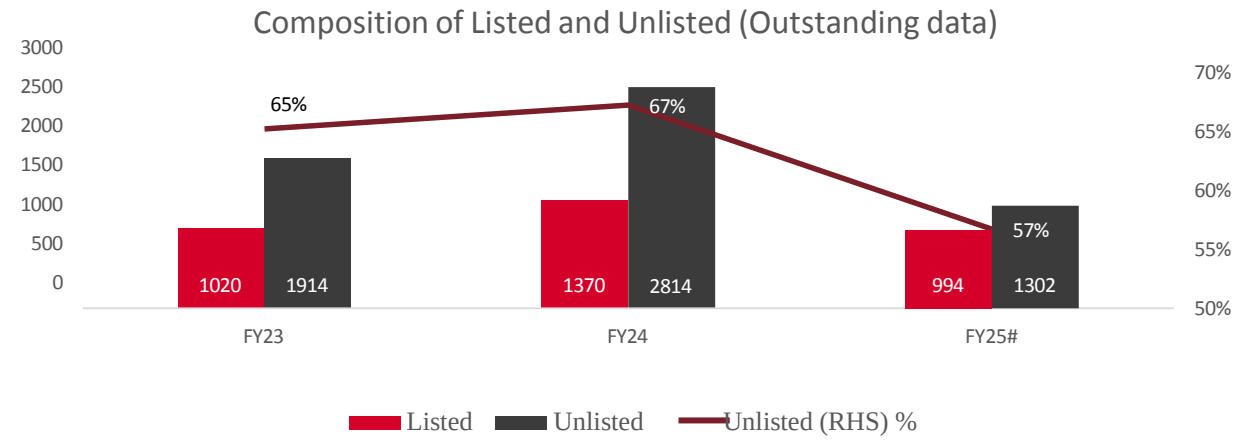
India's corporate bond market vs. global peers

The Indian corporate bond market is relatively underpenetrated compared with developed and other emerging economies. At 18% of the gross domestic product (GDP), it is far below 120% of GDP in the US and 50–60% in China and South Korea, for instance.

In India, corporates have primarily relied on banks for funding, which limited the penetration of corporate bonds.

The advanced countries, in contrast, have well-established bond ecosystems that provide significant financing for corporates, reducing dependence on traditional bank loans.

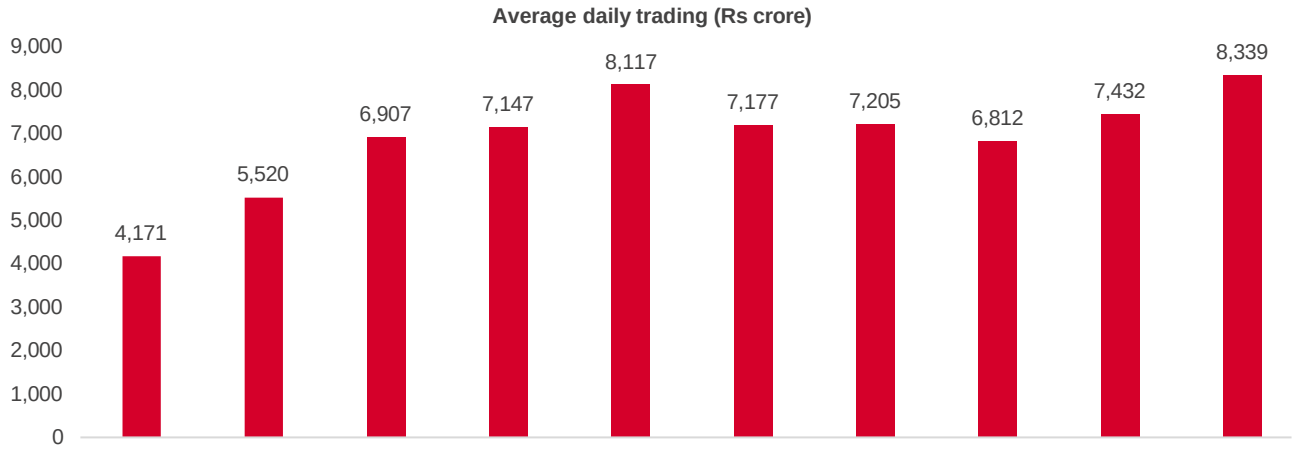
That said, issuances in India's corporate bond market stood at ~6.68% of GDP in fiscal 2025. The spike reflects increased reliance on debt markets so far in the year, possibly driven by favourable market conditions and reduced dependence on traditional bank loans.



Source: CRISIL MI&A, NSDL Outstanding data
#30November 2024

In FY2024, Outstanding corporate bond issuances stood at 4184 and in FY2025 is at 2296. In fiscal 2024, unlisted bonds accounted for a substantial 67% of total issuances. The gaining preference for unlisted bonds suggests a move toward a more profound market, likely driven by higher investor confidence. The rise in the alternate space played an important role in higher issuances of corporate bond market. The overall growth in corporate bonds issuances, with the proportion of unlisted bonds increasing, point to a maturing debt market in India. This evolution is critical for improving liquidity, attracting diverse investors, and reducing dependency on the traditional banking system for corporate financing.

Rising market activity: An analysis of average daily trading trends



Source: CRISIL MI&A

The first half of fiscal 2025 also saw an increase in the primary-market participation of non-banking finance companies and housing finance companies. These entities sought to meet their credit requirements through alternative sources such as commercial papers and bonds, as the Reserve Bank of India (RBI) increased the risk weights on unsecured consumer loans from 100% to 125% (November 2023). The average daily trading value of corporate bonds grew to ~Rs 8,339 crore in the first half of fiscal 2025, because of higher issuances as well as a greater number of issuers and investors tapping the market. Launch of ARCL

(AMC Repo Clearing) has helped boost liquidity in the corporate bond market. The monthly transactions on the platform are now in the range of Rs 10,000 crores and Rs 15,000 crores. Steps taken by the regulator to deepen the corporate bond market including its focus on online bond platforms, easier offer documents, backstop facility for debt market, municipal bonds, REITs has helped deepen the corporate bond market in recent years.

Bond market growth & Outlook

The potential for bonds is enormous. CRISIL estimates that corporates will have to raise Rs 100-120 lakh crore through corporate bonds by fiscal 2030. Additionally, the RBI's household-savings data suggests financial assets form over 10% of India's GDP, part of which can be channelled.

The development of the corporate bond market has remained a key focus for the regulator through its measures, such as Retailisation, digitalisation, enhanced transparency, introduction of debt IPOs, corporate bond repositories, electronic-book mechanism and market-making.

To achieve this, stakeholders need to focus on enhancing liquidity, expanding investor base, and fostering a more favourable regulatory environment. As India continues its journey towards becoming a $5 trillion economy, the corporate bond market will play an increasingly vital role in meeting the country's capital needs and driving sustainable growth.

The surge in liquidity in recent years is attributed to favourable market conditions, advancements in financial technology, rise in OBP platforms, rise in alternative investment funds (AIFs), rise in corporate debt funds and a shift toward greater reliance on market-based instruments for funding and investment. As the financial ecosystem continues to mature, this growth underscores the expanding role of markets in driving economic activity and wealth creation.

In conclusion, while the corporate bond market in India has grown, it is still a work in progress. With the right policies and structural reforms, it can emerge as a cornerstone of India's financial ecosystem, offering a stable and efficient avenue for capital formation.

Online bond platforms helping deepen market

The advent of online bond platform providers (OBPPs) has given the debt market a much-needed spur by driving up retail participation and, thereby, liquidity.
Thanks to technological innovation and regulatory reforms, the bond market, traditionally dominated by institutional investors, has opened the door wider for retail investors. And the digital platforms are making it easier for individual investors and institutions to buy and sell bonds, often accompanied by tools for research, analysis and portfolio management.

By leveraging technology, OBPPs aim to streamline bond trading, enhance transparency and broaden market participation beyond traditional institutional players.

The OBPP ecosystem in India comprises a mix of fintech startups, traditional financial institutions and government-backed platforms. These players cater to investors with varied risk appetites, from retail to institutional, and provide access to various fixed-income products, from public issues to private placements and from AAA-rated to A-rated bonds. Investors can also explore government securities (G-secs), state-development loans (SDLs), sovereign gold bonds (SGBs) and public sector undertaking (PSU) bonds.

Globally, retail participation in bond markets is in the 1-6% range (World Economic Forum Insight Report of August 2022). Nearly two-thirds of investors surveyed cite awareness-related challenges (products and execution) when it comes to bond investments.

As of September 2024, there were 17 OBPPs registered with the National Stock Exchange (NSE) and 25 with the Bombay Stock Exchange (BSE). These platforms have been approved by the Securities and Exchange Board of India (SEBI) to offer retail investors access to a variety of listed and regulated debt instruments. The framework ensures transparency, compliance and investor protection within the bond market ecosystem.

As non-institutional investor interest in bonds grows, the OBPPs will need to provide greater ease of access, transparency and efficiency in bond trading.

Factors pushing growth of OBPPs in India

SEBI has been proactive in promoting transparency and investor protection in the bond market. In August 2022, the regulator mandated that OBPPs must register as stockbrokers, bringing them under its regulatory purview. The move aims to standardise the operations, enhance accountability and build investor trust. SEBI's initiatives, coupled with India's broader push for digitalisation, have created a conducive environment for the growth of OBPs.

The segment also has tailwind from the following factors:

- Digital accessibility: OBPPs simplify the investment process for retail investors to access corporate and government bonds. They cater to a growing audience, including those in Tier II and Tier III cities, with user-friendly interfaces and educational tools
- Economic and infrastructure focus: India's infrastructure development initiatives, under the National Infrastructure Pipeline (NIP), have fuelled corporate bond issuances, providing retail investors with a wide range of options
- Global integration: The anticipated inclusion of Indian government securities in the global bond indices has further enhanced the sector's attractiveness to both domestic and international investors
- Sharper focus on retail investors: Bond markets have been largely inaccessible to retail investors, due to high ticket sizes and opaque processes. OBPPs have addressed this by offering smaller investment sizes, sometimes as low as Rs 10,000

Tailwinds for bond market growth

India's OBPPs experienced significant growth, because of greater retail participation. Various platforms offer diverse bond- trading options through enhanced accessibility and digital innovation.

For retail investors, the door to debt investments is opening wider, with SEBI reducing the face value of corporate bonds by 90% to rupees Rs 10,000. This is a salutary move, because an additional investment avenue is being created in a country for retail investors, where more than a third of household savings are allocated to relatively lower-yielding bank fixed deposits (FDs). The retail investors' share is less than 3%, compared with 21% for mutual funds and 26% for insurers.

Additionally, the RBI's Retail Direct platform for government securities and state-development loans (SDLs) as well as the adoption of the single schedule of disclosure to fast-track public issuances with shorter time as well as lower cost and effort.

How OBPPs can catalyse bond market growth

- Diversifying retail portfolios: These platforms encourage retail investors to diversify beyond traditional instruments, improving financial resilience.
- Promoting financial inclusion: By lowering entry barriers, online platforms make bond investment accessible to individuals across income groups.
- Boosting corporate bond market activity: Increased participation from retail investors has the potential to deepen the corporate bond market, enhancing liquidity and market efficiency.
- Enhancing financial literacy: Educational initiatives by online platforms contribute to a more informed investor base, fostering long-term growth in financial markets.

Challenges and prospects

Despite rapid growth, challenges such as market liquidity, high investment thresholds and compliance complexities persist. Besides, it is necessary to raise investor awareness on corporate bonds as these are relatively complex instruments with varying credit risks, interest-rate sensitivities and liquidity concerns. Informed investors can assess a bond's risk-return profile better, ensuring alignment with their financial goals. Thus, education and transparency are vital in navigating the corporate bond markets.

That said, with the ongoing reforms and technological advancements, OBPPs are poised to play a pivotal role in democratising fixed-income investments in India, especially for retail traders or investors. As the market evolves, these platforms offer retail investors a reliable avenue to diversify portfolios, providing steady returns with lower risk compared with equities. The growth of OBPPs marks a significant leap towards a more inclusive financial ecosystem in India.

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company and its Subsidiary, and to the extent is accompanied by financial information, such information is included on a standalone basis. Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Information" on pages 18, 20 and 153, respectively of this Prospectus. Additionally, please refer to section titled "Definitions and Abbreviations" on page 2 for the definition of certain terms used in this section. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Special Purpose Audited Financial Statements as included in this Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Unless otherwise indicated or unless otherwise required, industry and market data used in this section has been derived from the industry report titled "NBFC Report" dated November 2024, prepared and issued by CRISIL MI&A, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL MI&A has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the NBFC Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the NBFC Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details and risks in relation to the NBFC Report see Risk Factor No. 44. This Prospectus contains information from third parties including reports prepared by independent third party research agency, which we have commissioned and paid for purposes of confirming our understanding of the industry" on page 40.

Overview

We are RBI registered non-deposit taking Non-Banking Financial Company - Investment and Credit Company falling under the Base Layer category, bearing registration No. N-13.02198 dated August 11, 2017 subsequently, upon the change of name from Pracaya Financial Services Private Limited to Prachay Capital Private Limited, a new certificate of registration was issued on May 7, 2019 in lieu of original certificate. Following the conversion to a Public Limited Company, we received a fresh certificate of registration on October 7, 2024 under Section 45-IA of the RBI Act. We cater to the finance needs of medium and large business through corporate credit and corporate bonds.

For our Corporate Credit product, the focus is on identifying the special financial needs and the business objective to be achieved by the borrowings and structure a financial arrangement such that the infusion of debt funds would result in achieving business objective of our clients and will result in cashflows which will ultimately be the source of repayment for the borrowing.

In Corporate Bonds, we lend in the form of investments in unlisted, privately placed non-convertible debentures (corporate bonds) of local corporates.

To increase structured investor participation in these bonds, our Company has obtained a licence to operate a Category II Alternative Investment Fund (AIF) from SEBI, wherein our wholly owned subsidiary– Prachay Investment Managers Private Limited is the Investment Manager to the AIF. We have launched our first scheme under the name 'Prachay AIF Scheme I' which invests into unlisted corporate bonds of multiple local reputed companies.

We also plan to invest in corporate bonds of listed companies for which we have obtained an Online Bond Platform licence from SEBI through our wholly-owned subsidiary, Prachay Securities Private Limited.

Corporate Credit and Corporate Bonds contribute 83.10% and 16.90% of our AUM, as at March 31, 2024, respectively and 83.40% and 16.60% of our AUM, as at September 30, 2024, respectively. As on September 30, 2024, the Corporate Credit and Corporate Bonds have an average loan-to-value of 42.97% and 24.40%, respectively, at the time of sanctioning of the loans. The average ticket size of our Corporate Credit and Corporate Bonds was ₹ 687.55 lakh and ₹ 2,432.92 lakh, respectively, as at September 30, 2024.

Our AUM has grown at a CAGR of 46.61% from ₹ 13,291.94 lakh as at March 31, 2022 to ₹ 28,569.77 lakh, as at March 31, 2024. As on September 30, 2024, our AUM stands at ₹ 28,593.01 lakh. As at March 31, 2024 and September 30, 2024, our Gross NPA expressed as a percentage of our AUM was 0% and 0%, respectively, and our Net NPA expressed

as a percentage of our AUM was 0% and 0%, respectively.

Our financing requirements have been met from a variety of sources including refinancing from the term loans from both PSU and private banks, proceeds from the issuance of privately placed, secured, unlisted NCDs, inter-corporate deposits from various bodies corporate to meet our capital requirements. As at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our total borrowings were ₹ 20,915.12 lakh, ₹ 22,938.23 lakh, ₹ 17,930.94 lakh and ₹ 10,254.61 lakh, respectively and our average cost of borrowings for period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 12.27%, 9.99%, 11.69% and 9.70% respectively.

(₹ in lakh unless otherwise stated)

Sr. No.	Total Borrowings	As at							
		September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
1.	Bank Loans - (A)	4,240.62	20.27	3,065.23	13.36	3,808.12	21.24	3,354.77	32.71
2.	Debt Securities - Secured - (B)	15,039.50	71.91	12,495.00	54.47	5,636.50	31.43	3,741.50	36.49
3.	Inter-corporate Deposits - (C)	1,635.00	7.82	7,378.00	32.16	0.00	0.00	200.00	1.95
4.	Subordinated/ any other liabilities - (D)	0.00	0.00	0.00	0.00	8,486.31	47.33	2,958.34	28.85
	Total (A+B+C+D)	**20,915.12**	**100.00%**	**22,938.23**	**100.00%**	**17,930.94**	**100.00%**	**10,254.61**	**100.00%**

Our revenue from operations on a consolidated basis grew at a CAGR of 15.15% over the last two Fiscals and on a standalone basis grew at a CAGR of 40.10% over the last three Fiscals.

In Fiscal 2024, our Company's total income, on a consolidated basis, amounted to ₹ 4,253.79 lakh as compared to ₹ 3,674.17 lakh for Fiscal 2023. Our profit before tax on a consolidated basis for the Fiscal 2024 stood at ₹ 1,479.80 lakh as compared to ₹ 1,376.26 lakh in Fiscal 2023.

During Fiscal 2024, our Company's total income, on a standalone basis, amounted to ₹ 4,236.14 lakh as compared to ₹ 3,369.79 lakh for the Fiscal 2023 and ₹ 2,140.69 lakh for the Fiscal 2022. Our profit before tax on a standalone basis for Fiscal 2024 stood at ₹ 1,471.95 lakh as compared to ₹ 1,294.67 lakh in Fiscal 2023 as compared to ₹ 891.72 lakh in Fiscal 2022.

Our Competitive Strengths

Agility in providing financial solutions

Our company offers fast and efficient financial solutions. Our dedicated team of professionals prioritizes the time-sensitive needs of our customers by streamlining the approval process. Once all required documents and information are received, we ensure swift loan approvals, followed by rapid disbursements. Our commitment to quick response times is a key strength that sets us apart in the market.

Flexible Structured Finance with customer centric solutions

Our Company comprehends the financial requirements of our clients and designs its structured solutions accordingly to address the actual needs of the borrower. Our loan products are customised to align with our customers financial needs. We believe our flexible loan offerings provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies. This availability of our loan products on highly flexible terms has helped us to increase our AUM from ₹ 13,291.94 lakh in Fiscal 2022 to ₹ 28,569.77 lakh in Fiscal 2024.

Robust business model - value for all stake holders

Our Company has a long term and sustainable business model which offer unambiguous value propositions to all its stakeholders. For our debt investors, we offer fixed and periodic returns which are higher than traditional debt investment opportunities such as fixed deposits, liquid mutual funds etc. For our borrowers, we provide fast and flexible financial solutions to medium to large-sized localised businesses. For our employees, we provide the opportunity to work in the field of business finance and create innovative, mutually beneficial financial solutions and structures in an organisation that supports the holistic growth of an individual.

Scalable business operations

Our wholesale corporate lending model of the Company is scalable as we can expand our offerings and increase our geographical base. Our Company's operations, business plans, systems and processes are aligned such that they support consistent and constant growth over a long period of time. We have shown consistent performance over the years. Our AUM has grown at a CAGR of 46.61% from ₹13,291.94 lakh as at March 31, 2022 to ₹28,569.77 lakh, as at March 31, 2024. As on September 30, 2024, our AUM stands at ₹ 28,593.01 lakh. Our disbursements during the September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 were ₹ 14,320.90 lakh, ₹ 36,574.89 lakh, ₹ 29,433.40 lakh and ₹ 11,178.41 lakh, respectively. Our profits after tax have grown at a fast rate over the past 3 (three) years. Our profit for the year grew from ₹ 668.66 lakh in Fiscal 2022 to ₹ 1,097.30 lakh in Fiscal 2024 at a CAGR of 28.10%. Our Profit for the period ended September 30, 2024 stands at ₹ 720.23 lakh. As at September 30, 2024, our Net worth (net owned funds) stands at ₹7,734.28 lakh. Our CRAR stands at 24.87% as at March 31, 2024 and 27.32% as at September 30, 2024.

On a consolidated basis, our ROE and ROA stood at 17.73% and 4.03% as at March 31, 2024 and 18.49% (on annualised basis) and 4.61% (on annualised basis) as at September 30, 2024.

Professional and experienced leadership

Our Promoter and Managing Director is a qualified Chartered Accountant in India with extensive knowledge and understanding of the banking and finance industry. He has experience of over 15 (Fifteen) years in baking and finance industry. Due to the professional background, our Promoter and Managing Director understands the technicalities of developing standard operating practices and control systems and plan work flow for operational efficiencies.

Our executive management team also have significant experience in the products and services offered by us. We believe that our senior management and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses; and that their extensive relevant experience and financial acumen will continue to provide us with a distinct competitive advantage. Our management organization structure is designed to support each product line with a dedicated team of executives with substantial experience in their particular business domain.

We have successfully recruited and retained talented qualified professionals like Chartered Accountants, Company Secretaries and Lawyers. Our senior managers have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies. We have undertaken manpower planning in a manner that our operations can be scaled at a much larger and faster scale with these professionals.

Our Strategies

Acquiring presence in the corporate bond market

The corporate bond market in India is developing fast and has massive growth potential. The increased participation of investors in equity market might also extend to the corporate bond market over the next few years. We have already been lending in the form of unlisted corporate bonds at the local level.

We plan to expand our business to investing in corporate bonds of listed companies and have obtained an Online Bond Platform licence from SEBI through our wholly-owned subsidiary, Prachay Securities Private Limited

We intend to engage with listed companies in India which are willing to raise funds through issuance of listed corporate bonds. We will subscribe to a certain portion of the overall bond issue and warehouse these bonds. Subsequently, they will be offered on our Online Bond Platform for participation from other investors.

Leverage existing capabilities and strengths to diversify product and service offerings

The traditional financial system might not be able to address all business finance needs of new age, aspiring businesses. Thus, our Company aims to cater to the special business finance needs of growing medium to large corporates. We intend to capitalize on our current strengths to diversify our product and service offerings.

Our diversification strategy is driven by the evolving needs of our customers, and we believe this is in line with the strength of our customer-centric business model and our expansion strategy, as it allows us to ensure that our customers have access to various differentiated products and services which they need quickly and efficiently.

Therefore, we plan to launch following new products in the market to meet the evolving needs of our customers.

1. **Growth capital finance**:
   Businesses are increasingly looking at capital as a strategy for growth. We collaborate with such mid to large businesses and design innovative finance schemes for their customers that can result in increased sales/ revenue. Such innovative finance structures may result in conversion of trade liability into financial liability to reduce credit risk.

2. **Upfront lease finance**:
   In this product, the lessee will borrow from us to make an upfront lease payment to the lessor for the entire duration of the lease in lieu whereof, the lessee shall deposit the monthly lease payments with us for the repayment of the borrowing. The significant advantage of this arrangement is that the actual party using the asset is liable for making the stipulated repayments for the borrowing.

3. **Co- lending**: We aim to partner with larger financial institutions for our corporate credit products in the co-lending format/consortium lending format. In this manner, we will be able to cater to a larger base of customers at an affordable cost and add value to our customers through time and process efficiency. We prefer co-lending on a risk sharing basis.

4. **Co-investing**: We are developing a strong network of investors who can co-invest with us in corporate bonds which will enable us to execute larger transactions with commensurate fee earnings while restricting our risk exposure on a particular transaction.

Expanding portfolio profile and markets

With the expected boom in the Indian economy over the next few years, the corporate lending market has huge potential to grow. We cater to business finance needs of medium to large corporates with established track records, good market reputations and adequate net assets and cash flows. We have ambitious plans to expand nationally in India and grow our portfolio significantly. Hence, we are actively trying to curate our portfolio as a proof of concept for our innovative products and strategies.

Though our present portfolio is concentrated in real estate segment, we have benefitted from 15 (Fifteen) years of experience and proven track record in real estate financing of our promoter. The secured lending in real estate is backed by adequate security and cashflows. We aim to expand to other industries over the next few years backed by our products such as growth capital and capital goods funding.

We have taken our first step towards pan-India expansion with lending at Bhubaneshwar, Hyderabad and Bengaluru in addition to Pune.

A significant part of future portfolio will be sector agnostic, in the listed and unlisted corporate bond market.

Key financial and operational information

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in lakh, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023
Balance Sheet			
Financial Assets			
Cash and cash equivalents	114.75	1732.08	128.74
Bank balance other than cash and cash equivalents	879.10	459.19	194.55
Trade receivables	63.18	0.29	132.59
Other receivables	-	-	-
Loans	28,647.85	28,498.80	22,511.87
Investments	0.01	0.01	0.01
Derivative financial instruments	-	-	-
Other financial assets	50.07	16.82	29.16
Non-financial assets			

(₹ in lakh, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023
Current tax assets (net)	6.91	162.09	30.23
Deferred tax assets (net)	88.76	78.46	11.83
Investment property	-	-	-
Property, plant and equipment	214.18	218.31	219.75
Capital work-in-progress	27.25	-	-
Right to use assets	51.76	33.88	2.05
Other Intangible assets	0.21	0.26	-
Intangible assets under development	59.95	43.60	-
Goodwill on Consolidation	70.70	70.70	70.70
Other non-financial assets	187.34	5.41	61.56
Non-current assets held for sale	-	-	-
Total assets	**30,462.01**	**31,319.89**	**23,393.04**
Liabilities and Equity			
Financial liabilities			
Derivative financial instruments	-	-	-
Trade payables	-	-	-
Other payables	8.74	2.74	9.41
Finance lease obligation	-	-	-
Debt securities	15,039.50	12,495.00	5,636.50
Borrowings (other than debt securities)	5,840.62	10,393.23	12,290.94
Subordinated Liabilities	-	-	7.10
Lease Liabilities	20.27	34.23	2.14
Other financial liabilities	1,061.65	457.72	39.49
Non-financial liabilities			
Current tax liabilities (net)	39.83	-	106.81
Provisions	8.28	5.52	-
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	327.02	649.52	149.30
Equity (including other equity and non-controlling interest)	8,116.11	7,281.92	5,151.35
Total equity and liabilities	**30,462.01**	**31,319.89**	**23,393.04**
Profit and Loss			
Total revenue	2,774.37	4,253.79	3,674.17
Revenue from operations	2,700.98	4,205.48	3,652.26
Other income	73.39	48.31	21.91
Total Expenses	1,819.01	2,773.99	2,297.91
Exceptional Items	-	-	-
Profit before tax	955.36	1,479.80	1,376.26
Profit after tax	711.89	1,102.30	1,031.84
Other comprehensive income	-	-	-
Total comprehensive income	711.89	1,102.30	1,031.84
EPS			
(a) Basic	3.29	5.14	5.06
(b) Diluted (Refer Note 1)	Refer Note 1	Refer Note 1	5.06
Cash Flow			
Net cash (used in)/ generated from operating activities	751.19	(4,035.23)	-
Net cash (used in)/ generated from investing activities	(446.84)	(286.14)	-
Net cash (used in)/ generated from financing activities	(1,921.68)	5,924.71	-
Add : Opening cash and cash equivalents as at the beginning of the year	1,732.08	128.74	-
Cash and cash equivalents as at the end of the year	114.75	1,732.08	-
Additional Information			
Net worth (Refer note 2)	7,840.13	7,056.14	5,043.40
Cash and Cash Equivalents	114.75	1,732.08	128.74
Assets under Management (Refer note 3)	28,711.55	28,561.38	22,567.98

(₹ in lakh, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023
Off Balance Sheets Assets	-	-	-
Total Debts to Total assets	0.69	0.73	0.77
Debt Service Coverage Ratios[#]	NA	NA	NA
Interest Income	2,690.98	4,189.48	3,342.26
Interest Expense	1,341.84	2,038.30	1,647.33
Provisioning & Write-Offs (Refer Note 4)	66.90	69.13	56.11
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)*	27.09%	24.62%	22.06%
Tier II Capital Adequacy Ratio (%)*	0.23%	0.24%	0.28%
CRAR*	27.32%	24.87%	22.33%

**On standalone basis*
#The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.

Notes:
Note 1: Due to unavailability of FMV as on September 30,2024 and as on March 31, 2024, the management has not calculated weighted average number of equity shares and diluted EPS.
Note 2: Net worth means Net Owned Funds of the company
Note 3: Asset under management includes loans and advances and interest accrued thereon.
Note 4: Provisioning & Write-Offs are standard asset provisions.

The following table sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ in lakh, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Balance Sheet				
Financial Assets				
Cash and cash equivalents	45.03	1,661.13	118.65	24.62
Bank balance other than cash and cash equivalents	871.02	451.24	191.63	307.28
Trade receivables	62.84	-	-	-
Other receivables	-	-	-	-
Loans	26,633.05	27,483.44	22,551.37	13,258.24
Investments	1,996.26	1,123.76	100.01	0.01
Derivative financial instruments	-	-	-	-
Other financial assets	75.01	30.20	12.48	2.52
Non-financial assets				
Current tax assets (net)	-	155.82	-	39.29
Deferred tax assets (net)	88.23	77.96	11.46	57.78
Investment property	-	-	-	-
Property, plant and equipment	213.28	217.09	217.13	6.57
Capital work-in-progress	27.25	-	-	-
Right to use assets	51.76	33.88	2.05	8.19
Other intangible assets	0.21	0.26	-	-
Intangible assets under development	59.95	43.60	-	-
Other non-financial assets	187.33	5.41	61.56	312.95
Non-current assets held for sale	-	-	-	-
Total assets	**30,311.23**	**31,283.79**	**23,266.33**	**14,017.45**
Liabilities and Equity				
Financial liabilities				
Derivative financial instruments	-	-	-	-
Trade payables	-	-	-	-
Other payables	4.36	1.62	0.06	0.45

(₹ in lakh, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Finance lease obligation	-	-	-	-
Debt securities	15,039.50	12,495.00	5,636.50	3,741.50
Borrowings (other than debt securities)	5,875.62	10,443.23	12,287.34	6,507.31
Subordinated Liabilities	-	-	7.10	5.80
Lease Liabilities	20.27	34.23	2.14	7.99
Other financial liabilities	1,061.65	457.72	37.74	104.11
Non-financial liabilities				
Current tax liabilities (net)	39.83	-	106.81	-
Provisions	8.28	5.52	-	-
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	322.68	647.56	115.31	40.79
Equity (including other equity)	7,939.04	7,198.91	5,073.34	3,609.51
Total equity and liabilities	**30,311.23**	**31,283.79**	**23,266.33**	**14,017.45**
Profit and Loss				
Total revenue	2,760.36	4,236.14	3,369.79	2,140.69
From operations	2,687.20	4,189.39	3,348.08	2,134.38
Other income	73.16	46.76	21.71	6.31
Total Expenses	1,798.83	2,764.20	2,075.13	1,248.97
Exceptional Items	-	-	-	-
Profit/(Loss) before tax/	961.53	1,471.95	1,294.67	891.72
Profit/(Loss) after tax	720.23	1,097.30	953.83	668.66
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
EPS				
(a) Basic	3.33	5.13	4.67	3.34
(b) Diluted (Refer note 1)	(Refer note 1)	(Refer note 1)	4.67	3.34
Cash Flow				
Net cash (used in)/ generated from operating activities	1,742.42	(3,130.66)	(7,894.52)	(2,939.33)
Net cash (used in)/ generated from investing activities	(1,319.44)	(1,305.17)	(191.18)	(302.69)
Net cash (used in)/ generated from financing activities	(2,039.08)	5,978.31	8,179.73	2,966.87
Add : Opening cash and cash equivalents as at the beginning of the year	1,661.13	118.65	24.62	299.77
Cash and cash equivalents as at the end of the year	**45.03**	**1,661.13**	**118.65**	**24.62**
Additional Information				
Net worth (Refer note 2)	7,734.28	7,044.32	5,036.46	3,251.53
Cash and Cash Equivalents	45.03	1,661.13	118.65	24.62
Assets under Management (Refer note 3)	28,593.01	28,569.77	22,567.98	13,291.94
Off Balance Sheets Assets	-	-	-	-
Total Debts to Total assets	0.69	0.73	0.77	0.73
Interest Income (Refer note 4)	2,687.20	4,189.39	3,348.08	2,134.38
Interest Expense	1,345.36	2,042.16	1,647.33	850.57
Provisioning & Write-Offs (Refer Note 5)	66.90	69.13	56.11	33.70
Gross NPA (%)	-	-	-	-
Net NPA (%)	-	-	-	-
Tier I Capital Adequacy Ratio (%)	27.09%	24.62%	22.06%	24.43%
Tier II Capital Adequacy Ratio (%)	0.23%	0.24%	0.28%	0.25%
CRAR	27.32%	24.87%	22.33%	24.68%

Notes:

Note 1: Due to unavailability of FMV as on September 30, 2024 and as on March 31, 2024, the management has not

calculated weighted average number of equity shares and diluted EPS.
Note 2: Net worth means Net Owned Funds of the company
Note 3: Asset under management includes loans and advances, interest accrued thereon and investment in AIF.
Note 4: Interest income includes income from loans and advance and income from investment in AIF.
Note 5: Provisioning & Write-Offs are standard asset provisions.

Our product wise split of assets under management on a standalone basis is as under:

(₹ in lakh, unless otherwise stated)

Products	AUM (standalone basis)			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
AUM				
A. Corporate Credit	23,846.06	23,741.97	16,587.12	13,291.94
B. Corporate Bonds	4,746.95	4,827.81	5,980.86	-
Total AUM	**28,593.01**	**28,569.77**	**22,567.98**	**13,291.94**

Our product wise disbursement on a standalone basis is as under:

(₹ in lakh, unless otherwise stated)

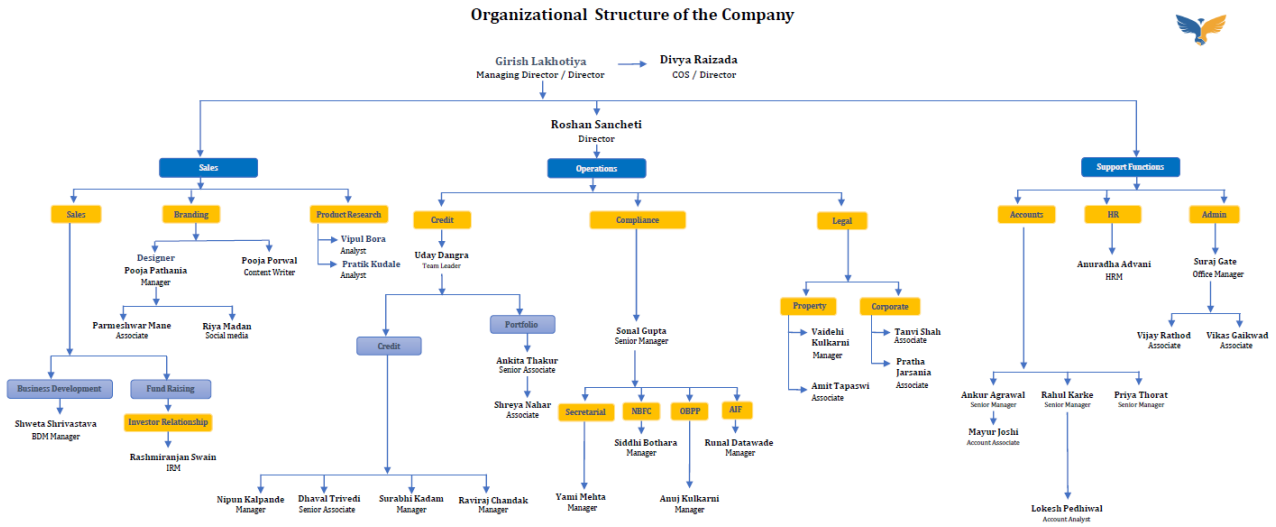
Disbursement Core Business*	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Corporate Credit	11,345.90	28,901.14	23,483.40	11,178.41
Corporate Bonds	2,975.00	7,673.75	5,950.00	-

**The disbursement numbers have been rounded off to nearest lakh*

ORGANISATION AND TEAM STRUCTURE

Functions	Team	Responsibilities
Assets	Product	Developing new financial products by understanding the need of the industry and business cycles.
	Risk	Managing the overall risk of portfolios and making fund allocations across products.
	Portfolio Managers	Deploying funds across client relationships under various products.
	Credit Managers	Underwriting transactions and periodic monitoring of accounts.
	Service Managers	Assisting portfolio managers in servicing of client accounts.
Liabilities	Investor Relationship Managers	Offering various high yielding fixed income investment opportunities to investors.
	Compliance	Implementing and complying with the corporate governance framework.
Support	Accounts and Treasury	Reporting, statutory compliances and treasury management.
	Corporate Legal	Managing the entire corporate legal affairs of the Company.
	Communications	Communicating with various stakeholders- investors, borrowers and personnel (in-house and external).
	Personnel Management	Managing the personnel (in-house and external) talent management initiatives.

Organization Chart



Our Products

We cater to business finance needs of medium to large businesses with established track records, good market reputation, with adequate net assets and cash flows. We engage in secured lending backed by securities in the form of movable and immovable assets and cash flows. We engage in wholesale (B2B) lending and hence we typically target transactions above ₹100.00 lakh.

We have two major business products i.e. corporate credit and corporate bonds.

A. Corporate Credit

In several situations, the standard "off the shelf" banking products offered by banks and other financial institutions do not meet the actual end use requirement of businesses. Further, in many cases it may not be possible for larger financial institutions to offer customised funding based on specific requirements of each borrower. In such situations, businesses are compelled to borrow from friends, families and/or informal local financiers. We aim to address this requirement of businesses. We understand the specific fund requirements of businesses and accordingly design customised financial solutions. This unique approach to lending differentiates us from the other lenders.

We identify the specific financial needs of the borrower and the business objective to be achieved by the borrowings. We structure a financial arrangement such that the infusion of debt funds would result in achieving business objective and will result in cashflows that will ultimately be the source of repayment for the borrowing.

As on September 30, 2024 and March 31, 2024, on standalone basis, our Corporate Credit accounted for 83.40% and 83.10% of the AUM, respectively with an onboarding average ticket size of ₹ 687.55 lakh and ₹ 680.31 lakh, respectively with a portfolio yield of 17.68% (annualised basis) and 16.94%, respectively.

Business origination

We generate Corporate Credit loans through in-house i.e. direct sales team ("DSTs"). Loans are sourced through our website, social media platforms, walk-ins, cross sell etc. or may be sourced directly by the DST.

Our target customers are medium to large businesses. We cater to the broad section with a range of loans with suitable ticket-sizes.

Credit approval and disbursement process

Our credit policy is approved by our Board of Directors. Loan approval for our Corporate Credit loans is undertaken with the help of our in-house team. Our lending/loan/credit policy is designed to provide a structured and transparent approach to the Company's lending activities, ensuring regulatory compliance and effective risk management across

all its loan products.

Loans are provided across India, typically secured through various methods (e.g., simple or English mortgages, hypothecation and pledges). Customer segments include real estate developers, high-net-worth individuals, and other corporate entities. The lending business may expand based on observed opportunities within approved business plans.

The eligibility of borrower is assessed by our credit team, then the application of qualified borrower of processed. Our credit team conducts credit evaluation which includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification, where required. The eligibility of customers is assessed by our team.

The Corporate Credit loans are sourced by the business teams wherein the focus is on lending to real estate developers, high-net-worth individuals, and other corporate entities. A thorough discussion by the business and the credit team is done with the borrower to understand his funding requirements. The processing of the loans is done by the specialized credit team. our credit team in accordance with the laid down guidelines evaluate the loan proposal on the parameters such as borrower's overall experience, business capabilities, past repayment history, group strength and market reputation. Our in-house legal and technical team conducts the due diligence process. After doing a thorough analysis through audit, financial, banking, legal and technical evaluation commenting on the clear title and availability of requisite approvals, a detailed note is prepared and loan sanction is granted post approval from requisite authorities. The loan is subject to strict post disbursal monitoring by the credit team which includes ensuring security perfection, regular data analysis and audit, escrow account, etc.

Loan collection and monitoring

Our loan collection and monitoring are done through in-house Legal team. We send customers reminders before the due date using omnichannel communication like text messages. We have logics in place to identify certain risk divisions of customers who need more focus than others and we send multiple channel reminders. Recovery actions are initiated promptly upon customer defaults. The degree of engagement increases with increase in number of days past due.

Our loan collection mechanism for project finance is managed through Escrow mechanism. The EMIs are collected through ACH banking every month. In case of delay in payment of EMI, the first level escalation is to the concerned business & in-house collection team. We also maintain a Debt Service Reserve Account (DSRA) for most case which has an amount equivalent to 3 months of interest. This DSRA is kept in undisbursed format. As the second level of escalation, DSRA is liquidated and adjusted towards the pending EMI. Once the EMI is collected, DSRA is replenished again.

B. Corporate Bonds

Over the last few years, we have been lending to corporates in the form Non-Convertible Debentures ("**NCDs**") instead of traditional loans. The compliance process of unlisted, privately placed NCDs is relatively simpler and provides significant flexibility to businesses to raise funds in the manner that best suits their business models.

We are actively encouraging businesses to consolidate their various business entities under a holding company structure so that we can lend in the form corporate bonds at the holding company level ("Holdco Level Bonds"). These Holdco Level Bonds provide fungibility and liquidity to the borrower across businesses.
In some cases, the borrower's fund requirement exceeds our exposure limits. In such cases, the larger bond issue is structured and is partly underwritten by us. The balance fund requirement is funded by the investor base of the borrower.

As on September 30, 2024 and March 31, 2024, on standalone basis, our corporate bonds portfolio accounted for 16.60% and 16.90%, respectively of the AUM with an onboarding average ticket size of ₹ 2,432.92 lakh and ₹ 1,949.69 lakh, respectively, with a portfolio yield of 24.29% (annualised basis) and 14.29%, respectively.

In this business, our Company provides financing through unlisted corporate bonds of ₹ 100 lakh to ₹ 1,650 lakh ticket size and issues such bonds to businesses in real estate segment, which have an established track record. The interest rate for our holding company bonds is generally in the range of 16% to 18% based on the profile and credit worthiness of the borrower.

Business origination

We market our Corporate Bond product through in-house i.e. direct sales team ("DSTs"). Corporate Bonds are sourced through our website, social media platforms, walk-ins, cross sell etc. or may be sourced directly by the DSTs.

Our target customers are medium to large businesses. We cater to the broad section with a range of bonds with suitable ticket-sizes.

Credit approval and disbursement process

Our credit policy is approved by our Board of Directors. Credit approval for our Corporate Bonds is undertaken with the help of our in-house team. Our credit policy is designed to provide a structured and transparent approach to the Company's lending activities, ensuring regulatory compliance and effective risk management across all its loan products.

Corporate Bonds are provided across India, typically secured through various methods (e.g., simple or English mortgages, hypothecation and pledges Customer segments include real estate developers, high-net-worth individuals, and other corporate entities. The corporate bonds business may expand based on observed opportunities within approved business plans.

The eligibility of issuer is assessed by our Credit team, then the application of qualified issuer of processed. Our Credit team conducts credit evaluation includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification, where required. The eligibility of customers is assessed by our team.

The Corporate Bonds are sourced by the business teams wherein the focus is on lending to real estate developers, businesses held by high-net-worth individuals, and other corporate entities. A thorough discussion by the business and the credit team is done with the issuer to understand their funding requirements. The processing of the bonds is done by the specialized credit team. Our credit team in accordance with the laid down guidelines evaluate the bond proposal on the parameters such as borrower's overall experience, business capabilities, past repayment history, group strength and market reputation. Our in-house legal and technical team conducts the due diligence process. After doing a thorough analysis through audit, financial, banking, legal and technical evaluation commenting on the clear title and availability of requisite approvals, a detailed note is prepared and disbursement is made post approval from requisite authorities. The bonds are subject to strict post disbursal monitoring by the credit team which includes ensuring security perfection, regular data analysis and audit, escrow account, etc.

Collection and monitoring

Our collection and monitoring are done through in-house Legal team. We send reminders to issuers before the due date using omnichannel communication like text messages. We have logics in place to identify certain risk divisions of issuers who need more focus than others and we send multiple channel reminders. Recovery actions are initiated immediately as and when the issuer defaults. The degree of engagement increases with increase in number of days past due.

Our collection mechanism for corporate bonds is managed through escrow mechanism. Tripartite escrow agreements are entered between the respective corporate bond issuers, debenture trustee' on behalf of investors and the escrow bank.

Listed corporate bonds

We plan to expand our business to investing in corporate bonds of listed companies and have obtained an Online Bond Platform licence from SEBI through our wholly-owned subsidiary, Prachay Securities Private Limited.

We will engage with listed companies in India intending to raise funds by way of issuance of listed corporate bonds. We will subscribe to a certain portion of the overall bond issue and warehouse these bonds. Subsequently, they will be offered on our Online Bond Platform for participation from other investors.

Our Funding Mix

In the past few years, we have been able to fund our growth mainly with the help of our local investors and we will rely significantly on investor funds to leverage our portfolio in the future. We have diversified our liability franchise and create direct sources of funds. We rely on banking finance support for two major funding requirements- working capital finance and long-term finance. As we engage in short term lending and rely on the escrow repayment model, we require working capital finance to effectively manage pending disbursements and fluctuations in our portfolio due to prepayments.

Investor funds are typically short-to-medium term in nature. Hence, we will still rely on larger financial institutions for long term funds to balance our funding mix.

1. NCDs/ corporate bonds

We have been raising funds in the form of privately placed, secured, unlisted NCDs usually in accordance with and upon the following terms and conditions:

- Minimum Investment : ₹ 1.00 lakh
- Returns : 13-15% per annum
- Interest periodicity : Monthly and Quarterly
- Total tenure : up to 5 (five) years
- Security : Hypothecation of receivables, charge shared proportionately with our bankers
- Security Cover : Minimum 100%
- Transferability : Freely transferable
- Investor : Individuals, HUFs, Corporates, Trusts etc.

Our NCDs may be compared to bank fixed deposits in terms of monthly interest payments. They are similarly useful in financial planning.

2. Inter-corporate deposits ("ICDs")

We are creating a platform, where corporates can deploy their short term surplus funds as ICDs with us and earn a higher return on their investment. It is a demand and supply driven framework. We enter into an ICD agreement with the corporates wherein a framework is agreed. We inform them whenever we are in need of short term funds and if it corresponds with their investment preference, the funding is raised.

- Minimum Investment : ₹ 25.00 lakh
- Returns : 12-18%
- Interest periodicity : Monthly
- Total tenure : seven days to 365 days
- Security : Unsecured
- Security Cover : Not Applicable
- Transferability : Non-transferable
- Investor : Corporates

Our Lending Policy

The loan policy of our Company is designed to provide a structured and transparent approach to the Company's lending activities, ensuring regulatory compliance and effective risk management across all its loan products. Set out below is an overview of our loan policy' main objectives:

The policy applies to all loan products, including term loans, corporate loans, loans against property and shares, among other forms of credit facilities offered by the company.

1. Policy framework

Lending business: Loans are provided across India, typically secured through various methods (e.g., simple or English mortgages, hypothecation and pledges). Customer segments include real estate developers, high-net-worth individuals, and other corporate entities. The lending business may expand based on observed opportunities within

approved business plans.

Indicative lending architecture: Steps include borrower identification thorough due diligence, credit limit assessment, legal and financial analysis, credit rating checks, title and valuation reports and ongoing credit monitoring. The architecture emphasises legal compliance, risk evaluation, and documentation for loan approvals.

Restrictions and KYC/ Anti-Money Laundering ("AML"): Compliance with AML and KYC norms ensure prevention against money laundering activities. Detailed documentation (e.g., identity proof, CIBIL scores) is collected to maintain borrower transparency and manage risks prudently.

2. Risk gradation and pricing

Risk gradation: A customer's risk profile is assessed based on factors such as industry outlook, credit history, existing relationships, income stability, and collateral quality. This helps determine the interest rates and loan terms.

Interest rate and pricing: The Company employs variable interest rates based on factors such as market liquidity, customer profile and risk level. Other charges may include processing fees, documentation charges and legal costs, which are disclosed to borrowers upfront to maintain transparency.

Penal charges: Non-compliance with loan terms may result in penal charges, which are communicated clearly to the borrower and are not added as an additional interest.

3. Exposure norms and limits

The policy sets exposure limits to manage credit risk. These include caps on loan exposure for individual borrowers (up to 25% of Tier I Capital) and group borrowers (up to 40%). Exceptions may apply, subject to approval of the Board, especially for infrastructure loans.

Sensitive sectors such as real estate and capital markets have stricter exposure norms to mitigate higher-risk exposures.

4. Asset classification and provisioning norms

Asset classification: Loans are categorised into standard, sub-standard, doubtful, and loss assets, based on their risk and repayment status. NPAs and SMAs are closely monitored to address any potential defaults early on.

Provisioning norms: Provisions are allocated for various asset classes, with higher provisions set for sub-standard and doubtful assets. For example, 0.25% is allocated for standard assets, while provisions for doubtful assets may range from 20%-50% based on the period of default.

5. Transfer of loan exposures and refinancing

Loan transfers: Loans may be transferred to other institutions under specific conditions, ensuring that borrowers are notified and all contractual terms are respected.

Refinancing: Eligible infrastructure and project loans may be refinanced without restructuring under certain conditions, such as the project's viability and a substantial loan takeover by new lenders.

6. Additional operational guidelines

Electronic payment systems: Preference is given to electronic payments to reduce processing time and ensure accuracy.

Recovery practices: Loan recovery is conducted responsibly without harassment and staff are trained to handle these situations professionally.

Policy review: The loan policy is reviewed periodically to align with changes in applicable law for the time being in force, ensuring the document remains effective and relevant.

7. Governing law and jurisdiction

Disputes arising under the loan policy are subject to the courts of appropriate jurisdiction at Pune, Maharashtra, although proceedings may be filed in other jurisdictions subject to applicable law for the time being in force.

The loan policy ensures robust lending standards, focusing on responsible practices, risk management, regulatory adherence, and transparent borrower communication, thus fortifying the Company's lending framework.

Operational Performance Ratios (on standalone basis)

(1) **Measurement of growth**

Capital growth:

Capital is the fulcrum of the lending business. The scale of operations is directly determined by the amount of capital and its leverage capabilities. Hence, the ability of a NBFC to grow is directly proportional to its ability to raise both capital and debt and diversify its liabilities.

A company's capital increases through retained earnings or the issuance of fresh equity. Our capital base has expanded at a CAGR of 41.22% on a YoY basis over the last 3 (three) Fiscals.

Fiscal Year	Capital (₹ in lakh)
2024	7,198.91
2023	5,073.34
2022	3,609.51

AUM growth:

There is high demand for the Company's products which is evident from the fact that our AUM has grown at a CAGR of over 46.61% over the last 3 (three) years.

Fiscal Year	AUM (₹ in lakh)
2024	28,569.77
2023	22,567.98
2022	13,291.94

Yearly disbursements:

An increase in loan disbursements for a lending company is a significant indicator of growth, market demand etc. Rising disbursements indicates business expansion.

Our yearly disbursement has substantially increased from ₹ 11,178.41 lakh in Fiscal 2022 to ₹ 36,574.89 lakh in Fiscal 2024 as under:

Fiscal Year	Yearly Disbursements (₹ in lakh)
2024	36,574.89
2023	29,433.40
2022	11,178.41

(2) **Risk**

Leverage ratio: Leveraging capital is crucial for maximising value for equity shareholders in a NBFC. While low leverage reduces risk, it also lowers returns; conversely, higher leverage increases potential returns but adds risk. The key is to strike a balance that aligns with the company's strategic objectives and risk tolerance.

RBI has permitted a leverage ratio (Total Outside Liabilities/Owned Funds) of up to 7:1 for NBFCs. However, we have decided to limit our ratio to around 50% of the stipulated levels, i.e., at 3.50:1

Fiscal Year	TOL/ NOF
2024	3.42
2023	3.61
2022	3.20

(3) **Income**

Portfolio yield: We operate in a high-demand segment, where borrowers seek timely access to funds to capitalise on opportunities. As a result, they are willing to pay higher interest rates for quick financing. We have successfully addressed their needs and have achieved a portfolio yield of over 16%.

Most loans granted are of short tenure, with approximately 80% repaid within 18 months. This strategy not only enhances fee-based income but also contributes to a higher overall portfolio yield.

Fiscal Year	Portfolio Yield (% of Average AUM)
2024	16.38%
2023	18.67%
2022	18.32%

NIM is a key profitability metric for NBFCs, representing the difference between the income earned from interest-bearing assets and the interest paid on liabilities. It reflects how efficiently a NBFC manages its funding and lending operations. A higher NIM signifies better income generation relative to interest costs, which is crucial for the financial health of NBFCs. A consistently strong NIM builds confidence among investors, signalling effective asset management and cost control.

We have maintained a high NIM compared to our peers in the industry.

Fiscal Year	Net Interest Margin as % of Average AUM
2024	8.40%
2023	9.49%
2022	11.02%

(4) **Costs**

The significant costs for a NBFC may be broadly classified into borrowing cost, operating cost and credit Cost.

Borrowing Cost is a crucial metric representing the expense incurred to raise funds for lending operations. It directly impacts profitability, operational efficiency, and competitiveness in the financial services sector. The borrowing cost depends on the funding mix. While loans from banks/financial institutions come at a relatively cheaper rate, the cost of funds raised from investors in the form of NCD/ICD have higher rates.

Fiscal Year	Borrowing Cost as % of Average Borrowings
2024	9.99%
2023	11.69%
2022	9.70%

Operating Cost includes all expenses incurred in managing its day-to-day business operations. Managing operating costs efficiently is critical for NBFCs as it directly impacts profitability and competitiveness. By adopting technology, streamlining operations, and focusing on asset quality, NBFCs can effectively manage their operating expenses. This enables them to remain competitive, scalable, and resilient in a dynamic financial landscape. Our operating cost has been in the range of 2-4% of the average AUM.

Fiscal Year	Operating Cost as % of Average AUM
2024	2.82%
2023	2.39%
2022	3.42%

Credit Cost refers to the expense incurred by a NBFC due to credit risks, including provisions for bad loans, write-offs and any potential losses arising NPAs. It is a crucial metric for assessing the quality of a NBFC's loan portfolio

and its ability to manage credit risk effectively. By focusing on strong underwriting standards, efficient recovery processes, and proactive portfolio management, NBFCs can control credit costs and ensure sustainable growth. Managing credit cost effectively further safeguards profitability, capital adequacy and stakeholder confidence in a competitive and evolving financial landscape.

We have not incurred any credit cost since inception.

(5) **Profit and returns**

Profit after tax ("PAT") growth: PAT is a key performance indicator for NBFCs, reflecting their ability to enhance profitability and shareholder value over time. It represents the net profit generated after accounting for all expenses, taxes, and provisions.

Fiscal Year	PAT (₹ in lakh)
2024	1,097.30
2023	953.83
2022	668.66

Return on total asset ("**ROTA**") is a key profitability metric that measures how efficiently a NBFC uses its total assets to generate profit. It indicates the company's ability to convert its asset base into net income, providing insights into operational efficiency and asset utilisation. A higher ROTA indicates better asset utilisation, high operational efficiency and better financial health which is crucial for NBFCs in maximising returns on investments.

A consistently high ROTA reflects robust asset quality, operational efficiency, and effective management. By focusing on optimising NIM, controlling costs and improving asset quality, NBFCs can enhance their ROTA and ensure long-term financial stability.

Our ROTA has been in the range of 4% to 5% of the total assets.

Fiscal Year	ROTA as % of Average Total Assets
2024	4.02%
2023	5.12%
2022	5.49%

Return on Equity ("**ROE**") is a key financial metric that measures the profitability of a NBFC in relation to its shareholders' equity. It indicates how effectively the company is using its equity to generate profits for its shareholders. A higher ROE indicates effective management and strong financial performance, highlighting the company's ability to generate returns for equity investors. By focusing on optimising operating efficiency, maintaining high asset quality, and leveraging technology, NBFCs can sustain and grow ROE, ensuring long-term value creation for shareholders.

Our ROE (post taxes) has been above 17% over the last 3 (three) years.

Fiscal Year	ROE as % of Average Equity
2024	17.88%
2023	21.97%
2022	20.42%

CAPITAL RISK ADEQUACY RATIO

As per RBI Master Directions, NBFCs are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00 % of the aggregate risk weighted assets on-balance sheet and the risk-adjusted value of off-balance sheet items, as applicable. For further details, see "*Regulations and Policies*" on page 140.

The table below sets out certain details of the capital to risk-weighted assets ratio of our Company (on a standalone basis) as of the dates indicated:

(₹ in lakh)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Tier I Capital (A)	7,734.28	7,044.32	5,036.46	3,251.53
Tier II Capital (B)	66.90	69.13	63.21	33.70
Total Capital (A+B)	7,801.19	7,113.45	5,099.67	3,285.23
Risk Weighted Assets	28,552.49	28,606.50	22,835.77	13,309.22
CRAR %	27.32%	24.87%	22.33%	24.68%
CRAR % - Tier I Capital %	27.09%	24.62%	22.06%	24.43%
CRAR % - Tier II Capital %	0.23%	0.24%	0.28%	0.25%

RISK MANAGEMENT FRAMEWORK

We have established a risk management framework underpinned by a comprehensive suite of policies, operational processes, procedures and governance structures to identify and analyse potential risks, to set appropriate risk limits and controls and to monitor risks and adherence to limits. We seek to make sensible and balanced business decisions based on our risk appetite and corporate governance frameworks.

The initial focus of our loan portfolio management efforts is on our customer relationship officers, who are given primary responsibility for both the issuance of loans and the collection of repayments from our borrowers. They also regularly conduct checks or reviews of our borrowers and the end use of loans.

We regularly monitor defaults in the field and get in touch with the field teams to conduct prompt follow up. Our teams also reported observations to the management and seek guidance for further action to improve collections.

We have in place a risk management committee to analyze and identify the risks associated with each line of business and suggest suitable policy and process changes to reduce the identified risks. The identified risks are reported & reviewed on a regular basis and the risks associated with the enterprise as a whole are reported on a quarterly basis through Risk Management Committee to the Board for review.

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through committees including our Audit Committee, Asset Liability Management Committee and Risk Management Committee.

Audit Committee

The Audit Committee is responsible for dealing with all material questions concerning the auditing and accounting policies of our Company and its financial controls and systems or any other function as may be determined by the Board, review and ensure correctness, sufficiency and credibility of our financial statements, recommend appointment, re-appointment or removal of our statutory and internal auditors, overseeing our whistle blower policy/vigil mechanism, monitor transactions with related parties, reviewing monitoring and evaluating internal control systems including internal financial controls and risk management systems. The Audit Committee has approved a policy for making provisions against loans in default that is consistent with provisions prescribed by the RBI, as applicable to our Company.

Asset Liability Management Committee

The Asset Liability Management Committee is responsible for monitoring the asset liability composition of our business, determining actions to mitigate risks associated with our asset liability discrepancies, approve proposals and detailed terms and conditions of borrowings from banks, reviewing our borrowing agenda, reviewing product pricing, monitoring liquidity and interest rate risks, reviewing stress testing results for adverse liquidity scenarios and desired maturity profile of our assets and liabilities and also reviewing the mix of our incremental assets and liabilities.

Quantitative and Qualitative Analysis of Financial Risks

We are exposed to numerous financial risks during the normal course of business. The financial risks we face are principally related to credit risk, liquidity risk and interest rate risk. The table below explains the sources of risk to which we are exposed and how we manage and mitigate the risk and the consequential impact in our financial statements.

Risk	Exposure	Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured	Credit worthiness of borrower and review monitoring, recovery process. Obtain fixed

Risk	Exposure	Management
	at amortised cost.	deposits with highly rated banks.
Liquidity risk	Debt securities and other liabilities.	Fixed repayment, asset liability management and periodic reviews by the Board of liquidity positions.
Market risk - interest rate	Debt securities at variable rates.	Review cost of funds and pricing disbursement.

Credit Ratings

Our current credit ratings are set forth below:

Name of the Rating Agency	Instrument	Amount Rated (in ₹ lakh)	Rating Assigned
CRISIL Ratings Limited	NCDs	25,000.00	BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (assigned)
CRISIL Ratings Limited	Bank loan facilities	6,100.00	BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (Reaffirmed)
Infomerics Valution and Rating Private Limited	Long term fund based bank facilities	7500.00	IVR BBB/Stable (IVR Tripple B with stable outlook)
Care Ratings Limited*	NCDs	25,000.00	BBB-/ Stable (pronounced as CARE triple B minus rating with stable outlook)

*The credit rating from Care Ratings Limited is unaccepted by us.

Corporate Social Responsibility

Our Company has constituted a corporate social responsibility committee in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. On the social front, our Company has undertaken many initiatives for community welfare, with a special focus on i.e. health, education & environment, livelihood and poverty alleviation. While designing the CSR programmes, a major emphasis has been given to grant opportunities and building the skills of women through our initiatives, especially those from marginalised and vulnerable communities.

Employees

As on December 31, 2024, we had 43 employees. We firmly believe that our people are integral to the culture and continued success of our business and that our organisational structure permits us to utilise talent efficiently and effectively. We strive to maintain a work environment that fosters professionalism, integrity, excellence and cooperation. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees.

Competition

Our Company has strategically positioned itself in a segment where it faces limited competition from its peers in the industry. It has developed several moats in its business model accordingly. The emerging fintech businesses, backed by fund houses, focus on small-ticket personal/business loans that can be sourced and processed online but lack the financial expertise to venture into corporate lending. The Promoter of our Company possess the required professional and technical knowledge and have a successful track record of more than a decade in the field of business finance. They have a significant stake in the business and decision-making. However, we face competition primarily from other NBFCs and banks. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

Properties

The Company's first office premises, owned by the Company, was located at No. 309, City Square Bhamburda, Shivajinagar, Pune 411 005 Maharashtra. The current registered office of the Company is located at Office No. 1401/

1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No 103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony Pune 411 016, Maharashtra, a property leased by the Company.

As on date of this Prospectus other than our registered officer situated at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 411016 Maharashtra, our Company does not have any other branches/place of business.

Insurance

Our Company also has in place a keyman insurance policy for its Promoter.

Intellectual Property

Our trademark 

and our logo that include the image is owned by our Promoter and is registered with the Trademarks Registry which is valid until 10 years from the date of application. We have obtained permission from our Promoter in writing to use the logo.

Information Technology

Information technology is used as a strategic tool which comprises industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. We believe that through our information systems and adequate controls we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief background of our Company

Our Company was originally incorporated on February 7, 2017, as Pracaya Financial Services Private Limited, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Further on March 27, 2019, the name of our Company was changed to Prachay Capital Private Limited, following the issuance of a fresh certificate of incorporation by the Registrar of Companies, Pune.

Subsequently on June 27, 2024, a special resolution was passed at the general meeting of our shareholders, whereby our Company was converted into a public limited Company. A fresh certificate of incorporation was issued by the Registrar of Companies, Central Processing Centre (CPC), on September 4, 2024, and the name of our Company was changed to Prachay Capital Limited.

Our Company obtained a certificate of registration from the Reserve Bank of India (RBI) dated August 11, 2017, bearing registration number N-13.02198, allowing us to carry out activities as a Non-Banking Financial Company (NBFC) without accepting public deposits under Section 45IA of the RBI Act, 1934 under Section 45-IA of the RBI Act. Subsequently, upon the change of name from Pracaya Financial Services Private Limited to Prachay Capital Private Limited, a new certificate of registration was issued on May 7, 2019 in lieu of original certificate. Following the conversion to a Public Limited Company, we received a fresh certificate of registration on October 7, 2024.

Registered Office of our Company and changes to Registered Office

Registered Office

The Registered office of our Company is located at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S.No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune (MH) – 411016.

Changes to Registered Office

From	To	With effectfrom	Reason for Change
Office No 309, City Square Bhamburda, Shivajinagar, Pune – 411 005, Maharashtra, India.	Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S.No. 103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune – 411 016, Maharashtra, India.	October 24, 2024	Business Expansion

Main objects of our Company

The objects to be pursued by the Company on its incorporation are:

To carry on the business as a non-banking finance company, leasing company, hire purchase company, to undertake and or arrange or syndicate all types of business, relating to financing of consumers, individuals, industry or corporates, for all kinds of vehicles, aircrafts, ships, machinery, plants, two-wheelers, tractors and other farm Equipment, consumer durables, equipment, renewable energy equipment/infrastructure, to engage in all forms of securitisation, instalment sale and/or deferred sale relating to all sorts commercial vehicles, to purchase the book debts and receivables of companies and to lend or give credit against the same, to act as financiers, concessionaries and merchants or carry on the business of consultants, advisers, managers, experts and technical collaborators in matters pertaining to the foregoing activities, syndication of loans, counselling and tie-up for project and working capital, finance, syndication of financial arrangements whether in domestic or international markets, infrastructure finance, foreign currency lending or borrowing, investment counselling, setting up of joint ventures for finances, management, to employ experts for any of the above purposes. Making loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, to negotiate and issue and participate in funding any public and private loans and advances, underwriting contracts, mortgages, equity participation, cash credits, overdrafts and other financial facilities; leasing, hire-purchase, insurance business, receiving deposits under any scheme or arrangement in one lump sum or in instalments by way of contributions or in any other manner. To assist the transport undertakings with long- or medium-term loans or subscribe to their share capital, equity or preference, debentures or assist in other ways within the restrictions imposed by the Reserve Bank of India or any other authority under the law in force from time to time. To receive money on deposits, current account or otherwise with or without interest and to receive and deposit title

deeds and other securities and to lend money and negotiate loans of every description and transact business as capitalist, promoter and financial and monetary agents and to give any guarantee for the payment of money for the performance of any obligation or undertaking.

Key Milestones and Major Events

Year	Key Events / Milestone / Achievements
2017	Certificate of registration issued by RBI to act as non-deposit taking NBFC.
2017	First round of equity funding
2022	Acquisition of equity shares of Prachay Investment Managers Private Limited from Prachay Holding Private Limited leading to its establishment as a wholly owned subsidiary of our Company
2023	Investment in Prachay AIF Scheme I – Category II AIF
2023	First bond investment
2024	Conversion of Company from Private Limited Company to Public Limited Company and consequent change of name of the Company from Prachay Capital Private Limited to Prachay Capital Limited
2024	Incorporation of a wholly owned subsidiary namely, Prachay Securities Private Limited

Subsidiaries of our Company

As on the date of this Prospectus, we have two subsidiaries, in accordance with the Companies Act:

1. Prachay Investment Managers Private Limited ("PIMPL")

Corporate Information

PIMPL is a Private Limited Company incorporated under the Companies Act, 2013, with its Certificate of Incorporation issued by the Registrar of Companies (RoC) on January 19, 2021. Its Corporate Identification Number (CIN) is U67190PN2021PTC197835. The company's registered office is situated at Office No. 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No. 2850, S. No. 103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, Maharashtra – 411016, India. PIMPL functions as the Sponsor and Investment Manager for Prachay AIF Scheme I, launched by Prachay Alternate Investment Trust, which is registered with SEBI having registration number IN/AIF2/21-22/0958.

Nature of Business

PIMPL manages alternative investment funds, which are privately pooled investment vehicles registered with SEBI.

2. Prachay Securities Private Limited ("PSPL")

Corporate Information

PSPL is a private limited Company incorporated under the Companies Act, 2013, with its Certificate of Incorporation issued by the Registrar of Companies (RoC) on October 04, 2024. Its Corporate Identification Number (CIN) is U64990PN2024PTC234764. The company's registered office is situated at Office No. 309, City Square, Bhamburda, Shivaji Nagar, Pune – 411005 Maharashtra India.

Nature of Business

PSPL intends to engage in the business inter alia, as stock-brokers, sub-brokers, dealers, agents, of operating platforms, websites and applications for the sale and purchase of securities, of dealing in shares, securities, commodities, currencies and their derivatives and to act as a member of a recognized stock exchange in India. PSPL has successfully obtained SEBI Stock Broker Registration No. INZ000322839 to operate in the debt segment and has also obtained a license to function as an Online Bond Platform Provider.

As on the date of this Prospectus, we also have Prachay AIF Scheme-I as subsidiary, in accordance with the Ind AS

Prachay AIF Scheme- I

Corporate Information

Prachay AIF Scheme-I is a scheme launched by Prachay Alternate Investment Trust which is registered with SEBI as Category II AIF vide SEBI Registration number IN/AIF2/21-22/0958 issued on December 08, 2021, having its office at

Office No. 1401 and 1402, Next Gen Avenue, Wing B CTS No 2850, S NO 103, Bahiratwadi, Near ICC Trade tower, Senapati Bapat Road Pune Maharashtra 411016. The SEBI Registration number of the AIF is IN/AIF2/21-22/0958.

Nature of Business

i. **Long-Term Capital Appreciation:** Aims to achieve sustainable, long-term returns by focusing on investments in established, profitable companies, avoiding high-risk, early-stage ventures.

ii. **Diversified Investment Strategy:** Allocates investments across various asset classes, including debt, real estate, and other alternative assets, to manage risk and seize diverse market opportunities.

iii. **Research-Driven Approach:** Utilizes comprehensive due diligence and fundamental analysis to assess the financial stability, competitive position, and growth potential of prospective investments.

iv. **Active Engagement with Investee Companies:** Collaborates closely with investee companies, offering strategic guidance to support their growth and enhance overall value.

v. **Disciplined Exit Strategy:** Establishes defined exit strategies from the beginning, continuously assessing market conditions and performance to time exits for optimal returns.

Holding of our Company

As on the date of this Prospectus our Company does not have any holding Company.

Associate of our Company

As on the date of this Prospectus our Company does not have any associate Company.

Joint Venture

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

Key terms of Material Agreements

As on the date of this Prospectus our Company has not entered into any material agreements which are not in the ordinary course of business.

Acquisition or Amalgamation in the preceding one year

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

Reorganization or Reconstruction undertaken by our Company in the preceding one year

There have been no reorganization or reconstruction undertaken by our Company in the preceding one year, preceding the date of this Prospectus.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations, affairs and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The Articles of Association of our Company require us to have not less than three and not more than fifteen Directors.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company, the relevant directions issued by the RBI, and the SEBI Listing Regulations.

As of the date of this Prospectus, we have six Directors on our Board of Directors, comprising of one Managing Director, two Executive Directors, three non-executive Independent Directors including two women Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Prospectus.

Name, Designation and DIN	Age (in years)	Address	Date of Appointment/ reappointment	Details of other Directorship
Girish Murlidhar Lakhotiya **Designation:** Managing Director **DIN:** 02699138	41	D 2002, T4, Castel Royale Towers, S. No. 86 to 90, Bopodi, Pune University, Near Joshi Gate, Range Hill, Pune – 411 020, Maharashtra, India.	June 27, 2024	**Indian Companies** 1. Prachay Holding Private Limited 2. Prachay Investment Managers Private Limited 3. Prachay Advisors Private Limited 4. Prachay Foundation *5.* Prachay Securities Private Limited **Foreign Companies** Nil
Roshan Rajendra Sancheti **Designation:** Executive Director **DIN:** 07707109	39	Flat No – 504, J Building, Shanti Nagar Society, Gangadham Katraj Road, Near VITT Hostel, Pune – 411 048, Maharashtra India.	September 12, 2024	**Indian Companies** 1. Prachay Holding Private Limited 2. Prachay Investment Managers Private Limited 3. Prachay Advisors Private Limited 4. Prachay Foundation 5. Prachay Securities Private Limited **Foreign Companies** Nil
Divya Raizada **Designation:** Executive Director **DIN:** 10432172	33	Plot No.2, Aashirwad Building, Shivaji Housing Society, Bahiratwadi, Shivajinagar, Senapati Bapat Road, Pune – 411 016, Maharashtra India.	December 16, 2024	**Indian Companies** 1. Prachay Investment Managers Private Limited 2. Prachay Securities Private Limited **Foreign Companies** Nil

Name, Designation and DIN	Age (in years)	Address	Date of Appointment/ reappointment	Details of other Directorship
Nilesh Rameshchandraji Saboo **Designation:** Independent Director **DIN:** 07078878	41	Flat No. A1706, Monte Rosa, Tushar Builders & BKP Infra, Sr. No.19/C, Sinhgad Road, Hingne Chowk, Pune – 411 051, Maharashtra India.	June 27, 2024	**Indian Companies** Nil **Foreign Companies** Nil
Archna Rastogi **Designation:** Independent Director **DIN:**10673171	61	RH 15, Hermes Heritage, Phase 1 Shastri Nagar, Yerwada, Pune – 411 006, Maharashtra India.	June 27, 2024	**Indian Companies** Nil **Foreign Companies** Nil
Vinita Bhattacharjee **Designation:** Additional Non-Executive Independent Director **DIN:** 10871076	61	Unit No.503, Tower 16, Lodha Belmondo, Off Mumbai Pune Expressway Gahunje – 412 101, Maharashtra India.	December 16, 2024	**Indian Companies** Nil **Foreign Companies** Nil

Brief Profile of Directors of our Company

Girish Murlidhar Lakhotiya is the Managing Director of our Company and founder of Prachay Group, with nearly 15 years of experience in the banking and finance industry. He has been with the Company since its incorporation. He is a Chartered Accountant (CA) from the Institute of Chartered Accountants of India, a Certified Financial Planner from the Financial Planning Standards Board, and has completed Level II of the Chartered Financial Analyst program by Global Association of Risk Professionals (U.S.A).

Roshan Rajendra Sancheti is an Executive Director of our Company. He has been with Prachay Group since its inception, starting as a trainee and advancing to the role of Chief Risk Officer. He is a Chartered Accountant (CA) from the Institute of Chartered Accountants of India He leads the Credit and Risk Team, with nearly 13 years of experience in the banking and finance industry. He is responsible for structuring new products, developing product guidelines, evaluating transactions based on risk and credit parameters, and managing the entire loan life cycle.

Divya Raizada is an Executive Director of our Company. She is a finance specialist with a post-graduate degree in Master of Business Administration with specialisation in Finance and has been with Prachay Group for the past 10 years. In her current role as Chief of Staff, she oversees team members across various departments and coordinates with department heads on behalf of the Managing Director. Her responsibilities include monitoring overall company operations, ensuring effective management, and maintaining smooth organizational functioning. Additionally, she plays a key role in managing customer relations with clients and associates.

Archna Rastogi is a Non-Executive Independent Director of our Company. She has been associated with our Company since June 27, 2024. She holds a master's degree in physics from Christ Church College, University of Kanpur, and is a Certified Associate of the Indian Institute of Bankers. In her 36 years of experience in banking, she has held senior leadership roles at State Bank of India and retired as General Manager (Shares & Bonds) in October 2023.

Nilesh Rameshchandraji Saboo is a Non-Executive Independent Director of our Company. He has been associated with our Company since June 27, 2024. He holds a Bachelor's Degree in Commerce from the Sant Gadge Baba Amravati University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. He has been associated with our company since June 27, 2024. He has previously worked with auditing firms like Deloitte and S.R. Batliboi & Associates and now runs his own consultancy, specializing in tax strategies, compliance, and planning for domestic and multinational companies.

Vinita Bhattacharjee is an Additional Non-Executive Independent Director of our Company. She has been associated with our Company since December 16, 2024. She holds a post-graduate Degree in Arts from Patna University. She is a retired ex-banker with over 33 years of extensive experience at State Bank of India including senior leadership roles including general manager (inspection & audit), network general manager and deputy general manager (business & operations). She also served as Vice President at SBI California's San Diego branch from 2010 to 2014.

Relationship between our Directors

None of our Directors are related to each other.

Remuneration of our Directors

The terms of remuneration of the Managing Director are as below

a. The following table sets forth terms of remuneration of Girish Murlidhar Lakhotiya, Managing Director, as approved by the shareholders in annual general meeting held on June 27, 2024 and in terms of the agreement dated July 1, 2024.

Particulars	Terms of remuneration
Period	5 Years
Remuneration	25,000 per month*

**Excluding incentives, allowances, other benefits and perquisites.*

b. The following table sets forth all compensation paid by our Company to Girish Murlidhar Lakhotiya, Managing Director during the current year and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	For current Financial Year till February 12, 2025	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Remuneration	2.60	3.00	3.00	68.88
Reimbursements	7.48	-	-	-

The terms of remuneration of the Executive Directors are as below

a. The following table sets forth all compensation paid by our Company to Roshan Rajendra Sancheti, Executive Director during the current year and Fiscals 2024, 2023 and 2022:

(₹ in lakh)

Particulars	For current Financial Year till February 12, 2025	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Remuneration	41.85	49.00	-	5.10

The following table sets forth terms of remuneration to Roshan Rajendra Sancheti, Executive Director, with effect from April 01, 2024, as approved by the Board of Directors in the Board meeting held on April 1, 2024.

Particulars	Terms of remuneration
Period	-
Remuneration	₹ 4,00,000.00 per month*

**Excluding incentives, allowances, other benefits and perquisites. The remuneration for Roshan Rajendra Sancheti is capped at ₹ 50 lakh annually.*

b. The following table sets forth all compensation paid by our Company to Divya Raizada, Executive Director during the current year and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

Particulars	For current financial year till February 12, 2025	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Remuneration	32.13	24.53	0.82	10.51
Bonus	2.00	1.50	-	2.4
Reimbursement	-	0.13	-	0.08

** Divya Raizada was appointed director of the Company on January 31, 2024*

The following table sets forth terms of remuneration to Divya Raizada, Executive Director, with effect from January 31, 2024, as approved by the Board of Directors in the Board meeting held on April 01, 2024.

Particulars	Terms of remuneration
Period	-
Remuneration	₹ 2,98,200 per month*

**Excluding incentives, allowances, other benefits and perquisites. The remuneration for Divya Raizada is capped at ₹ 50 lakh annually.*

The terms of remuneration of the independent directors

The following table sets forth all compensation paid by our Company to the Independent Directors (sitting fees and commission) during the current year and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

Name of Director	Designation	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Archna Rastogi*	Non-Executive Independent Director	1.22	-	-	-
Nilesh Rameshchandraji Saboo#	Non-Executive Independent Director	0.62	-	-	-
Vinta Bhattacharjee$	Additional Non-Executive Independent Director		-	-	-

** Archna Rastogi was appointed as independent director of the Company on June 27, 2024*
Nilesh Rameshchandraji Saboo was appointed as independent director of the Company on June 27, 2024
$ Vinta Bhattacharjee was appointed as additional independent director of the Company on December 16, 2024

Remuneration paid to the Directors for the current year and Fiscals 2024, 2023 and 2022 by our Subsidiaries and Associates

No remuneration has been paid to the Directors of the Company by our subsidiaries and associates.

Other confirmations

- No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

- None of our Directors have been identified as a 'Wilful Defaulter', as defined under SEBI NCS Regulations or any other circulars issued by any regulatory authority.

- None of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI.

- None of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

- No Director in our Company is, or was, a director of any listed company, which has been or was compulsorily delisted from any recognised stock exchange within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

- None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

- No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

- We confirm that the Permanent Account Number of the Directors of the Company has been submitted to the Stock Exchange at the time of filing this Prospectus.

- None of our Directors have been categorised as a wilful defaulter by the RBI, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

- None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

- As at the date of this Prospectus, our Company has no associate companies.

Borrowing powers of our Board of Directors

Pursuant to the resolution passed by the shareholders of our Company at their EGM held on September 12, 2024 and in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of our Company, the Board has been authorised to borrow money on and behalf of the Company from time to time as deemed by the Company to be requisite and proper for the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company as per the latest annual audited financial statements (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of ₹ 50,000 lakh.

The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as mentioned above.

Interest of the Directors

Our Managing Director and Executive Directors may be deemed to be interested to the extent of Equity Shares held by them or their dependents in our Company, if any, or any stock options held by them and any dividend payable to them and other distributions in respect of such Equity Shares, if any, remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them. Our Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and/or to the extent of their shareholding and profit linked incentives payable to them.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. Except as stated in the section "*Financial Statements*" on page 153 and to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

Except as disclosed in the Section "Related Party Transaction" on page 139, none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

Except as disclosed under the section "Interest of our Directors," none of our Directors hold any interest in their capacity as a member of any company or as a partner in any firm. Furthermore, no sums, whether in cash, shares, or otherwise, have been or are proposed to be paid to any Director or to any firm or company in which they have an interest. These payments are not intended to induce or assist them in qualifying as a director or for services rendered by them or such firms or companies in connection with the promotion or formation of our Company.

None of our Directors, Promoter or Key Managerial Personnel have any financial or other material interest in the Issue.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are agreed to be paid to any Director or to such firm or company in cash or shares or otherwise by any person, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

None of our Directors are interested in the promotion of our Company, except in the ordinary course of business.

None of our Directors have taken any loan from our Company. Further, our Company has not availed any loans from the

Directors which are currently outstanding.

For the details of securities purchased or sold by our Directors or their relatives have not in the six-month preceding the date of this Prospectus, refer "*Capital Structure*" on page 57.

Shareholding of our Directors

Except as stated below, none of our directors hold any Equity Shares as on the date of this Prospectus.

Name of the Director	Number of Equity Shares Held	Percentage of Equity Shares Held
Girish Murlidhar Lakhotiya	1,71,59,870	79.26%
Roshan Rajendra Sancheti	3,11,688	1.44%

Shareholdings of Directors in Subsidiaries and Group Companies, as on the date of this Prospectus

Except as mentioned below, as of the date of this Prospectus, none of our directors hold equity shares in our Subsidiaries and Group Companies.

Name of the Directors	Name of the Subsidiaries/ Group Companies	Number of Shares held	Percentage of total Number of Outstanding Equity Shares
Girish Murlidhar Lakhotiya (*Nominee on behalf of Prachay Capital Limited*)	Prachay Investment Managers Private Limited	1	0.01%
Girish Murlidhar Lakhotiya *(Nominee on behalf of Prachay Holding Private Limited)*	Prachay Advisors Private Limited	1	0.01%
Girish Murlidhar Lakhotiya	Prachay Holding Private Limited	22,27,500	99.00%
Roshan Rajendra Sancheti	Prachay Holding Private Limited	22,500	1.00%
Girish Murlidhar Lakhotiya *(Nominee on behalf of Prachay Capital Limited)*	Prachay Securities Private Limited	1	0.01%

Appointment of any relatives of Directors to an Office or place of profit of Company during the preceding three financial years and as on date of this Prospectus.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Appointment of any relatives of Directors to an Office or place of profit of our Company and its Subsidiaries

None of our Directors' relatives have been appointed to an office or place of profit of our Company and its subsidiaries.

Debentures/ subordinated debt holding of our directors

Except as mentioned below, as on December 31, 2024, none of the Directors of our Company hold any Debentures issued by our Company under private placement:

Name of the Director	Number of Debentures Held	Amount (₹)
Divya Raizada	2,50,000	25,00,000

Changes in our Directors of our Company during the preceding three financial years and as on date of this Prospectus

The changes in Board of Directors of our Company in the preceding three financial years and as on date of this Prospectus are as follows:

Name, Designation and DIN	Date of Original Appointment	Date of appointment at current designation	Date of cessation, if applicable	Date of Resignation, if applicable	Remarks
Girish Murlidhar Lakhotiya **Designation:** Managing Director **DIN:** 02699138	February 07, 2017	June 27, 2024	-	-	Change in designation from Director to Managing Director.
Roshan Rajendra Sancheti **Designation:** Executive Director **DIN:** 07707109	February 07, 2017	September 12, 2024	-	-	Change in category from non-executive Director to Executive Director.
Divya Raizada **Designation:** Executive Director **DIN:** 10432172	January 31, 2024	December 16, 2024	-	-	Change in category from non-executive Director to Executive Director.
Nilesh Rameshchandraji Saboo **Designation:** Non-Executive Independent Director **DIN:** 07078878	June 27, 2024	-	-	-	Appointment
Archna Rastogi **Designation:** Non-Executive Independent Director **DIN:**10673171	June 27, 2024	-	-	-	Appointment
Vinita Bhattacharjee **Designation:** Additional Non-Executive Independent Director **DIN:** 10871076	December 16, 2024	-	-	-	Appointment

Key Managerial Personnel of our Company

In addition to Girish Murlidhar Lakhotiya, *Managing Director*, our Company's Key Managerial Personnel includes Ankur Purushottam Agrawal, *Chief Financial Officer* and Sonal Gupta, *Company Secretary and Compliance Officer* as of the date of this Prospectus.

Ankur Purushottam Agrawal is the Chief Financial Officer of the Company. He has over 5 years of work experience and was previously associated with Amravati Agro Foods Private Limited, Yogesh K Rathi & Co. In his current role, he is responsible for finance & accounts function. He holds a LL.M, LL.B & B. Com degree from Sant Gadge Baba Amravati University.

Sonal Gupta is the Company Secretary & Compliance officer of the Company. She has been previously associated with

M/s Saral Law, M/s Vrunda & Associates. In her current role she ensures organizational compliance with statutory requirements while strengthening governance standards.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interests of Key Managerial Personnel

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependents in our Company, if any, or any stock options held by them and any dividend payable to them and other distributions in respect of such Equity Shares, the Key Managerial Personnel of the Company do not have any interest in the Company.

Payment or benefit to employees of our Company from the Issue

Nil

Shareholding of our Company's Key Managerial Personnel

The following table sets forth the shareholding of our key managerial personnel as on the date of this Prospectus.

Name of the KMP	Number of Equity Shares Held	Percentage of Equity Shares Held
Girish Murlidhar Lakhotiya	1,71,59,870	79.26%

Senior Managerial Personnel of our Company

Set forth below are the details of the Senior Management of our Company:

Sr. No.	Name	Designation
1.	Uday Dangra	Credit Team Lead
2.	Shweta Shrivastava	Business Development Manager
3.	Pooja Pathania	Senior Graphic Designer
4.	Sonal Gupta	Company Secretary and Compliance Officer
5.	Ankur Agrawal	Chief Financial Officer
6.	Anuradha Advani	Human Resource Manager

Interest of Senior Management

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and otherwise disclosed in this Prospectus, the Senior Management Personnel of the Company do not have any interest in the Company.

None of the Senior Management have a shareholding in our Company as on date of this Prospectus.

No benefit/interest will accrue to our Senior Management out of the objects of the issue.

Our Senior Management has no financial or other material interest in the Issue and no benefit / interest will accrue to our Senior Management Personnel out of the objects of the Issue.

Shareholding of our Company's Key Managerial Personnel and Senior Management

Except as disclosed above none of our Key Managerial Personnel and Senior Management hold any Equity shares in our Company as on the date of this Prospectus.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years and the current financial year, refer to the chapter "*Related Party Transactions*" on page 139.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements of corporate governance provided in SEBI Listing Regulations and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of three Independent Directors, which includes two independent woman director. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, and the Companies Act, 2013, in respect of corporate governance, including constitution of our Board and committees thereof.

Audit Committee

The members of the Audit Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Nilesh Rameshchandraji Saboo	Chairperson	Non-Executive Independent Director
Archna Rastogi	Member	Non-Executive Independent Director
Roshan Rajendra Sancheti	Member	Executive Director

The Audit Committee was constituted by the Board of Directors at its meeting held on September 6, 2024. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013.

The broad terms of reference of the Audit Committee are:

i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
iii. examination of the financial statement and the auditors' report thereon;
iv. approval or any subsequent modification of transactions of the company with related parties;
v. scrutiny of inter-corporate loans and investments;
vi. valuation of undertakings or assets of the company, wherever it is necessary;
vii. evaluation of internal financial controls and risk management systems;
viii. monitoring the end use of funds raised through public offers and related matters.
ix. any other responsibility as may be assigned by the Board from time to time.

Nomination and Remuneration Committee ('NRC')

The members of the Nomination and Remuneration Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Archna Rastogi	Chairperson	Non-Executive Independent Director
Nilesh Rameshchandraji Sabo	Member	Non-Executive Independent Director
Vinita Bhattacharjee	Member	Additional Non-Executive Independent Director

The Board of Directors initially constituted the Nomination and Remuneration Committee during its meeting on September 06, 2024, and subsequently reconstituted on December 16, 2024 and further reconstituted on January 30, 2025. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013

The broad terms of reference of the NRC are:

i. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
ii. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Corporate Social Responsibility ('CSR') Committee

The members of the Corporate Social Responsibility Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Roshan Rajendra Sancheti	Chairperson	Executive Director
Divya Raizada	Member	Executive Director
Archna Rastogi	Member	Non-Executive Independent Director

The Corporate Social Responsibility Committee was first constituted by a meeting of the Board of Directors held on May 12, 2021 and subsequently reconstituted it on September 6, 2024.

The broad terms of reference of the CSR Committee are:

i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
iii. monitor the Corporate Social Responsibility Policy of the Company from time to time;
iv. Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
v. All other activities as informed or delegated by the Board of Directors from time to time.

Risk Management Committee ('RMC')

The members of the Risk Management Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Girish Murlidhar Lakhotiya	Chairperson	Managing Director
Roshan Rajendra Sancheti	Member	Executive Director
Divya Raizada	Member	Executive Director

The Risk Management Committee was constituted by the Board of Directors at their meeting held on August 21, 2017.

The broad terms of reference of the RMC are:

i. Overseeing liquidity risk management policies and ensuring compliance with applicable law.
ii. Meeting to review liquidity risk, funding sources, and stress testing results.
iii. To primarily include the executive director, with senior executives from risk, treasury and finance functions included as required.
iv. To provide periodic reports to the board of directors for review and approval.
v. In case of material liquidity risk events, escalate the matter to the board of directors within 7 working days.

Asset Liability Management Committee ('ALCO') Committee:

The members of the ALCO Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Girish Murlidhar Lakhotiya	Chairperson	Managing Director
Roshan Rajendra Sancheti	Member	Executive Director
Divya Raizada	Member	Executive Director

The Asset Liability Management Committee was constituted by the Board of Directors at their meeting held on 21st August 2017.

The scope and function of the ALCO Committee and its terms of reference are as follows:

i. Decision on desired maturity profile and mix of incremental assets and liabilities
ii. Sale of assets as a source of funding
iii. The structure, responsibilities and controls for managing liquidity risk, and
iv. Overseeing the liquidity positions of all branches

Employee Stock Option Plan ('ESOP') Committee:

The members of the ESOP Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Girish Murlidhar Lakhotiya	Chairperson	Managing Director
Roshan Rajendra Sancheti	Member	Executive Director
Divya Raizada	Member	Executive Director

The ESOP Committee was constituted by the Board of Directors at their meeting held on July 07, 2023.

The broad terms of reference of the ESOP Committee are:

i. The quantum of options to be granted under an ESOP Scheme per employee and in aggregate.
ii. The conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
iii. The exercise period within which the employee should exercise the option and that the option would lapse on failure on failure to exercise the option within the exercise period;
iv. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
v. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
vi. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, merger, sale of division and others. In this regard following shall be taken into consideration by the compensation committee:
    a. the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action.
    b. For this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
    c. The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
vii. The grant, vest and exercise of option in case of employees who are on long leave; and
viii. The procedure for cashless exercise of options.

OUR PROMOTER

Girish Murlidhar Lakhotiya is the Promoter of our Company.

As of December 31, 2024, our Promoter and Promoter Group, holds together 1,95,08,312 Equity Shares equivalent to 90.10% of the paid-up Equity Share capital of our Company.

Details of our Promoter



Girish Murlidhar Lakhotiya, aged 41 years old, is the sole Promoter and Managing Director of our Company.

Date of Birth: August 23, 1983

Education: He is a Chartered Accountant (CA) from the Institute of Chartered Accountants of India, a Certified Financial Planner from the Financial Planning Standards Board, and has completed Level II of the Chartered Financial Analyst program by Global Association of Risk Professionals (U.S.A).

Experience: As the founder of Prachay Group, he brings 15 years of industry experience and an expertise in banking, education, and entrepreneurship. He is a first-generation entrepreneur and finance professional.

For further details, see "*Our Management*" on page 125.

Promoter Group

Promoter Group Entities

- Prachay Holding Private limited
- Prachay Advisors Private Limited
- Acclivus Advisors LLP
- Avyay Legal and Financial Advisors LLP
- Prachay Foundation

Promoter Group Individuals

- Sneha Dhoot
- Murlidhar Lakhotiya
- Leela Lakhotiya
- Nilesh Lakhotiya
- Anita Mohta
- Niranjan Dhoot
- Raghav Dhoot
- Anjali Khatod

Promoter Group HUFs

- Murlidhar Lakhotiya HUF
- Girish Lakhotiya HUF
- Nilesh Lakhotiya HUF

Interest of Promoter in our Company

Except as a shareholder of our Company and as stated under "*Capital Structure*" on page 57, as disclosed under "*Our Management*" on page 125 and as disclosed under "*Related Party Transactions*" on page 139, our Promoter does not have interest in our Company. Further, for details pertaining to the transactions entered into between our Promoter and Promoter Group entities and our Company, please see "*Related Party Transactions*" on page 139.

Our Promoter does not propose to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter out of the objects of the Issue.

Other understanding and confirmations

Our Company declares that the permanent account numbers, Aadhar card numbers, driving license numbers, bank account numbers, passport number and personal address of our Promoter and permanent account number of Directors have been submitted to the Stock Exchanges, at the time of filing this Prospectus.

Our Promoter and the relatives of the Promoter as per the Companies Act, have not been identified as Wilful Defaulters.

No violation of securities laws has been committed by our Promoter in the past and no litigation is currently pending against him in this regard, except as disclosed in section titled "*Outstanding Litigations*" on page 164.

Our Promoter was not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by it by any stock exchange in India or abroad.

Our Promoter is a not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoter is not a fugitive economic offender.

Our Promoter is not a promoter of another company that is a wilful defaulter.

None of the member forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Interest of our Promoter in property, land and construction

Other than purchase of apartment/ unit No. 309 and 310, City Square, Bhamburda, Shivaji Nager, Pune-411005 by the Company from our Promoter in the financial year 2022-2023, our Promoter have no other interest in any transactions related to the acquisition of land, construction of buildings, supply of machinery, or similar matters concerning the Company.

Please see section titled "*Related Party Transactions*" on page 139.

Payment of benefits to our Promoter during the last three financial years and current financial year

Other than as disclosed under "*Related Party Transactions*" on page 139, our Company has not made payment of any benefit to our Promoter during the last three financial years and current financial year preceding the date of this Prospectus.

Common pursuits of our Promoter

Our Promoter is not engaged in businesses similar to ours.

Other ventures

Except as disclosed under "*Our Management*" on page 125 and Promoter Group Entities on page 136 of this Chapter, our Promoter is not engaged in any other ventures.

Details of Equity Shares allotted to our Promoter during the last three Fiscal Years and current Fiscal

Except as disclosed under "*Capital Structure*" on page 56 our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years and current Financial Year.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the six months period ended September 30, 2024, and last three financial years ended March 31, 2024, Marach 31, 2023 and March 31, 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 153. Further refer to: (i) page F32 – Note 36; (ii) page F77 – Note F37; (iii) page F120 – Note 36; (iv) page F166 – Note 38; (v) page F206 – Note 34, (vi) page F256 – Note 36 for related party transactions: (i) for the six months period ended September 30, 2024 on standalone basis; (ii) for the six months period ended September 30, 2024 on consolidated basis; (iii) for the period ended March 31, 2024 on standalone basis; (iv) for the period ended March 31, 2024 on consolidated basis; (v) for the period ended March 31, 2023 (including for the period March 31, 2022 as comparative financial information to financial year ending March 31, 2023) on standalone basis; (vi) for the period ended March 31, 2023 on consolidated basis, respectively.

Related party transactions entered during the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of Related Party	Fiscal	Loans Made	Guarantees given	Securities provided
Prachay Investment Managers Private Limited	2023	39.50[1]	-	-

[1]. It indicates outstanding balance as on 31st March 2023 of inter corporate deposit's made by Prachay Capital Limited to Prachay Investment Managers Private Limited.

Related party transactions entered during the current financial year for the period from October 1, 2024, till February 12, 2025, with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of Related Party	Loans Made	Guarantees given	Securities provided
Nil			

KEY REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

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

The major regulations governing our Company are detailed below:

Our Company is RBI registered non-deposit taking Non-Banking Financial Company - Investment and Credit Company falling under the Base Layer category, bearing registration No. N-13.02198 dated August 11, 2017. Subsequently, upon the change of name from Pracaya Financial Services Private Limited to Prachay Capital Private Limited, a new certificate of registration was issued on May 7, 2019 in lieu of original certificate. Following the conversion to a public limited company, we received a fresh certificate of registration on October 7, 2024 under Section 45-IA of the RBI Act.

Regulations governing NBFCs

Reserve Bank of India Act, 1934

The RBI is entrusted with the responsibility of regulating and supervising the activities of Applicable Non-Banking Financial Companies ("**NBFCs**") under the RBI Act, 1934. The RBI Act defines an '*NBFC*' as:

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

Section 45-I(c) of the RBI Act, 1934, as amended, modified and supplemented from time to time, defines "financial institution" to mean any non-banking institution which, among other things, carries on as its business, or part of its business as, financing, by way of making of loans or advances or otherwise, of any activity other than its own, the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature, insurance business but does not include any institution whose principal business is *inter-alia* that of carrying out any agricultural operations, industrial activities, or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. The term principal businesses have not been defined in any statute; however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, 1934 and the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all these regulations and directions as amended from time to time. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

Types of NBFCs

Section 45-IA of the RBI Act, 1934 makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities. The major regulations governing our Company are detailed below:

On October 19, 2023, the RBI issued a Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time ("**SBR Directions**"). A Revised Regulatory Framework for NBFCs ("**SBR Framework**"), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("**NBFC-BL**");
ii) NBFC- Middle Layer ("**NBFC-ML**");
iii) NBFC- Upper layer ("**NBFC-UL**"); and
iv) NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Non-Banking Financial Company-Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in Annex-I to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor. Further, the RBI, pursuant to its circular dated June 6, 2022, put in place provisioning norms in respect of 'standard' assets for NBFCs for the upper layer at certain specified rates.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

As the regulatory structure envisages scale based as well as activity-based regulation under the SBR Framework, the following prescriptions shall apply in respect of the NBFCs:

i. NBFC-P2P, NBFC-AA, NOFHC and NBFCs not availing public funds and hot having any customer interface will always remain in the base layer of the regulatory structure.
ii. NBFC-D, CIC, IFC and HFC will be included in middle layer or the upper layer (and not in the base layer), as the case may be. SPD and IDF-NBFC will always remain in the middle layer.

iii. The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFCMFI), NBFC-Factors and Mortgage Guarantee Companies (MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

iv. Government owned NBFCs shall be placed in the base layer or middle layer, as the case maybe. They will not be placed in the Upper Layer till further notice.

SBR Directions define 'NBFC-ICC' to mean a company which is a financial institution carrying on as its principal business of asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFCs as defined by the Reserve Bank of India in any of its Master Directions.

Therefore, NBFCs with asset size of over ₹ 1,00,000 lakh have been considered risky and will fall under middle layer ("**NBFC-ML"**). The Master Directions provide that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. SBR Framework clarified that existing NBFC-ND-SIs having asset size of ₹ 50,000 lakh and above but below ₹ 1,00,000 lakh (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL.

Regulatory Requirements of an NBFC under the RBI Act, 1934

We are a base layer, Non-Deposit taking (which does not accept public deposits) NBFC. As on date of filing of this Prospectus the Company falls under the category of NBFC-BL, as its assets size is below ₹ 1,00,000 lakh, as per the last audited balance sheet. SBR Framework provide that NBFCs in the base layer shall continue to comply with the SBR Master Directions applicable on NBFC-BL.

NBFC-BLs

As per the SBR Directions, the revised threshold for defining systematic significance for NBFCs- BL in the light of the overall increase in the growth of the NBFC sector. NBFC-BL will henceforth be those NBFC-BL which have asset size of below ₹ 1,00,000 lakh as per the last audited balance sheet.

A NBFC-BL shall maintain a leverage ratio of not more than 7 at any point of time.

Rating of NBFCs-BL

Pursuant to SBR Master Directions, all NBFCs with asset size of more than ₹ 1,00,000 lakh are required to furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them, within 15 (fifteen) days of such a change in rating to the regional office of the RBI under whose jurisdiction the NBFC's registered office is functioning.

Prudential Norms

The leverage ratio of NBFCs (except NBFC-MFIs, NBFCs-ML and above) shall not be more than seven at any point of time. Leverage ratio means the total Outside Liabilities divided by Owned Fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent of more of their financial assets) shall maintain a minimum Tier 1 capital of 12 percent of aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items. The value of each asset/item requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

NBFC shall calculate the total risk weighted off-balance sheet credit exposure as the sum of the risk-weighted amount of the market related and non-market related off-balance sheet items. The risk-weighted amount of an off- balance sheet item that gives rise to credit exposure shall be calculated by means of a two-step process:

The notional amount of the transaction shall be converted into a credit equivalent amount, by multiplying the amount by the specified credit conversion factor or by applying the current exposure method; and the resulting credit equivalent amount shall be multiplied by the risk weight applicable, viz., zero percent for exposure to Central Government/ State Governments, 20 percent for exposure to banks and 100 percent for others.

Corporate governance norms

As per the SBR Directions, all NBFC-BL are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination and remuneration committee, an Asset Liability Management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Department of Supervision of the Reserve Bank where the company is registered, within 15 (fifteen) days of the close of the respective quarter. The statement submitted by NBFC for the quarter ending March 31, shall be certified by the auditors. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the guidelines in Chapter XI (Governance Guidelines) of the SBR Directions and it shall be published on the company's web-site, if any, for the information of various stakeholders. RBI has also mandated the NBFCs to have a policy to ascertain the fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Concentration of credit/ investment

The erstwhile credit concentration limits prescribed for NBFCs were separate for lending and investments, however, under the SBR Framework the lending and investments exposure limits have been merged into a single exposure limit of 25% for single borrower/ party and 40% for single group of borrowers/ parties, of the Tier 1 capital of the NBFC.

Provided that an NBFC may exceed the exposure norm specified above, by 5 percent for any single party and by 10 percent for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

These norms also specifically prohibit NBFCs from lending against its own shares.

Asset Classification

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

- Standard assets
- Sub-standard assets
- Doubtful assets and
- Loss assets.

The class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the upgradation.

Provisioning Requirements

An NBFC-BL, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the SBR Directions.

NBFC-BL shall make provision for standard assets at 0.25 percent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Other stipulations

All NBFCs granting/intending to grant demand / call loans are required to frame a policy for demand / call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

Net Owned Fund

The current net owned fund requirement for NBFC-ICC is ₹ 200 lakh. SBR Directions have incrementally revised the net owned fund requirement for the NBFC-ICC for achieving the net owned fund: (i) that minimum net owned fund

requirement of ₹ 5 crore) by March 31, 2025; and (ii) ₹ 10 crore by March 31, 2027. For this purpose, the RBI Act has defined "net owned fund" to mean.

For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

i. investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

ii. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act, 1934 requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20 per cent of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

All non-deposit taking NBFCs having an asset base of ₹ 10,000 lakh and more and all deposit taking NBFCs irrespective of asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 (thirty) days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100 percent of total net cash outflows over the next 30 (thirty) calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2023 December 1, 2024 with the minimum HQLAs to be held being 85 percent of the LCR, progressively reaching up to the required level of 100 percent.

All non-deposit taking NBFCs with asset size of ₹5,000 crore and above, but less than ₹10,000 crore shall also maintain the required level of LCR of 85 percent from December 1, 2023 and 100 percent from December 1, 2024:

An NBFC-BL is required to inform the RBI, not later than one month from the occurrence of any change in:

i. the complete postal address, telephone number/s and fax number/s of the registered/corporate office;
ii. the names and residential addresses of the directors of the company;
iii. the names and the official designations of its principal officers;
iv. the names and office address of the auditors of the company; and
v. the specimen signatures of the officers authorised to sign on behalf of the company

to the Regional Office of the Department of Supervision of RBI under whose jurisdiction NBFC is registered.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy

which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and common reporting standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism risk that may in relation to new or developing technologies for both new and pre-existing products, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

Further, all NBFCs are required to adhere to provisions of Prevention of Money-Laundering Act, 2002, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and rules, circulars and regulations issued thereunder, as amended from time to time. The NBFCs are required to introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Accounting Standards & Accounting policies

NBFCs that are required to implement Indian Accounting Standards ("**Ind AS**") as per the Companies (Indian Accounting Standards) Rules, 2015 ("**Accounting Standard Rules**") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in Annex-II of the SBR Directions. Disclosure requirements for notes to accounts specified in the SBR Master Directions shall continue to apply. Other NBFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with SBR Directions. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2023 onwards with comparatives for the periods ending on March 31, 2023 or thereafter.

Implementation of Indian Accounting Standards: RBI Notification

The Reserve bank of India *vide* notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-BL is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-BL, the auditor shall made a separate report to the Board of Directors of the company on inter alia examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed

a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 dated February 27, 2024

The said master directions are applicable on supervised entities which includes all NBFCs except for housing finance companies and asset reconstruction companies. The said master direction prescribes for provisions in relation to responsibilities of the board and senior management, data architecture and IT infrastructure, accuracy and integrity in reporting, applicable returns, a general description of such returns, timelines for return submissions, alternate timelines for specific returns, mode of submission of returns along with details of online portals for filing applicable returns by NBFCs.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The SBR Directions specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the SBR Directions is required to formulate a comprehensive outsourcing policy which is to be approved by its board of directors.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* the Master Circular – Bank Finance to Non Banking Financial Companies dated April 24, 2024 bearing number DOR.CRE.REC.No.17/21.04.172/2024-25 relating *inter-alia* to lay down the Reserve Bank of India's regulatory policy regarding financing of NBFCs by banks. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles (including light commercial vehicles) and two wheelers or three wheelers, subject to certain conditions; (ii) investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc.; (iii) unsecured loans or inter-corporate deposits by NBFCs to / in any company; (iv) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities; (iv) for further lending to individuals for the purpose of subscribing to an initial public offer and for purchase of shares in the secondary market.

Norms for excessive interest rates

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

Penal Charges in Loan Accounts

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. The SBR Directions prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Declaration of Dividend

According to the SBR Directions, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital requirements; (ii) prescribed levels of net NPA; (iii) compliance with provisions of Section 45IC of the Reserve Bank of India Act, 1934; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The SBR Directions also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the SBR Regulations.

Supervisory Framework

In order to ensure adherence to the regulatory framework by non-systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Asset Liability Management

Under the terms of the SBR Directions, non-deposit accepting NBFCs having an asset base of ₹10,000 lakh or more are required to comply with the RBI Guidelines on Liquidity Risk Management Framework ("**LRM Framework**"). The RBI has prescribed the Guidelines for asset liability management ("ALM") system in relation to NBFCs through LRM Framework. The LRM Framework provides that in order to ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc.

A desirable organisation set up for liquidity risk management shall include (a) board of directors who shall have the overall responsibility for management of liquidity risk, (b) the risk management committee ("**RMC**") consisting of chief executive officer ("**CEO**")/ managing director ("**MD**") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk, (c) asset liability management committee ("ALCO") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director (ED) should head the ALCO. The role of the ALCO with respect to liquidity risk should include, inter alia, 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, and overseeing the liquidity positions of all branches, (d) asset liability management support group ("**ALM Support Group**") consisting of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile as prescribed in the directions could be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 percent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets upto 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to manage currency risk and interest rate risk under the terms of LRM Framework.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh; (iii) all transactions involving receipts by non-profit organizations of value more than ₹ 10 lakh; (iv) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transaction; and (v) all suspicious transactions, whether or not in cash.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

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

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a NPA. A bank or financial institution or NBFC may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. In addition to the above, a financial asset may be sold by any bank or financial institution where the asset is reported, by the bank financial institution

to Central Repository for Information on Large Credit, as an NPA wherein the principal or interest payment is overdue between 61-90 days.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 10,000 lakh and above) has been reduced from ₹ 50 lakh to ₹ 20 lakh.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 ("**Code**") consolidates laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships ("**LLPs**"). The Code has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The Code prescribes a timeline of 330 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. During this period, the creditors and the debtor shall negotiate and finalise a resolution plan (accepted by 66% of the financial creditors) and in the event, they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall not be permitted to act as a director of any company or be involved in the promotion or management of a company during the moratorium period. In light of the COVID-19 pandemic, the Government of India, introduced economic reforms to contribute to the ease of doing business. One of the reforms introduced is the suspension of the Code for a period of one year. An ordinance detailing the changes pursuant to this reform is expected to be introduced by the government. Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, Government of India has increased the minimum amount of default under the insolvency matters from ₹ 1 lakh to ₹ 100 lakh.

The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019 ("IBC Rules, 2019")

The Code, which regulates the insolvency resolution process for "corporate persons" previously excluded financial service providers from its purview. With the notification of the IBC Rules, 2019, the provisions of the Code will apply to financial service providers as well, which are subject to modifications and additional conditions as set out in the IBC

Rules, 2019. Financial service providers are defined to mean persons engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator under the Code. "Financial services" is broadly defined in the Code, and includes, inter alia, services in the nature of acceptance of deposits, administration of assets, underwriting services, advisory services with respect to dealings in financial products, operation of an investment scheme, and maintenance of records of ownership of a financial product. The IBC Rules, 2019, lays down the provisions for setting up an advisory committee, resolution plan and the liquidation process of financial service providers.

Foreign Investment Regulations

Master Direction – Foreign Investments in India, issued by RBI dated January 04, 2018 (updated as on March 17, 2022) and as amended from time to time, read with the Consolidated FDI Policy Circular of 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated October 15, 2020 ("FDI Policy")

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs. The Consolidated FDI Policy consolidates the policy framework in place as on October 15, 2020. Further, on January 4, 2018, the RBI released the Master Direction on Foreign Investment in India (last updated on August 8, 2024). Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals ("**SOP**") dated August 17, 2023 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members. As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non-Resident Indian ("**NRI**") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

Reserve Bank of India notification on Regulatory measures towards consumer credit and bank credit to NBFCs dated November 16, 2023

The RBI through its notification bearing number RBI/2023-24/85-DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023 has attempted to strengthen the internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards of banks and NBFCs. Through this notification the RBI has increased the risk weights on exposure of scheduled commercial banks to NBFCs (excluding core investment companies) by 25 percentage over and above the risk weight associated with the provided external rating of the NBFCs, in all cases where the extant risk weight as per external rating of NBFCs is below 100%. Hence, consumer credit exposure and credit card receivables of NBFCs shall attract an increased risk weight of 125% from 100%. Further, the RBI has mandated Regulated Entities ("REs") to review their sectoral exposure limits and put Board approved limits in place in respect of various consumer credit as may be necessary, particularly for all unsecured consumer credit exposure.

Reserve Bank of India notification on Investments in Alternative Investment Funds dated December 19, 2023

The RBI through its notification bearing number RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023 has set limits on the Alternative Investment Funds that Regulated Entities ("REs") can invest in. The REs shall not make investments in any scheme of AIFs which has downstream investments either directly or indirectly in a debtor company of the RE. Further, if an AIF scheme in which an RE is already an investor makes a downstream investment in such a debtor company, then the RE must liquidate their investment within 30 days of such downstream investment. If REs has already invested into such schemes having downstream investment in their debtor companies as on date, the 30-day period for liquidation shall be counted from date of issuance of this circular. In case the REs are not able to liquidate their investments within the above-prescribed time limit, they shall make 100 percent provision on such investments.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation and maintenance of records and transactions by banking companies and financial institutions. Further, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 prescribe the maintenance of records of nature and value of transactions, the procedure and manner of maintaining and the time for furnishing of information and verification of records of the identity of customers of financial institutions. The aforesaid rules were amended by the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2023 notified on September 4, 2023 by Revenue Department of Ministry of Finance.

In addition to the above, the following directions and circulars issued by the RBI are also relevant to our business:

a. Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024
b. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016
c. Master Direction on Information Technology Framework for the NBFC Sector, dated June 8, 2017
d. Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 02, 2024
e. RBI's Notification on Prompt Corrective Action Framework for NBFCs dated December 14, 2021
f. RBI's Master Circular - Bank Finance to Non-Banking Financial Companies dated April 24, 2024
g. Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 dated January 06, 2025
h. Master Direction - Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023
i. Reserve Bank of India (Government Securities Lending) Directions, 2023 dated December 27, 2023
j. Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023
k. Master Direction - Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024 dated January 3, 2024

Following are the acts, rules, regulations apart from RBI that are also relevant to our business;

a. Aadhar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 and the rules and regulations made thereunder (the "**Aadhaar Act**")
b. Information Technology Act, 2000 and the rules made thereunder ("**IT Act**")
c. The Digital Personal Data Protection Act, 2023 (the "**DPDP Act**")

Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

a. Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
b. Integrated Goods and Services Tax Act, 2017;
c. Income Tax Act 1961, as amended by the Finance Act in respective years; and
d. State-wise legislations in relation to professional tax.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of interalia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which include the Employee's Provident Funds and Miscellaneous Provisions Act 1952, the Employees' State Insurance Act, 1948, the

Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Employees' Compensation Act, 1923, the Payment of Gratuity Act, 1972, Maternity Benefit Act, 1961 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

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

Other Regulations

In addition to the above, our Company are required to comply with the provisions of the Companies Act, various SEBI Regulations and circulars and notifications issued by SEBI as applicable, and other applicable statutes for its day-to-day operations.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Special purpose audited standalone financial statements for the six months period ended September 30, 2024	F1 - F45
2.	Special purpose audited consolidated financial statements for the six months period ended September 30, 2024	F46 – F87
3.	Special purpose audited standalone financial statements for the financial year ending March 31, 2024	F88 – F135
4.	Special purpose audited consolidated financial statements for the financial year ending March 31, 2024	F136 -F176
5.	Special purpose audited standalone financial statements for the financial year ending March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023)	F177 -F228
6.	Special purpose audited consolidated financial statements for the financial year ending March 31, 2023	F229 -F264

Please refer to Annexure IV *(Financial Statements)* below.

MATERIAL DEVELOPMENTS

Except as disclosed below and in this Prospectus, there have been no material developments since September 30, 2024 till the date of filing of this Prospectus and there has been no material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company/ Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

1. Change in registered office of the Company

The company had changed its registered office from Office No 309, City Square Bhamburda, Shivajinagar, Pune, Maharashtra, India – 411005 to Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No 103 Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune (MH) – 411016 with effect from December 24, 2024.

2. Incorporation of a wholly owned subsidiary namely Prachay Securities Private Limited ("PSPL")

PSPL was incorporated as a private limited Company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC on October 4, 2024. The CIN of PSPL is U64990PN2024PTC234764. The Company has its registered office at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No 103 Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune (MH) – 411016 with effect from October 24, 2024.

3. Obtained a trading membership in BSE Limited and Stock Broker registration from SEBI along with a license to operate as an Online Bond Platform Provider.

PSPL had applied for membership in the New Debt segment of BSE Limited on October 25, 2024. PSPL has also obtained a Stock Broker registration pursuant to a Certificate of Registration issued by SEBI dated December 10, 2024. The Company intends to operate an Online Bond Platform for facilitating trading of listed fixed income securities.

4. Appointment of Vinita Bhattacharjee as an Additional Non-Executive Independent Director.

The Board has appointed Vinita Bhattacharjee, as an Additional Non-Executive Independent Director on December 16, 2024.

FINANCIAL INDEBTEDNESS

As on December 31, 2024, our Company had outstanding total borrowings of ₹ 21,841.64 lakh (including debt securities):

Sr No.	Nature of Borrowings	Amount Outstanding as on December 31, 2024 (₹ in lakh)	%
1.	Secured Borrowings	21,776.64	99.70
2.	Unsecured Borrowings	65.00	0.30
	Total Borrowings	**21,841.64**	**100.00**

Set forth below, is a summary of the borrowings by our Company outstanding as on December 31, 2024, together with a brief description of certain significant terms of such financing arrangements.

A. Secured Borrowings

Our Company's secured outstanding borrowings as on December 31, 2024 amounts to ₹ 21,776.64 lakh (including debt securities), are as per Ind AS after EIR impact. The details of the secured borrowings are set out below:

(i) Borrowings from Banks/ Financial Institutions:

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
1.	AU Small Finance Bank Limited	Drop Line Overdraft Facility	March 4, 2023	1,000.00	1,782.95 * total outstanding of both the overdraft limits	1st of every month. Repayment of ₹ 33.33 lakh per month commencing from April 1, 2023 and ending on September 1, 2025	Nil	i. Pari Passu charge on present & future loan receivables (Net of Financial Charges, NPA, other charges, etc.) ii. Lien Marked FD of INR 1.90 Cr in favor of AU Small Finance Bank iii. Personal Guarantee of GirishMurlidhar Lakhotiya and Roshan Rajendra Sancheti	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/ Stable from Infomerics Valuation and Rating Pvt. Ltd.
2.	AU Small Finance Bank Limited	Drop Line Overdraft Facility	August 14, 2024	2,000.00		1st of every month. Repayment of ₹ 66.67 lakh per month commencing from September 1, 2024 and ending on February 1, 2027	Nil	i. Pari Passu charge on present & future loan receivables (Net of Financial Charges, NPA, other charges, etc.) ii. Personal Guarantee of GirishMurlidhar Lakhotiya and Roshan Rajendra Sancheti	
3.	State Bank of India	Term Loan	March 02, 2022	1,000.00	694.22	August 31, 2023: ₹ 100 lakh February 29, 2024: ₹ 100 lakh August 31, 2024: ₹ 100 lakh February 28, 2025: ₹ 100 lakh	Nil	i. First Pari Passu charge on book debts, receivables, loans, advances of the company pertaining to be financed through the banks credit limit ii. Registered mortgage	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/Stable from Infomerics Valuation and Rating Pvt. Ltd. CRISIL BBB-/Stable CRISIL BBB-

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
						August 31, 2025: ₹ 100 lakh February 28. 2026: ₹ 100 lakh August 31, 2026: ₹ 100 lakh February 28, 2027: ₹ 100 lakh August 31, 2027: ₹ 100 lakh February 28, 2028: ₹ 100 lakh		and deposit of title deeds of the immovable property being all that piece and parcel of Apartment No. 309 on the 3rd floor area admeasuring 23.21 Square Meters i.e. 251 Square Feet saleable built-up along with attached terrace area admeasuring 16.72 Square Meters i.e. 180 Square Feet + parking Space No. B-4 area admeasuring 10.00 Square Meters i.e. 108 Square Feet along with 0.635% undivided share in the underlying land and common area in the building known as "City Square Apartment" constructed on land bearing Final Plot No. 29/2 (Original Plot No. 101 & Plot Final Property No. 96), TP Scheme suburban No. 1, Corresponding to City Survey No. 1723 situated at Village - Shivajinagar (Bhamburda), Taluka - Haveli, District – Pune iii. Registered mortgage and deposit of title deeds of the immovable property being that piece and parcel of Apartment No. 310 on the 3rd floor area admeasuring 37.71 Square Meters i.e. 406 Square Feet carpet area & 62.65 Square Meters i.e. 670 Square Feet saleable built-up area along with attached terrace area admeasuring 16.72 Square Meters i.e. 180 Square Feet	/Stable
4.	State Bank of India	Term Loan	March 28, 2023	1,250.00	1,113.81	September 1, 2024: ₹ 125 lakh March 1, 2025: ₹ 125 lakh September 1, 2025: ₹ 125 lakh March 1, 2026: ₹ 125 lakh September 1, 2026: ₹ 125 lakh March 1, 2027: ₹ 125 lakh September 1, 2027: ₹ 125 lakh March 1, 2028: ₹ 125 lakh September 1, 2028: ₹ 125 lakh March 1, 2029: ₹ 125 lakh	Nil		
5.	State Bank of India	Term Loan	March 28, 2023	375.00	258.69	December 31, 2023: ₹ 37.50 lakh June 30 2024: ₹ 37.50 lakh December 31, 2024: ₹ 37.50 lakh June 30, 2025: ₹ 37.50 lakh December 31, 2025: ₹ 37.50 lakh	Nil		

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
						June 30, 2026: ₹ 37.50 lakh December 31, 2026: ₹ 37.50 lakh June 30, 2027: ₹ 37.50 lakh December 31, 2027: ₹ 37.50 lakh June 30, 2028: ₹ 37.50 lakh		along with 1.694% undivided share in the underlying land and common area in the building known as "City Square Apartment" constructed on land bearing Final Plot No. 29/2 (Original Plot No. 101 & Plot Final Property No. 96), TP Scheme Suburban No. 1, Corresponding to City Survey No. 1723 situated at Village - Shivajinagar (Bhamburda), Taluka - Haveli, District – Pune iv. Registered mortgage of all that piece and parcel of Flat bearing No. D-2002 on 19th floor total area admeasuring about 271.07 Square Meters carpet area, which is equivalent to 3910 Square Feet saleable area in tower no. 4 of the building viz. "Castle Royale Grande Co-Operative Housing Society Ltd" constructed on Survey No. 86 (Old S. No. 36+69+74/1), Survey No. 87 (Old S. No. 36+69+74/2), Survey No. 88 (Old S. No. 36+69+74/3), Survey No. 89 (Old S. No. 36+69+74/4), Survey No. 90 (Old S. No. 36+69+74/5/1) corresponding CTS No. 2140, 2142 & 2143 situated at Village - Bopodi, Taluka – Pune City, District – Pune belonging to GirishMurlidhar Lakhotiya v. Registered mortgage and deposit of title deeds of the immovable property	

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
								being all that piece and parcel of land bearing Gat No 927/Plot 5 admeasuring 2666.42 Square Meters, situated at Village: Wagholi, Taluka Haveli, District Pune standing in the name of NG Rathi Properties LLP. vi. Personal Guarantee of GirishMurlidhar Lakhotiya and RoshanRajendra Sancheti vii. Third Party Corporate Guarantee of M/s NG Rathi Properties LLP	
6.	Indian Overseas Bank	Term Loan	October 29, 2024	1,500.00	1,478.47	22nd of every month. Repayment of ₹ 20.83 lakh per month commencing from November 22, 2025 and ending on October 22, 2031	At the discretion of the bank	i. First Pari Passu charge by way of Hypothecation of the receivables / book debts of Real Estate Sector Companies / Firms classified under MSME and having Udhyam registration (Non-Priority) loan portfolio. ii. 30% Cash Collateral in the form of fixed deposit i.e. Rs 450 lakh. iii. Personal Guarantee of GirishMurlidhar Lakhotiya and RoshanRajendra Sancheti	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/Stable from Infomerics Valuation and Rating Pvt. Ltd.
Total				**7,125.00**	**5,328.14**				

** Total outstanding of both the dropline overdraft facility from AU Small Finance Bank Limited*
[#] The above outstandings are as per Ind AS after EIR impact.
[$] Asset classification - Standard

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for non-compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

1. Enhanced/penal rate of interest as applicable/decided by the bank from time to time will be charged for the period of delay in respect of:

   i. Delayed/non-submission of financial data required for review / renewal of limits.

ii. Delayed/non-submission of audited balance sheet within 6 months of the closure of the financial year: delay of more than one month- pricing to go up by 25 basis points till the audited balance sheet is submitted.
iii. Delayed/non-submission of FFR on due date: Flat penalty of ₹ 5,000/- for each month delay beyond due date of submission.
iv. Delayed/non-submission of stock statements within 20 days of succeeding month: Flat penal interest of ₹ 1000 per day of delay.

2. For non-compliance with financial covenants: 1% p.a. on the entire outstanding for the period of non-compliance
3. For non-payment of interest/instalments of term loan: 5% per annum on the irregular portion for the period of irregularity.
4. Diversion of funds: 2% p.a. on the entire outstanding (over and above the aggregate penal interest of 3% p.a.) till such time the position is rectified.
5. The bank shall also be entitled to charge at its discretion, enhanced / penal interest rates on the accounts either on the entire outstanding or on a portion thereof, for any irregularity including non-observance or non-compliance of the terms and conditions of the advances, for such period as the bank deems it necessary.

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a. The Company falls to make payment of any amount due and payable pursuant to a finance document at the place and in the currency in which It is expressed to be payable as per repayment schedule.
b. The Company committing, in the sole opinion of the lender, a breach of any terms under the finance documents, which breach is not cured (if capable of being cured) within a period of 3 (three) business days.
c. Any representation, warranty, statement or declaration, covenants and undertaking provided by the Company in any finance document to which it is a party, or any other document delivered by or on behalf of it under or in connection with any finance document, is or becomes false, misleading or otherwise factually incorrect.
d. Any order of attachment, distress, execution or other similar process is enforced against the Company.
e. It is or becomes unlawful for the Company to perform any of its obligations under any finance document to which it is a Party.
f. The lender determines in its sole discretion that a material adverse effect exists or could reasonably be expected to occur.
g. The Borrower ceases or threatens to cease carrying on its business.
h. All or any part of the facility is not utilised in accordance with the purpose.

(ii) Secured Redeemable Non-Convertible Debentures

Our Company has issued secured, privately placed, unlisted, redeemable non-convertible debentures under various series of which ₹ 16,448.50 lakh is outstanding as on December 31, 2024, as per Ind AS after EIR impact, the details of which are set forth below**:**

S. No.	ISIN	Amount Outstanding as on December 31, 2024 (₹ in lakh)	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating	Security
SERIES A								
1.	INE0IID07025	115.00	January 13, 2020	5 years	14.00	January 13, 2025	NA	First ranking pari passu charge over all rights, title, interest, benefits, claims and demands in, to, under and in respect of all amounts (both present and future) payable to the Company by any persons who are debtors or customers of the Company or are obligors in respect of such debt including principal, interest, additional interest, default interest, overdue charges, premium on
2.	INE0IID07033	90.00	March 20, 2020		14.00	March 20, 2025		
3.	INE0IID07041	90.00	June 02, 2020		14.00	June 02, 2025		
4.	INE0IID07058	22.50	August 28, 2020		14.00	August 28, 2025		
5.	INE0IID07066	85.00	October 15, 2020		14.00	October 15, 2025		
6.	INE0IID07074	165.00	November 21, 2020		15.00	November 21, 2025		

S. No.	ISIN	Amount Outstanding as on December 31, 2024 (₹ in lakh)	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating	Security
7.	INE0IID07082	110.00	January 09, 2021		14.00	January 09, 2026		prepayment, prepayment proceeds, gross of goods and service tax (if any) arising out of any of loans and advances, investments, stock in trade and other current assets of the Company, whether present or in the future;
8.	INE0IID07090	20.00	January 15, 2021		14.00	January 15, 2026		
9.	INE0IID07108	95.00	March 20, 2021		14.00	March 20, 2026		
10.	INE0IID07116	57.50	June 17, 2021		14.00	June 17, 2026		
SERIES C								
11.	INE0IID07124	150.00	July 07, 2021	5 years	14.50	July 07, 2026	NA	First ranking pari passu charge over all rights, title, interest, benefits, claims and demands in, to, under and in respect of all amounts (both present and future) payable to the Company by any persons who are debtors or customers of the Company or are obligors in respect of such debt including principal, interest, additional interest, default interest, overdue charges, premium on prepayment, prepayment proceeds, gross of goods and service tax (if any) arising out of any of loans and advances, investments, stock in trade and other current assets of the Company, whether present or in the future;
12.	INE0IID07132	103.00	October 12, 2021		13.00	October 12, 2026		
13.	INE0IID07140	82.50	December 10, 2021		13.00	December 10, 2026		
14.	INE0IID07157	300.00	January 11, 2022		14.00	January 11, 2027		
15.	INE0IID07165	301.00	January 28, 2022		14.50	January 28, 2027		
16.	INE0IID07173	900.00	February 01, 2022		14.00	February 01, 2027		
17.	INE0IID07207	107.50	July 15, 2022		13.00	July 15, 2027		
18.	INE0IID07215	173.00	September 05, 2022		13.00	September 05, 2027		
19.	INE0IID07223	105.00	September 20, 2022		13.50	September 20, 2027		
20.	INE0IID07231	62.00	November 22, 2022		13.00	November 22, 2027		
21.	INE0IID07249	105.00	January 14, 2023		13	January 14, 2028		
22.	INE0IID07256	505.00	February 21, 2023		14.75	February 21, 2028		
23.	INE0IID07264	92.50	March 06, 2023		13.00	March 06, 2028		
24.	INE0IID07272	175.00	May 16, 2023		14.00	May 16, 2028		
25.	INE0IID07280	110.00	June 17, 2023		13.00	June 17, 2028		
26.	INE0IID07298	700.00	June 28, 2023		15.00	June 28, 2028		
27.	INE0IID07306	110.00	July 14, 2023		13.00	July 14, 2028		
28.	INE0IID07314	200.00	October 18, 2023		14.00	October 18, 2028		
29.	INE0IID07322	120.00	October 26, 2023		13.00	October 26, 2028		
30.	INE0IID07330	273.50	October 28, 2023		14.50	October 28, 2028		
Series D								
31.	INE0IID07348	106.50	November 11, 2023	5 years	13.00	November 11, 2028	NA	First ranking pari passu charge over all rights, title, interest, benefits, claims and demands in, to, under and in respect of all amounts (both present and future) payable to the Company by any persons who are debtors or customers of the Company or are obligors in respect of such debt
32.	INE0IID07355	1,700.00	December 27, 2023		15.00	December 27, 2028		
33.	INE0IID07363	180.00	December 30, 2023		15.00	December 30, 2028		
34.	INE0IID07371	1,200.00	January 04, 2024		15.00	January 04, 2029		
35.	INE0IID07389	500.00	January 18,		14.00	January 18,		

S. No.	ISIN	Amount Outstanding as on December 31, 2024 (₹ in lakh)	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating	Security
			2024			2029		including principal, interest, additional interest, default interest, overdue charges, premium on prepayment, prepayment proceeds, gross of goods and service tax (if any) arising out of any of loans and advances, investments, stock in trade and other current assets of the Company, whether present or in the future;
36.	INE0IID07397	131.00	February 23, 2024		13.00	February 23, 2029		
37.	INE0IID07405	100.00	March 01, 2024		14.00	March 01, 2029		
38.	INE0IID07413	100.00	March 07, 2024		14.75	March 07, 2029		
39.	INE0IID07421	1,000.00	March 13, 2024		15.00	March 13, 2029		
40.	INE0IID07439	400.00	March 15, 2024		15.00	March 15, 2029		
41.	INE0IID07454	112.00	March 23, 2024		13.00	March 23, 2029		
42.	INE0IID07447	500.00	March 28, 2024		13.00	March 28, 2029		
43.	INE0IID07462	500.00	May 08, 2024		15.00	May 08, 2029		
44.	INE0IID07470	500.00	June 04, 2024		15.00	June 04, 2029		
45.	INE0IID07488	65.00	June 13, 2024		14.75	June 13, 2029		
46.	INE0IID07496	129.00	June 21, 2024		13.00	June 21, 2029		
47.	INE0IID07504	400.00	July 17, 2024		15.00	July 17, 2029		
48.	INE0IID07512	800.00	August 14, 2024		14.00	August 14, 2029		
49.	INE0IID07520	500.00	September 19, 2024		14.00	September 19,2029		
50.	INE0IID07538	1,000.00	October 04, 2024		15.00	October 04, 2029		
51.	INE0IID07546	1,000.00	October 24, 2024		15.00	October 24, 2029		

(iii) External Commercial Borrowings

As on December 31, 2024 our Company has no outstanding external commercial borrowings.

***(iv) Collateralised* borrowing and lending obligation**

As on December 31, 2024 our Company has no outstanding collateralised borrowing and lending obligations.

B. Details of unsecured borrowings:

***(i) Commercial* Papers**

Our Company has not issued any commercial papers as on December 31, 2024.

(ii) Inter-Corporate Loans and Deposit

Following are the details of the inter corporate loans and deposits availed by the Company as at December 31, 2024:

S. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)	Repayment Date/ Schedule	Credit Rating, if applicable
1.	V K Design and Project	Intercorporate	50.00	50.00	June 18, 2025	NA

S. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in lakh)	Principal outstanding as on December 31, 2024 (₹ in lakh)	Repayment Date/ Schedule	Credit Rating, if applicable
	Private Limited	Deposit				
2.	Prachay Investment Managers Private Limited	Intercorporate Deposit	50.00	15.00	June 06, 2026	NA
		Total	100.00	65.00		

(iii) Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on December 31, 2024.

C. Corporate Guarantee

Our Company has not issued any corporate guarantee as on December 31, 2024.

D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past three years.

E. The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2024.

Our Company has no amount of corporate guarantee or letter of comfort, contingent liability including debt service reserve account guarantees/ any put option etc. and has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2024.

F. Details of bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on December 31, 2024

Other than disclosed, our Company does not have any bank fund-based facilities /rest of borrowings (if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on December 31, 2024.

Restrictive covenants under the financing arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee/ lenders before carrying out such activities. For instance, our Company, *inter-alia*, is required to obtain the prior written consent in the following instances:

1. Formulation of any scheme of amalgamation or reconstruction or merger or de- merger.
2. Any new project or scheme of expansion or acquisition of fixed assets if such investment results in breach of financial covenant(s) or diversion of working capital funds for financing long-term assets.
3. Investment by way of share capital or loan or advance funds to or place deposits with any other concern (including group companies). Further, such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and Current Ratio agreed upon at the time of sanction.
4. Issuing any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
5. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the bank.

6. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.

7. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the bank. However, fixed assets to the extent of 5% of gross block may be sold in any financial year provided such sale does not dilute FACR below minimum stipulated level.

8. Entering into any contractual obligation of a long-term nature (i.e. 2 years or more) or which, in the reasonable assessment of the bank, is an unrelated activity and is detrimental to lender's interest.

9. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.

10. Transfer of controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel).

11. Repay monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans /advances. Further, the rate of interest, if any, payable on such deposits/loans/advances should be lower than the rate of interest charged by the bank on its term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted/deferred payment guarantees executed by the bank or other repayment obligations, if any, due from the borrower to the bank.

12. Opening of current account with another bank or a bank which is not a member of consortium/MBA without permission will be treated as an act of willful default.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors or Promoter.

*Our board resolution dated January 30, 2025 have adopted a threshold for the identification of material litigations ("**Materiality Threshold**"). As per the Materiality Threshold, other than for the purposes of (i) to (iii) above, all outstanding litigation, wherein:*

(a) the quantified monetary amount of claim by or against the relevant person in any such pending litigation proceeding is or is in excess of our Company's average profit after tax as per our last three year audited financial statements, i.e., for Fiscal 2024, Fiscal 2023, Fiscal 2022, 5% of our Company's average profit after tax amounts to ₹ 47.56 lakh; or
(b) the outcome of such litigation proceeding may have a material adverse effect on the business, operations, prospects or reputation of the Company,

has been considered as 'material litigation', and accordingly has been disclosed in this Prospectus.

Further, there are no proceedings involving our Group Companies, which may have a material adverse effect on the position of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter, or Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or Directors or Promoter or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, Group Companies, or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the three years immediately preceding the year of this Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the three years immediately preceding the year of this Prospectus; (vii) material frauds committed against our Company in the last three years and current financial year; and (viii) disciplinary action taken by SEBI or stock exchange against the Promoter.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Material litigations and regulatory actions involving our Company

As on the date of this Prospectus, following are the material litigations involving our Company:

(i) Material Civil Litigation

(a) By our Company

Nil

(b) Against our Company

Except as disclosed below there are no material civil cases against our Company:

1. Balasaheb Dagdoba Hulawale and others Vs Suratwwala Business Group Limited and Prachay Capital Private Limited – Special Civil Suit No. 200/2024 before Civil Court Senior Division, Pune: Balasaheb Dagdoba Hulawale and others had granted development rights to Suratwwala Business Group Limited vide development agreement and power of attorney. Suratwwala Business Group Limited approached Prachay Capital Private Limited for financial assistance of ₹ 1000.00 lakh in the form of term loan by mortgaging the land of Balasaheb Dagdoba Hulawale and others. This dispute is between landowners and developer regarding payment of consideration as per development agreement and power of attorney. As the charge of Prachay Capital Private Limited was created on the mortgaged land, landowners made Prachay Capital Private Limited a party to the suit filed before Civil Court Senior Division. At present, Suratwwala Business Group Limited has repaid the loan and Prachay Capital Private Limited has issued a no dues certificate and executed and registered a reconveyance deed in favour of Suratwwala Business Group Limited.

2. Bhagwan Govind Balwadkar and others Vs M/s Samarth Builders and others – Regular Civil Suit No. 75/2021 before Civil Court, Pune: In the year 2020, Prachay Capital Private Limited has funded M/s Samarth Builders for an amount of ₹ 500.00 lakh by mortgaging the land situated at Balewadi, Pune. This dispute is between landowners and developer regarding payment of consideration as per development agreement and power of attorney. As the charge of Prachay Capital Private Limited was created on the mortgaged land, landowners made Prachay Capital Private Limited a party to the suit. At present, M/s Samarth Builders has repaid the loan and Prachay Capital Private Limited has issued a no dues certificate and also executed and registered a reconveyance deed in favour of M/s Samarth Builders.

(ii) Criminal Cases

(a) By our Company

Nil

(b) Against our Company

Nil

(iii) Cases filed by or against the Company under Section 138 of the Negotiable Instruments Act, 1881

Nil

(iv) Tax Proceedings involving our Company

Nil

(v) Legal action taken by statutory or regulatory authorities against our Company

Nil

2. Material litigations involving our Directors as on the date of this Prospectus

As on the date of this Prospectus, following are the material litigations involving our Directors:

(i) Material Civil Litigations

(a) By our Directors

Nil

(b) Against our Directors

Nil

(ii) Criminal Litigations

(a) By our Directors

Nil

(b) Against our Directors

Nil

(iii) Cases filed by or against the Directors under Section 138 of the Negotiable Instruments Act, 1881

Nil

(iv) Tax Proceedings involving our Directors

Nil

(v) Legal action taken by statutory or regulatory authorities against our Directors

Nil

3. Material litigations involving Promoter

As on the date of this Prospectus, following are the material litigations involving our Promoter:

(i) Material Civil Litigations

(a) By the Promoter

Nil

(b) Against the Promoter

Nil

(ii) Criminal Cases

(a) By the Promoter

Nil

(b) Against the Promoter

Nil

(iii) Cases filed by or against the Promoter under Section 138 of the Negotiable Instruments Act, 1881

Nil

(iv) Tax Proceedings involving the Promoter

Nil

(v) Legal action taken by statutory or regulatory authorities against our Promoter

Nil

4. Material litigations involving our Subsidiaries

As on the date of this Prospectus, following are the litigations involving our Subsidiaries:

(i) Material Civil Litigation

(a) By our Subsidiaries

Nil

(b) Against our Subsidiaries

Nil

(ii) Criminal Cases

(c) By our Subsidiaries

Nil

(d) Against our Subsidiaries

Nil

(iii) Cases filed by or against our Subsidiaries under Section 138 of the Negotiable Instruments Act, 1881

Nil

(iv) Tax Proceedings involving our Subsidiaries

Nil

(v) Legal action taken by statutory or regulatory authorities against our Subsidiaries

Nil

5. Material litigations involving group companies

As on the date of this Prospectus, following are the material litigations involving our Group Companies:

(i) Material Civil Litigation

(a) By group companies

Valay Group, an operational creditor, initiated CIRP proceedings against Starconn Mobility Private Limited ("**Corporate Debtor**") for an outstanding debt of ₹11,60,610. Following this, an interim resolution professional (IRP) was appointed, who issued a public announcement inviting claims. Prachay Advisors Private Limited, a financial creditor of the Corporate Debtor, submitted its claim of ₹ 58,80,274, leading to the constitution of the Committee of Creditors (CoC), which comprised of only the financial creditors.

Drive India Enterprise Solutions Limited ("DIESL") became aware of the CIRP initiation on November 16, 2019 and, as an operational creditor, submitted its claim of ₹ 21,41,74,456. The resolution professional filed a liquidation application under Section 33 of IBC, which was approved by NCLT, Mumbai Bench on August 11, 2020. DIESL was not informed about key CoC meetings or liquidation proceedings, despite its significant claim. Aggrieved by this decision, DIESL filed an appeal before the NCLAT, Principal Bench, Delhi. NCLAT Principal Bench, Delhi vide its order dated January 31, 2022 had set aside the liquidation order dated August 11, 2020 of NCLT, Mumbai Bench, remitting the matter back to NCLT, Mumbai Bench for reconsideration. The matter is currently pending in the NCLT, Mumbai Bench.

(b) Against group companies

Nil

(ii) Criminal Cases

(c) By the group companies

Nil

(d) Against the group companies

Nil

(iii) Cases filed by our group companies under Section 138 of the Negotiable Instruments Act, 1881

Nil

(iv) Tax Proceedings involving the group companies

Nil

(v) Legal action taken by statutory or regulatory authorities against our group companies

Nil

6. ***Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action***

There are no litigations or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

7. ***Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Prospectus***

Other than disclosed below, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Prospectus.

Our Company had filed an application with the Regional Director of Western Region, Ministry of Corporate Affairs, Mumbai through the Registrar of Companies, Pune, for compounding of offence under section 441 of the Companies Act, 2013 for non-compliance under Section 96 of the Companies Act, 2013.

In this regard the aforesaid matter was compounded vide Order dated October 28, 2024 issued by the Regional Director of Western Region, Ministry of Corporate Affairs, Mumbai and levied a compounding fees which was payable as follows: (i) ₹ 45,000/- (Indian Rupees Forty-Five Thousand only) by the Company; (ii) ₹ 30,000/- (Indian Rupees Thirty Thousand only) each by the two applicant directors of the Company; and (iii) ₹ 20,000/- (Indian Rupees Twenty Thousand Only) by the company secretary of the Company. The aggregate compounding fees of ₹

1,25,000/- (Indian Rupees One Lakh Twenty-Five Thousand only) has been paid to the by the Company, the two directors and the company secretary, as stipulated above.

8. ***Details of acts of material frauds committed against our Company in current financial year and last three Fiscals, if any and if so, the action that was taken by our Company***

Nil

9. ***Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors for the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks***

There are no reservations, qualifications, or adverse remarks of our Statutory Auditor in their audit opinion relating to our Special Purpose Audited Financial Statements. However, there are following emphasis of matter in audit reports for the special purpose audited standalone financial statements for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023) and audit reports for the special purpose audited consolidated financial statements for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024 and March 31, 2023.

`Period/ year	**Basis of Financial Statements**	**Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO**	**Impact on the financial statements and financial position of the Company**	**Corrective steps taken and proposed to be taken by the Company**
Six months period ended September 30, 2024	Standalone	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	The company has changed its accounting in line with Ind AS
Six months period ended September 30, 2024	Consolidated	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	The company has changed its accounting in line with Ind AS

`Period/ year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.		
2023-2024	Standalone	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	The company has changed its accounting in line with Ind AS
2023-2024	Consolidated	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	The company has changed its accounting in line with Ind AS
2022-2023 (including 2021-2022 as comparative financial information to 2022-2023)	Standalone	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP	The company has changed its accounting in line with Ind AS

`Period/ year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.	values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	
2022-2023	Consolidated	We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act. The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.	Financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following policies and accounting policies (both mandatory exceptions and optional exceptions as per Ind AS 101.	The company has changed its accounting in line with Ind AS

10. ***Summary of other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said observation***

There are no other observations of the auditors during the last three Fiscals immediately preceding the year of issue of this Prospectus and of their impact on the financial statements and financial position of our Company.

11. ***Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoter/Group Companies in the last five financial years, including outstanding action:***

Nil

12. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon:***

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURE

Issuer's Absolute Responsibility

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

Authority for the Issue

Our Board of Directors, through its resolution passed in its meeting held on January 30, 2025 have approved the public issue of up to 10,00,000 (ten lakh) secured, redeemable, non-convertible debenture having face value ₹ 1,000 each, for an amount aggregating up to ₹ 5,000 lakh **("Base Issue Size")** with an option to retain oversubscription up to ₹ 5,000 lakh **("Green Shoe Option")**, cumulatively aggregating up to ₹ 10,000 lakh **("Issue Size" or "Issue Limit").**

Further, the present borrowing is within the borrowing limits of ₹ 50,000 lakh under Section 180(1)(c) of the Companies Act, 2013, duly approved by the members vide their resolution passed at their EGM held on September 12, 2024.

Prohibition by SEBI/ Eligibility of our Company for the Issue

The Issuer, persons in control of the Issuer and/or the Promoter and/or our Promoter Group and/or the Directors of Issuer have not been restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred from accessing the securities market or dealing in securities by SEBI due to fraud.

None of the Promoter or Directors of the Issuer is a promoter or director of another company which is restrained or prohibited or debarred from accessing the securities market or dealing in securities by the Board.

The Issuer confirms that there are no fines or penalties levied by SEBI or the Stock Exchange pending to be paid by the Issuer as on the date of this Prospectus.

No regulatory action is pending against the Issuer or its Promoter or Directors before SEBI or the RBI.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

The Company, as on date of this Prospectus, has not defaulted in:

a. the repayment of deposits or interest payable thereon; or
b. redemption of preference shares; or
c. redemption of debt securities and interest payable thereon; or
d. payment of dividend to any shareholder; or
e. repayment of any term loan or interest payable thereon, in the last three financial years and the current financial year.

Categorisation as a Wilful Defaulter

The Issuer, and/or its Directors and/or its Promoter have neither been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, nor are they in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six months. None of our Directors and/or our Promoter, is a whole-time director or promoter of another company which has been categorised as a wilful defaulter.

Declaration as a Fugitive Economic Offender

None of our Promoter or Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Other confirmations

None of our Company or our Directors or our Promoter, or person(s) in control of our Company were a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V and clause 40(1)(b) of Chapter VII of the SEBI Delisting Regulations, as amended.

The NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

The consents/ permissions and no objection certificates required for creation of further *pari passu* charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors, wherever required, have been obtained.

Further, it is confirmed that our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI.

Window Advertisements of Financial Results

The Company may publish only a window advertisement in the newspapers that refers to a quick response code and the link of the website of the Company and stock exchange(s), where such financial results are available and capable of being accessed by the investors under the terms of SEBI Listing Regulations. Further, in respect of non-convertible securities of the Company outstanding as on date of this Prospectus, the Company shall obtain prior approval from the relevant debenture trustee prior to making such window advertisement.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save as to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accepts no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, GALACTICO CORPORATE SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.
IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE

DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, GALACTICO CORPORATE SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 17, 2025, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT ALL COMMENTS/COMPLAINTS RECEIVED ON THE OFFER DOCUMENT FILED ON THE WEBSITE OF WWW.BSEINDIA.COM HAVE BEEN SUITABLY ADDRESSED.

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("STOCK EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED FEBRUARY 17, 2025 PERMISSION TO THIS ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER THE EXCHANGE DOES NOT IN ANY MANNER:

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
B. **WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
C. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION[(1)] DATED AUGUST 11, 2017 BEARING REGISTRATION NO. N-13.02198 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RBI ACT, 1934. A COPY OF THIS PROSPECTUS HAS NOT BEEN FILED WITH

OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDs.

(1) Our Company has obtain a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 (in lieu of the certificate dated May 07, 2019 as obtained pursuant to name change of the Company), pursuant to conversion upon change of name of our Company from a Private Limited to a Public Limited Company to commence/ or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934.

DISCLAIMER CLAUSE OF CREDIT RATING AGENCY

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT, IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST/DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS/USERS/TRANSMITTERS/ DISTRIBUTORS OF THE MATERNAL WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD PRACHAY CAPITAL LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-1301.

DISCLAIMER STATEMENT FROM THE LEAD MANAGER

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Track record of past public issues handled by the Lead manager

The track record of past issues handled by the Lead Manager, as required by SEBI Master Circular, are available at the following website:

Name of Lead Manager	Website
Galactico Corporate Services Limited	https://galacticocorp.com/track-record/

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT PROSPECTUS AND THIS PROSPECTUS WILL NOT,

HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDs OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT PROSPECTUS AND THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDs AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTOR MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 20 OF THIS PROSPECTUS.

THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT

THE ISSUER DECLARES THAT NOTHING IN THIS PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013, THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Disclosures in accordance with the SEBI Debenture Trustee Master Circulars

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for One-time acceptance fees of ₹ 1,00,000 payable one time on acceptance of Offer Letter and an annuity fee of ₹ 1,00,000 payable annually on April 01 every year from the date of execution till the NCDs are redeemed and security is released, as disclosed in their offer letter bearing reference number CL/DEB/24-25/1911 dated December 23, 2024, as may be amended/modified from time to time.

Debenture Trustee Agreement

As per the SEBI Debenture Trustee Master Circular, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to:

1. The Debenture Trustee, either through itself or its agents, advisors, consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents / Debenture Trust Deed, has been obtained.

For the purpose of carrying out the due diligence as required under Applicable Law, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub registrar of assurances (as applicable), CERSAI, depositories, information utility ("IU") registered with Insolvency and Bankruptcy Board of India ("IBBI") or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.

3. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.

5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, traveling and other costs shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Practicing Chartered Accountant ("PCA") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- PCA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- PCA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- PCA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the PCA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission /commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular. The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee

CATALYST TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGE DUE DILIGENCE CERTIFICATE DATED FEBRUARY 05, 2025, AS PER THE FORMAT SPECIFIED IN ANNEXURE II-A TO THE DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

1. *We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.*
2. *On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications,*

   We confirm that:

   A. *The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.*
   B. *The Issuer has obtained the permissions / consents necessary for creating security on the said property (ies).*
   C. *The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.*
   D. *Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document and all disclosures made in the offer document with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.*
   E. *Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document.*
   F. *Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.*

We have satisfied ourselves about the ability of the issuer to service the debt securities.

The Issuer has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure II-A of the Debenture Trustee Master Circular and Schedule IV of the SEBI NCS Regulations.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCDs Issue.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs held in dematerialised form and they shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor or transferee and the applicable provisions of the Companies Act, 2013 as on the date of this Prospectus and all the other applicable laws shall be duly complied with in respect of all transfer of NCDs and registration thereof.

Issue Related Expenses

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, and intermediaries as provided for in the SEBI NCS Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to sponsor bank, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by the Issuer.

For estimated breakdown of the total expenses for the Issue please see, "*Objects to the Issue*" on page 62.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

1. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act, 2013;
2. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

3. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
4. details of all utilised and unutilised monies out of the previous Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
5. we shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled "Objects of the Issue" on page 62 and after
    a) permissions or consents for creation of specified charge have been obtained from the creditors who have specified charge over the assets sought to be provided as Security;
    b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue
    c) completion of Allotment and refund process in accordance with applicable provisions of the Companies Act, 2013;
    d) creation of security and confirmation of the same in terms of NCDs; and
    e) receipt of listing and trading approval from BSE;
6. the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property;
7. the Issue proceeds shall not be utilized for providing loans to or acquisition of shares of any entity who is part of the Promoter Group or group companies;
8. the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in this Prospectus; and
9. If allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. An application will be made to the BSE for permission to deal in and for official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within six working days from the date of closure of this Issue.

The Issue shall be kept open for a minimum period of two Working Days and a maximum of ten working days in compliance with Regulation 33A of SEBI NCS Regulations.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to this issue, the NCDs shall not be listed.

Our Company shall pay interest at 15% per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the Companies Act, 2013, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) our Directors, (b) Compliance Officer for the Issue and Company Secretary, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (i) Banker to our Company, (j) CRISIL in relation to use of the contents of the industry report, (k) Public Issue Account Bank, Refund Bank and Sponsor Bank, and (l) lenders, to act in their respective

capacities, have been obtained and will be filed along with a copy of this Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Prospectus with the Stock Exchange.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received written consent from the Statutory Auditor, namely Shah Khandelwal Jain & Associates, Chartered Accountants, to include its name as required under Section 26(1) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of (a) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for six months period ended September 30, 2024; (b) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the six months period ended September 30, 2024; (c) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2024; (d) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2024; (e) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023); (f) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2023. The consent of the Statutory Auditors has not been withdrawn as on the date of this Prospectus.

Common form of Transfer

Our Company undertake that there shall be a common form of transfer for the NCDs held in dematerialised form subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

A copy of the Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website prior to the opening of the Issue. The Draft Prospectus has also been displayed on the website of the Issuer and the Lead manager. The Draft Prospectus has also been submitted with SEBI for record purpose.

Filing of the Prospectus

A copy of this has been delivered for filing to ROC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. As per rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI Debenture Trustee Master Circular and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture

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

Underwriting

This Issue will not be underwritten.

Delay in listing

Our Company has not made any listing prior to this issue.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Prospectus.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares or rights issuances in the last three years.

Previous Public Issues of Non-Convertible Debenture

Our Company has not made any public issue of non-convertible debentures.

Dividend

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has not declared any dividends during the current financial year and the last three Fiscals.

Details regarding the lending done by the issuer out of the issue proceeds of debt securities in last three years

A. Utilisation of Issue Proceeds of the previous issue by our Company and Group Companies

(1) Company:

i. **Public issue of equity shares by the Company**

The Company has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by the Company**

The Company has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by the Company**

Our Company has issued non-convertible debentures by way of private placements. For further details of such non-convertible debentures, see " *Financial Indebtedness*" and "*Material Development*" beginning on page 155 and 154, respectively.

The issue proceeds of the previous issues of non-convertible debentures issued on private placement basis made on or after April 1, 2021 till February 12, 2025 have been utilized by the Company; towards the object of the issue, as per the respective offer documents.

iv. **Rights issue by the Company**

Our Company has undertaken rights issue of equity shares in the last three years. For further details, see "*Capital Structure*" on page 57. Further, the proceeds from the previous rights issuances undertaken by the Company in the last three financial years and current financial year have been utilized for the purposes availed and as mentioned in the letter of offer for the respective rights issue.

(2) Subsidiary company

***(a)* Prachay Investment Managers Private Limited ('PIMPL')**

i. **Public issue of equity shares by Prachay Investment Managers Private Limited**

Prachay Investment Managers Private Limited has not undertaken any public issue of equity shares in the

last three years.

ii. **Previous public issues of non-convertible debentures by Prachay Investment Managers Private Limited**

Prachay Investment Managers Private Limited has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Investment Managers Private Limited in the last three years**

Prachay Investment Managers Private Limited has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Investment Managers Private Limited**

Prachay Investment Managers Private Limited has not undertaken the rights issue of equity shares in the last three years.

(b) **Prachay Securities Private Limited ('PSPL')**

i. **Public issue of equity shares by Prachay Securities Private Limited**

Prachay Securities Private Limited has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by Prachay Securities Private Limited**

Prachay Securities Private Limited has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Securities Private Limited in the last three years**

Prachay Securities Private Limited has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Securities Private Limited**

Prachay Securities Private Limited has not undertaken the rights issue of equity shares in the last three years.

(3) Group Companies-

(a) Prachay Holding Private Limited

i. **Public issue of equity shares by Prachay Holding Private Limited**

Prachay Holding Private Limited has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by Prachay Holding Private Limited**

Prachay Holding Private Limited has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Holding Private Limited in the last three years**

Prachay Holding Private Limited has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Holding Private Limited**

Prachay Holding Private Limited has not undertaken the rights issue of equity shares in the last three years.

(b) Prachay Advisors Private Limited

i. **Public issue of equity shares by Prachay Advisors Private Limited**

Prachay Advisors Private Limited has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by Prachay Advisors Private Limited**

Prachay Advisors Private Limited has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Advisors Private Limited in the last three years**

Prachay Advisors Private Limited has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Advisors Private Limited**

Prachay Advisors Private Limited has not undertaken the rights issue of equity shares in the last three years.

v. **Optionally convertible debentures issued by Prachay Advisors Private Limited:**

Other than disclosed below, Prachay Advisors Private Limited has not undertaken issue of optionally convertible debentures in the last three years.

For Fiscal 2025:

Particulars	
Date of opening	November 27, 2024
Date of closing	November 28, 2024
Total issue size *(₹ in lakh unless otherwise stated)*	1,000.00
Date of allotment	November 28, 2024
Utilisation of proceeds	The investment amount shall be utilised by the company in the inter alia for the purpose of investment in securities

(c) Prachay Foundation

i. **Public issue of equity shares by Prachay Foundation**

Prachay Foundation has not undertaken any public issue of equity shares in the last three years.

ii. **Previous public issues of non-convertible debentures by Prachay Foundation**

Prachay Foundation has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Foundation in the last three years**

Prachay Foundation has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Foundation**

Prachay Foundation has not undertaken the rights issue of equity shares in the last three years.

Lending Policy

Please see "*Our Business*" on page 103 of this Prospectus.

Loans given by our Company

The Company has not provided any loans/advances to associates, entities / persons related to the Board, key managerial personnel, senior management or our Promoter out of the proceeds of previous public issue and private placements of debentures.

Types of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2024 is as follows:

Sr No.	Nature of Advances	Gross AUM (₹ in lakh)	Gross AUM %
1	Secured Advances	28,569.77	100.00%
2	Unsecured Advances	Nil	Nil
Total assets under management (AUM)		28569.77	**100.00**

Denomination of loans outstanding by LTV as on March 31, 2024:

LTV band	% of AUM
Upto 40%	68.56%
Between 40-50%	24.83%
Between 50-60%	1.35%
Between 60-70%	1.67%
Between 70-80%	0.62%
Between 80-90%	0.00%

More than 90%	2.97%
Total	**100.00%**

Sectoral Exposure

The sectoral exposure of loans given by the Company as on March 31, 2024 is as follows:

Sr No.	Segment- wise breakup of AUM	% of AUM
A	Retail	
1	Mortgages (home loans and loans against property)	0.00%
2	Gold loans	0.00%
3	Vehicle finance	0.00%
4	MFI	0.00%
5	MSME	0.00%
6	"Capital market funding (loans against shares, margin funding)	0.00%
7	funding)"	0.00%
B	Others	
1	Wholesale	0.00%
2	Infrastructure	0.00%
3	Real estate (including builder loans)	91.59%
4	Promoter funding	0.00%
5	Any other sector (as applicable)	8.41%
Total		**100.00**

Denomination of loans outstanding by ticket size as on March 31, 2024:

Sr No.	Ticket Size (at the time of origination)	% of AUM
1	Upto Rs. 2 lakh	0.00%
2	Rs. 2-5 lakh	0.00%
3	Rs. 5 - 10 lakh	0.00%
4	Rs. 10 - 25 lakh	0.00%
5	Rs. 25 - 50 lakh	0.00%
6	Rs. 50 lakh - 1 crore	0.27%
7	Rs. 1 - 5 crore	15.92%
8	Rs. 5 - 25 crore	76.46%
9	Rs. 25 - 100 crore	7.35%
10.	>Rs. 100 crore	0.00%
Total		**100.00**

Geographical classification of AUM as on March 31, 2024:

Sr No.	Top Five States	% of AUM
1	Maharashtra	100.00%
Total		**100.00**

Details of loans overdue and classified as non – performing in accordance with the RBI guidelines as on March 31, 2024:

Movement of gross NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	Nil
(b) Additions during the year	Nil
(c) Reductions during the year	Nil
(d) Closing balance of gross NPA	Nil

Movement of net NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	Nil
(b) Additions during the year	Nil
(c) Reductions during the year	Nil
(d) Closing balance of gross NPA	Nil

Movement of provisions for NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	Nil

(b) Additions during the year	Nil
(c) Reductions during the year	Nil
(d) Closing balance of gross NPA	Nil

Segment wise gross NPA as on March 31, 2024 is as follows:

Sr No.	Segment- wise breakup of gross NPA	Gross NPA %
A	Retail	0.00%
1	Mortgages (home loans and loans against property)	0.00%
2	Gold loans	0.00%
3	Vehicle finance	0.00%
4	MFI	0.00%
5	MSME	0.00%
6	"Capital market funding (loans against shares, margin funding)	0.00%
7	funding)"	0.00%
B	Others	0.00%
1	Wholesale	0.00%
2	Infrastructure	0.00%
3	Real estate (including builder loans)	0.00%
4	Promoter funding	0.00%
5	Any other sector (as applicable)	0.00%
Total		0.00%

**Segment wise Gross NPA as % of total Gross NPA*

Promoter Shareholding

Please see "Capital Structure" beginning on page 57 for details with respect to Promoter shareholding in our Company as on the date of this Prospectus.

Residual maturity profile of assets and liabilities as on March 31, 2024

(₹ in lakh)

Particulars	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 month to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	**-**
Advances	184.27	105.92	267.83	1,455.82	2,542.13	23,095.19	-	-	**27,651.15**
Investments	-	-	-	-	-	-	-	1,123.76	**1,123.76**
Borrowings	18.14	33.33	70.83	449.76	1,122.50	11,274.50	10,000.36	-	**22,969.43**
Foreign Currency Assets	-	-	-	-	-	-	-	-	**-**
Foreign Current Liabilities	-	-	-	-	-	-	-	-	**-**

Note: The above figures are as per Indian GAAP

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2024

	Amount (₹ in lakh)	
Total Advances to twenty largest borrowers (in ₹ lakh)*	20,237.78	Nil
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	73.47%	Nil

** Includes loans and advances and interest accrued thereon.*

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2024

	Amount (₹ in lakh)	
	Secured	Unsecured
Total exposure to twenty largest borrowers / customers (in ₹ lakh) *	20,634.15	Nil
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers	72.49%	Nil

** Includes loans and advances and interest accrued thereon.*

Classification of loans/advances given to Group Companies as on March 31, 2024:

	Name of Borrower	Amount of Advance/ exposure to such borrower (₹ in lakh) (A)	Percentage of Exposure (A/ Total AUM)
1.	Nil	Nil	Nil

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Latest ALM statement

The following table describes the ALM of our Company as on March 31, 2024:

Particulars	up to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and up to 2 months	Over two months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
A. OUTFLOWS											-
Capital	-	-	-	-	-	-	-	-	-	2,165.00	**2,165.00**
Reserves & Surplus	-	-	-	-	-	-	-	-	-	5,271.18	**5,271.18**
Bonds & Notes (Non Convertible Debentures)	-	-	-	-	-	-	610.00	2,696.50	9,188.50	-	**12,495.00**
Inter Corporate Deposits	-	-	-	-	-	-	50.00	7,328.00	-	-	**7,378.00**
Borrowings	18.14	-	-	33.33	70.83	449.76	462.50	1,250.00	811.86	-	**3,096.43**
Current Liabilities & Provisions	-	1.62	201.60	3.00	7.77	-	0.01	-	-	74.64	**288.63**
Statutory Dues	0.02	-	1.18	-	-	-	-	-	-	-	**1.20**
Unclaimed Deposits	-	-	-	-	-	-	-	-	-	-	-
Other Outflows	-	-	-	-	-	1.84	73.99	171.37	-	646.36	**893.55**
Outflows On Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	-
TOTAL OUTFLOWS	**18.16**	**1.62**	**202.78**	**36.33**	**78.60**	**451.60**	**1,196.49**	**11,445.87**	**10,000.36**	**8,157.18**	**31,589.00**
B. INFLOWS											
Cash (In 1 to 30/31 day time-bucket)	0.77	-	-	-	-	-	-	-	-	-	**0.77**
Remittance in Transit	-	-	-	-	-	-	-	-	-	-	-
Balances With Banks	1,660.36	-	-	-	1.13	-	73.99	361.37	-	-	**2,096.85**
Investments	-	-	-	-	-	-	-	-	-	1,123.76	**1,123.76**
Advances (Performing)	-	-	184.27	105.92	267.83	1,455.82	2,542.13	23,095.19	-	-	**27,651.15**
Gross Non-Performing Loans (GNPA)	-	-	-	-	-	-	-	-	-	-	-
Inflows From Assets On Lease	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets (Excluding Assets On Lease)	-	-	-	-	-	-	-	-	-	260.95	**260.95**
Other Assets	-	-	255.32	0.14	0.32	0.99	165.26	33.24	0.24	-	**455.52**
Inflows on Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFLOWS	**1,661.13**	**-**	**439.58**	**106.07**	**269.29**	**1,456.81**	**2,781.38**	**23,489.80**	**0.24**	**1,384.71**	**31,589.00**
C. Mismatch (B - A)	**1,642.97**	**(1.62)**	**236.80**	**69.73**	**190.69**	**1,005.21**	**1,584.88**	**12,043.93**	**(10,000.12)**	**(6,772.47)**	-
D. Cumulative Mismatch	**1,642.97**	**1,641.35**	**1,878.15**	**1,947.89**	**2,138.57**	**3,143.78**	**4,728.66**	**16,772.59**	**6,772.47**	-	

***Note**: The above ALM is as per Indian GAAP.*

Mechanism for redressal of investor grievances

The Registrar Agreement dated February 04, 2025 between the Registrar to the Issue and the Issuer will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

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

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

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) Working Days from the date of receipt of the complaint.

In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The contact details of Registrar to the Issue are as follows:

KFin Technologies Limited
Selenium, Tower-B, Plot No – 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi – 500 032,
Telangana, India
Tel: +91 40 6716 2222/ 18003094001
Email: prachay.ncd@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
Compliance Officer: Manju Anand
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

Sonal Gupta
Company Secretary and Compliance Officer
Office No 1401/1402, 14th Floor, Next Gen Avenue,
Wing B, CTS No 2850, S No.103, Bahiratwadi,
Near ICC Tower, Senapati Bapat Road, Model Colony,
Pune, Maharashtra 411016 India **E-mail**: cs@prachay.com
Tel: 020 255-32224
Tel: +91 99707 59300

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

Details of Auditor to the Issuer:

Name of the Auditor	Address	Auditor Since
Shah Khandelwal Jain and Associates Chartered Accountants	Level 3, Riverside Business Bay, Pune – 411 001, Maharashtra, India	April 1, 2020

Change in Auditors of our Company during the last three years

There is no change in Auditors of our Company during the last three years.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V to SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Trading

The NCDs of the Issuer are to be listed and traded on BSE.

Impersonation

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

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

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

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Pune, Maharashtra, India.

SECTION VII: ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Our Board of Directors, through its resolution passed in its meeting held on January 30, 2025 have approved the public issue of secured, redeemable, non-convertible debenture having face value ₹ 1,000 each, for an amount aggregating up to ₹ 5,000 lakh **("Base Issue Size")** with an option to retain oversubscription up to ₹ 5,000 lakh **("Green Shoe Option")**, cumulatively aggregating up to ₹ 10,000 lakh **("Issue Size" or "Issue Limit").**

Further, the present borrowing is within the borrowing limits of ₹ 50,000 lakh under Section 180(1)(c) of the Companies Act, 2013, duly approved by the members vide their resolution passed at their EGM held on September 12, 2024.

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 198.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of the Draft Prospectus, this Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	Prachay Capital Limited *(formerly known as Prachay Capital Private Limited)*
Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.)	13.00% Listed, Rated, Secured, Redeemable, Non-Convertible Debentures 2030 For Coupon and Maturity Year, please refer to '*Issue Structure - Specific Terms of NCDs*' on page 195.
Type of instrument (Secured or Unsecured)	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹ 3,750 lakh
Option to retain oversubscription (Amount)	Option to retain over-subscription up to ₹ 5,000 lakh
Lead Manager	Galactico Corporate Services Limited
Debenture Trustee	Catalyst Trusteeship Limited
Issue Size	Public issue of Listed, Rated, Secured, Redeemable, Non-convertible Debentures of our Company of face value of ₹ 1,000 each amounting up to ₹ 5,000 lakh, with an option to retain over-subscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh, on the terms and in the manner set forth herein
Base Issue	₹ 5,000 lakh
Seniority (Senior or Subordinated)	Senior
Stock Exchange proposed for listing of the NCDs	BSE Limited
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closure
Depositories	NSDL and CDSL
Description regarding security (where applicable)	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of

including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Prospectus	Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors/lenders, on all present and future, loan Receivables, Receivables from investment in debentures, Receivables from investments in the units of AIFs, balance with banks, fixed deposits and any other present and future receivables, such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs. The securities so created pursuant to the security documents shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository or any other institution, as applicable, within 30 days of creation of charge. The date of creation of the security for the NCDs shall be on or before making final listing application. Replacement of security – Our Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee as additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the NCDs has become inadequate on account of the margin requirement as provided in the financial covenants and conditions and the Debenture Trustee has, accordingly, called upon our Company to furnish such additional security. In such case, our Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security, in form and manner satisfactory to the Debenture Trustee, as security for the NCDs and upon creation of such additional security, the same shall vest in the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents. For further details, please refer to the agreed form of the Debenture Trust Deed. Minimum security cover: Please refer to "- Security Cover" below. Interest of the debenture holder over and above the coupon rate as specified in the agreed form of the Debenture Trust Deed and disclosed in the Prospectus.
Security Cover	Our Company shall maintain a minimum 100% security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon.
Eligible Investor (Who can apply)*	**Category I** • Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident venture capital funds registered with SEBI; • Insurance Companies registered with the IRDAI; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • Mutual Funds registered with SEBI; and • Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements

<table>
<tr><td></td><td>

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹ 5 lakh.

Category III (High Net-worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 in the Issue.

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

</td></tr>
<tr><td>Rating of Instrument</td><td>

Rating Agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in ₹ lakh)	Rating Definition
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL BBB-/ Stable	January 24, 2025	25,000	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and such securities carry moderate credit risk.

</td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the Application</td></tr>
<tr><td>Mode of payment</td><td>Please see "Issue Procedure" on page 228.</td></tr>
<tr><td>Record Date</td><td>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.

In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.</td></tr>
<tr><td>All covenants of the Issue (including side letters, accelerated payment clause,</td><td>Please refer chapter titled "Terms of the Issue - Company's Covenants" on page 201.</td></tr>
</table>

etc.)	
Issue Schedule	The Issue shall be open from Friday, February 28, 2025 to Thursday, March 13, 2025**
Objects of the Issue	Please refer to the chapter titled "*Objects of the Issue*" on page 62.
Put Option	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	Issuer's right (but no obligation) to recall or redeem outstanding Debentures (fully or partially) on the Call Dates, which right can be exercised at any time after the period of 1 (one) year from the Deemed Date of Allotment of NCDs, prior to the scheduled Redemption Date. It is hereby clarified that in case of partial recall or redemption, the NCDs shall be recalled or redeemed on proportionate basis only.
Call Dates	Shall mean the date(s) of exercise of Call Option which date shall fall on the expiry of 21 (twenty one) days from the date of Call Option Notice or such other date as may be specified in the Call Option Notice, whichever is later
Call Option Notice	Shall mean the notice to be sent by the Issuer to the Debenture Trustee (with a copy marked to each of the Debenture Holders), communicating the intent of the Issuer to exercise the Call Option.
Call Option Exercise Period	Not applicable, as the outstanding Debentures will be recalled or redeemed (partially or completely) on the Call Dates.
Call Price	At par, i.e., ₹ 1,000 (₹/NCD) along with accrued interest, if any, as on the Call Dates. Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.
Put notification time (Timelines by which the investor needs to intimate Issuer before exercising the put)	Not Applicable
Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call)	At least 21 (twenty one) days from the date of Call Option Notice or such other date as may be specified in the Call Option Notice, whichever is later
Minimum Application and in multiples of thereafter	10 NCDs (₹ 10,000) and 1 NCD after the minimum application
Face Value	₹ 1,000 (₹/NCD)
Issue Price	₹ 1,000 (₹/NCD)
Details of the utilisation of the proceeds of the Issue	Please refer to the chapter titled "*Objects of the Issue*" on page 62.
Coupon rate and redemption premium	Please refer to the chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Monthly Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Coupon Payment Dates	Last day of each calendar month starting from the Deemed Date of Allotment till the Redemption Date. Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Coupon types (fixed, floating or other structure)	Fixed Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable

In case the issuer is an NBFC and the objects of the issue entail loan to any entity who is a 'group company'	Not Applicable
Working Days convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the redemption date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	Friday, February 28, 2025
Issue Closing Date	Thursday, March 13, 2025
Date of earliest closing of the issue, if any.	Monday, March 03, 2025
Issue Timing	The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing this Prospectus with ROC) as may be decided by the Board of Directors of our Company or Liabilities Management committee and subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 189
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be at least @ 2% p.a. over the coupon rate for the defaulting period, or such other rate as may be specified by applicable statutory and/or regulatory authority under applicable laws. Without prejudice to the other rights of the Debenture Trustee and Debenture Holders under the Debenture Trust Deed and the other Transaction Documents, in event of failure of the Issuer to recall or redeem the outstanding Debentures, as specified in the Call Option Notice, on the Call Date(s), the Issuer shall pay interest at the rate of fifteen percent per annum for the period of delay, if any.
Deemed Date of Allotment	The date on which the Board or the Liabilities Management Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Day count basis	Actual
Interest on Application Money	Not Applicable
Tenor	Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount.	Not Applicable
Discount at which security is issued and the effective yield	Not Applicable

as a result of such discount.	
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption Date	March 20, 2030 Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 195.
Redemption premium/ discount	Not Applicable
Transaction documents	The Draft Prospectus and this Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trustees Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "*Material Contracts and Documents for Inspection*" on page 278.
Affirmative and Negative covenants precedent and subsequent to the Issue	Please refer chapter titled "*Terms of the Issue- Company's Covenants*" on page 201.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Events of default (including manner of voting/ conditions of joining inter-creditor agreement)	Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 214.
Creation of recovery expense fund	Our Company will create a recovery expense fund in the manner as specified by SEBI master circular for Debenture Trustees and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange. The creation of recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations, SEBI Debenture Trustee Master Circular and other applicable laws. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust Deed which shall be executed within the period specified under Regulation 18 of SEBI NCS Regulations.
Provisions related to Cross Default Clause	Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 214.
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "*Terms of the Issue – Debenture Trustees for the NCD Holders*" on page 200.
Risk Factors pertaining to the Issue	Please refer to the chapter titled "Risk Factors" on page 20.
Settlement Mode of Instrument	Please refer to the chapter titled "*Terms of the Issue - Payment on Redemption*" on page 224.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Pune, Maharashtra.

Note:

*(a) ** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing this Prospectus with ROC) as may be decided by the Board of Directors of our Company or Liabilities Management committee and subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests*

for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.

(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation, if the NCDs were originally issued in dematerialized form.

**Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.*

(c) While the NCDs are secured to the extent of hundred per cent of the amount of principal and interest or as per the terms of this Prospectus, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to "*Issue Procedure*" on page 228.

Specific terms of NCDs

Tenure	5 years (i.e.,1826 days)
Nature	Secured
Series	Not applicable
Frequency of interest Payment	Monthly
Minimum Application	10 NCDs (₹10,000) (across all series of NCDs, if any)
In multiples, of	1 NCD after the minimum application
Face Value of NCDs (₹/NCD)	₹ 1,000
Issue Price (₹/NCD)	₹ 1,000
Mode of Interest Payment/ Redemption	Please see, *"Terms of The Issue- Manner of Payment of Interest / Redemption Amounts"* on page 222.
Coupon rate % Per Annum	13.00 %
Effective Yield % Per Annum	13.79%
Redemption Amount of ₹ 1000	1,000.00
Redemption Date	March 20, 2030
Coupon Type	Fixed
Put Option	Not Applicable
Call Option	The Issuer shall have right (but no obligation) to recall or redeem outstanding Debentures (fully or partially) on the Call Date(s), which right can be exercised at any time after the period of 1 (one) year from the Deemed Date of Allotment of NCDs, prior to the scheduled Redemption Date. It is hereby clarified that in case of partial recall or redemption, the NCDs shall be recalled or redeemed on proportionate basis only.
Deemed Date of Allotment	The date on which the Board or the Liabilities Management Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment

Early Redemption of NCDs

The Issuer may exercise Call Option at any time after the period of 1 (one) year from the Deemed Date of Allotment of NCDs by providing the Call Option Notice to all the Debenture Holders and Debenture Trustee.

The Call Option Notice shall specify the record date fixed by the Issuer which record date shall be 15 (fifteen) days prior to the Call Date ("**Call Option Record Date**"). The trading in the NCDs shall remain suspended between the aforementioned Call Option Record Date and the Call Date. In case such Call Option Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Call Option Record Date.

The Call Option Notice to all the Debenture Holders shall be sent in the following manner:

a. soft copy of such notice shall be sent to all the Debenture Holders who have registered their email address(es) either with the Company or with any depository; and

b. hard copy of the notice shall be sent to all the Debenture Holders who have not registered their email address(es) either with the Company or with any depository

The Issuer shall simultaneously provide a copy of such Call Option Notice to BSE, for dissemination onwebsite of BSE.

Without prejudice to the other rights of the Debenture Trustee and Debenture Holders under the Debenture Trust Deed and the other Transaction Documents, in event of failure of the Issuer to recall or redeem the outstanding Debentures, as specified in the Call Option Notice, on the Call Date(s), the Issuer shall pay interest at the rate of fifteen percent per annum for the period of delay, if any.

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of The Issue – Manner of Payment of Interest / Redemption Amounts*" on page 222.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 228**.**

TERMS OF THE ISSUE

Authority for the Issue

Our Board of Directors, through its resolution passed in its meeting held on January 30, 2025 have approved the public issue of secured, redeemable, non-convertible debenture having face value ₹ 1,000 each, for an amount aggregating up to ₹ 5,000 lakh **("Base Issue Size")** with an option to retain oversubscription up to ₹ 5,000 lakh **("Green Shoe Option")**, aggregating up to ₹ 10,000 lakh **("Issue Size" or "Issue Limit").**

Further, the present borrowing is within the borrowing limits of ₹ 50,000 lakh under Section 180(1)(c) of the Companies Act, 2013, duly approved by the members vide their resolution passed at their EGM held on September 12, 2024.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank first pari passu with existing secured creditors/lenders, on all present and future, loan Receivables, Receivables from investment in debentures, Receivables from investments in the units of AIFs, balance with banks, fixed deposits and any other present and future receivables, such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Security

The Issue comprises of public issue of NCDs of face value of ₹ 1,000 each.

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with existing secured creditors/lenders, on all present and future, loan Receivables, Receivables from investment in debentures, Receivables from investments in the units of AIFs, balance with banks, fixed deposits and any other present and future receivables, such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 100.00% security cover of the amount outstanding including interest in respect of the NCDs at any time.

Our Company has entered into the Debenture Trustee Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in this Prospectus and in the agreed form of the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue Proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e., the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within a period as specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each Secured NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, As amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Pursuant to the SEBI Debenture Trustee Master Circular, the creation of the recovery expense fund shall be in accordance with the aforementioned circular, as may be amended from time to time. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective option(s)/series of NCDs issued.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, our Memorandum of Association and

Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD Holders. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/ regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by them.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Abridged Prospectus, the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For the NCDs issued in dematerialized form, the Depositories shall also maintain updated records of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.

6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed Catalyst Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs as per the extant SEBI regulations applicable for the proposed Issue. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend

on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

The Debenture Trustee Agreement dated February 04, 2025 entered between the Company and Catalyst Trusteeship Limited is available at below website link and can also be accessed by scanning the below QR code:

<https://prachay.com/wp-content/uploads/2025/02/Debenture-Trustee-Agreement.pdf>



Company's Covenants

1.1 The Company hereby covenants with the Debenture Trustee that the Company shall (except as may otherwise be previously agreed in writing by the Debenture Trustee):

a. execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights, powers and authorities hereby conferred on the Debenture Trustee;

b. submit to the Debenture Trustee a certificate stating the credit rating issued with respect to the NCDs from an independent credit rating agency, which is not associated with the Company or its sponsors or promoters. Further, the Company shall obtain, at the end of each financial year after the date of issue of the NCDs, an annual credit rating in respect of the NCDs and submit the same to the Debenture Trustee.

c. carry on and conduct its business in accordance with sound managerial and financial standards and business practices;

d. at the end of each accounting year, furnish to the Debenture Trustee a report of the compliance of the Company with respect to the use of the proceeds raised through the issue of the NCDs, timely and accurate payment of the interest on the NCDs, and such report shall be duly certified by the Auditor of the Company or independent chartered accountant, as per Applicable Laws;

e. keep proper books of accounts open for inspection by debenture trustee and give to the Debenture Trustee or to such person or persons as aforesaid such information as they or any of them shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the shareholders of the Company furnish to the Debenture Trustee copies of every report, balance sheet, profit and loss account, circulars or notices issued to the shareholders and the Debenture Trustee shall be entitled, if it thinks fit, from time to time, to nominate any person to examine the books of account, documents, property of the Company or any part thereof and to investigate the affairs of the Company and the Company shall allow any such person to make such examination and investigation and shall furnish them with all such information as they may require and shall pay all costs, charges and expenses of and incidental to such examination and investigation;

f. punctually pay all royalties, taxes, rates, levies, cesses, insurance premiums, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts for such payments and also punctually pay and discharge all debts, obligations and liabilities which may have priority and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company

in respect of the NCDs;

g. forthwith give notice in writing to the Debenture Trustee of all orders, directions, notice or commencement of any proceedings of any court/tribunal affecting or likely to affect the rights of NCDs;

h. diligently preserve the corporate existence and status and all consents now held or any rights, licences, privileges or concessions hereafter acquired by it in the said consents, rights, licences, privileges and concessions and comply with all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the NCDs provided that the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the NCD Holders is not thereby materially endangered or impaired;

i. promptly inform the Debenture Trustee if the Company has knowledge of any application for winding up having been made or any statutory notice of winding up under the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company or if a receiver is appointed for any of its properties or business or undertaking;

j. promptly inform the Debenture Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon etc. against which the Company may not have insured its properties;

k. submit to the Debenture Trustee a copy of financial results submitted to the stock exchange(s) on the same day;

l. obtain a review of the credit rating on an annual basis by a credit rating agency registered with SEBI, or in such manner as provided under Applicable Law;

m. furnish periodical status and/or quarterly reports to the Debenture Trustee within 7 (seven) days of the relevant board meeting of the Company or within 45 (forty-five) days of the respective quarter, whichever is earlier, containing the following particulars:

   i. Updated list of the names and addresses of the NCD Holder(s);
   ii. Details of the payments to be made, but unpaid and reasons thereof;
   iii. The number and nature of grievances received from the NCD Holder(s) and resolved by the Company and those grievances not yet solved to the satisfaction of the NCD Holder(s) and reasons for the same;
   iv. A statement that those assets of the Company which are available in terms of the Transaction Documents, as amended from time to time, is sufficient to discharge the claims of the NCD Holders as and when they become due;
   v. Such other information as may be required by the Debenture Trustee under or pursuant to Applicable Law;

n. immediately take all steps necessary to resolve grievances received from the NCD Holders. At the request of the Majority Debenture Holders, the Debenture Trustee shall by notice to the Company call upon the Company to take appropriate steps to redress such grievances and shall, if necessary, at the request of the Majority Debenture Holders, call a meeting of the NCD Holders;

o. comply with the provisions of Regulation 61A of SEBI LODR Regulations and Section 125 of the Act (or any corresponding provision of the Companies Act, 1956 which may be in force) relating to transfer of unclaimed/unpaid amounts of monies due on debentures and redemption of debentures to Investor Education and Protection Fund (IEPF);

p. promptly furnish to the Debenture Trustee the details of all the grievances received, including details pertaining to the following:

   i. Names of the complainants / Debenture Holder;
   ii. Nature of grievances / complaints;
   iii. Time taken for redressal of complaint / grievances; and
   iv. The steps taken by the Company to redress the same;

q. promptly inform the Debenture Trustee of any merger, amalgamation or a scheme of reconstruction proposed by the Company other than what has been already disclosed in the Prospectus (if any);

r. promptly inform the Debenture Trustee of any change in its name, any change in the major composition of its Board of Directors or change in the nature and conduct of its business or main objects prior to such change being effected;

s. The Company shall not declare any dividend to the shareholders in any year until the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures;

t. furnish the following:

i. On a yearly basis:

Copy of annual report at the same time as it is issued along with a certificate from theAuditor of the Company, certifying the use of the proceeds raised through the issue of the NCDs towards the purpose mentioned in the Transaction Documents;

ii. On half-yearly basis:

Certificate from the Company's statutory auditor regarding maintenance of minimum Security Cover along with certification regarding compliance with all the covenants as per the Prospectus/ the Debenture Trust Deed.

iii. On Quarterly basis

A security cover certificate within 75 days from end of each quarter except last quarter when submission is to be made within 90 days or such other timelines as prescribed under Applicable Law.

u. maintain, at all times, a minimum of one decimal point zero (1.0x) security cover throughout the life of the NCDs in respect of the outstanding NCDs and interest accrued thereon;

v. not be entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgement, execution, attachment, or other legal process;

w. comply with all provisions and disclosure requirements as mentioned in the SEBI Debenture Trustees Regulations, the SEBI NCS Regulations, SEBI LODR Regulations , the Act, each as amended from time to time and / or any other notification, circular, press release issued by the SEBI / RBI from time to time and comply with all applicable directions / guidelines in relation to the issue of NCDs;

x. The listed entity, while submitting quarterly and annual financial results, shall disclose the following line items along with the financial results as applicable to the Company:

i. debt equity ratio;
ii. debt service coverage ratio;
iii. interest service coverage ratio;
iv. outstanding redeemable preference shares (quantity and value);
v. capital redemption reserve/debenture redemption reserve;
vi. net worth;
vii. net profit after tax;
viii. earnings per share:
ix. current ratio;
x. long term debt to working capital;
xi. bad debts to account receivable ratio;
xii. current liability ratio;
xiii. total debts to total assets;
xiv. debtors' turnover;
xv. inventory turnover;
xvi. operating margin percent;.
xvii. net profit margin percent; and
xviii. sector specific equivalent ratios, as applicable.

y. submit the following disclosures to the Debenture Trustee at the time of allotment of the Debentures:

i. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
ii. Copy of last three years' audited financial statements;
iii. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
iv. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
v. An undertaking to the effect that the Company would, till the redemption of the debt securities, submit the details mentioned in Point (iv) above to the Trustee within the timelines as mentioned in SEBI LODR Regulations, as amended from time to time, for furnishing / publishing its half yearly / annual result.

1.2 **Financial Covenants**

a. Capital adequacy ratio as may be prescribed by the RBI from time to time.

b. The financial covenants identified in the Debenture Trust Deed shall be tested on quarterly basis and the Company shall submit to the Debenture Trustee on quarterly basis, within 45 (forty five) days from the end of every quarter and within 60 (sixty) days from the end of every financial year, certificates signed by a director or the Chief Financial Officer of the Company, confirming the Company's compliance on the basis of standalone audited balance sheet of the Company for the relevant Financial Year.

1.3 **Reporting Covenants**

a. The Company shall at the end of every calendar quarter within 45 (forty five) days of the respective quarter or within 7 days of the relevant board meeting, whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the following:

i. Updated list of names and addresses of all the NCD Holders and the number of NCDs held by the NCD Holders;
ii. Details of interest due but unpaid, if any, and reasons for the same;
iii. Details of payment of interest made on the NCDs in the immediately preceding calendar quarter;
iv. The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the NCD Holders during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and
v. Statement that the Hypothecated Assets is sufficient to discharge the claims of the NCD Holders as and when they become due and as mentioned in the security cover certificate.

b. The Company shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:

i. Upon complete utilisation of all proceeds of any Issue, a certificate from the Auditors of the Company at the end of each accounting year and for confirming such complete utilization of such Issue proceeds, and until such complete utilisation, a certificate from an independent chartered accountant confirming status of utilisation of funds on a quarterly basis;
ii. by no later than 30 (thirty) days from the Deemed Date of Allotment or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Company confirming credit of dematerialized NCDs into the depository accounts of the NCD Holders within the timelines prescribed under the Applicable Laws;
iii. at the end of every year from the Deemed Date of Allotment, a certificate from the Company's statutory auditor, on a quarterly basis provide relevant security cover certificate regarding maintenance of minimum Security Cover along with certification regarding compliance with all the covenants as per the Prospectus/the Debenture Trust Deed along with the half-yearly financial results;
iv. upon there being any change in the credit rating assigned to the NCDs, promptly thereafter, a letter / intimation via email notifying the Debenture Trustee of such change in the credit rating of the NCDs, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption Amount or both, or there is a failure to create security interest on the Hypothecated Asset, or there is a breach of any covenants, terms or conditions by the Company in relation to the NCDs under any Transaction Documents;
v. a copy of all notices, resolutions and circulars relating to:
   A. new issue of non-convertible debt securities at the same time as they are sent to shareholders/holders of non-convertible debt securities; and/or

B. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings.

vi. intimation to the Debenture Trustee (along with the Stock Exchanges) if any of the following proposals being placed before the Board, at least 11 (eleven) Business Days in advance:
   A. any alteration in the form or nature or rights or privileges of the NCDs;
   B. any alteration in the Due Dates on which interest on the NCDs or the Redemption Amount is payable; and/or
   C. any other matter affecting the rights and interests of the NCD Holders is proposed to be considered.

c. The Company shall promptly inform the Stock Exchange and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment of interest or Redemption of the NCDs in terms of Regulation 51(2) of the SEBI LODR Regulations.

d. The Company shall give prior intimation to the Stock Exchange with a copy to the Debenture Trustee within one workingday before the date on and from which the interest on NCDs, and the Redemption Amount of NCDs becomes due and payable or within such timelines as prescribed under Applicable Law.

e. The Company shall promptly inform the Debenture Trustee the status of payment (whether in part or full) of NCDs within 1 (one) Business Day of the payment/redemption. While intimating the Debenture Trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the Stock Exchange and Depository.

f. Promptly within 2 (two) days of the interest or principal or both becoming due, the Company shall submit a certificate to the Stock Exchange along with the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the NCDs and also upload the information on its website.

g. If default in payment of NCDs is continuing, the Company shall inform the Debenture Trustee the updated status of payment latest by the 2nd (second) Business Day of April of each financial year, along with the intimation on the updated status of payment to the Stock Exchange and the Depository. Further, the Company shall also intimate the development, if any, that impacts the status of default of the NCDs (including restructuring, insolvency proceedings, repayment, etc.) to the Stock Exchange, Depository and Debenture Trustee within 1 (one) Business Day of such development. The aforementioned intimations shall be submitted until the Secured Obligations are fully discharged or satisfied. The Company shall provide an undertaking to the Stock Exchange on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of the Debenture Trust Deed and SEBI NCS Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.

h. The Company shall promptly inform the Debenture Trustee the following details (if any):

i. corporate debt restructuring;
ii. fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and/or
iii. reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company.

i. A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures.

j. The Company shall notify the Debenture Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

k. The Company shall furnish to the Debenture Trustee details of all grievances received from the NCD Holders and the steps taken by the Company to redress the same. At the request of any NCD Holders, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any NCD Holders representing not less than one-tenth in value of the nominal amount of the NCDs for the time being outstanding, call a meeting of the NCD Holders.

l. To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of the security interest over the Hypothecated Assets, the Company shall submit the following reports/ certification within the timelines mentioned below or such other

updated timelines in accordance with the law applicable:

Reports/Certificates	**Timelines for submission requirements by Company to Debenture Trustee**	**Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange**
Security cover certificate (in the format as specified in Debenture Trustee Master Circular)	Quarterly basis within 45 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 75 days from end of each quarter except last quarter when submission is to be made within 90 days or within such timelines as prescribed under Applicable Law
A statement of value of pledged securities, if any		
A statement of value for Debt Service Reserve Account or any other form of security offered, if applicable		
Net worth certificate of guarantor (secured by way of personal guarantee), if applicable	Half yearly basis within 45 days from end of each half-year or within such timelines as prescribed under Applicable Law	Half yearly basis within 75 days from end of each half-year or within such timelines as prescribed under Applicable Law.
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor (secured by way of corporate guarantee), if applicable	Annual basis within 60 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.
Valuation report and title search report for the immovable/movable assets, as applicable, if applicable		Once in three years within 75 days from the end of the financial year or within such timelines as prescribed under Applicable Law

m. The Company shall promptly inform the Debenture Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

n. The Company shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company.

o. The Company shall promptly supply certified copies to the Debenture Trustee of any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents.

p. The Company shall supply to the Debenture Trustee a copy of annual report, at the end of each year from the Deemed Date of Allotment, till the time the funds from the Issue are fully utilized. In case the NCDs are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the statutory auditor's certificate to be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

q. The Company shall supply to the Debenture Trustee (sufficient copies for all NCD Holders if the Debenture Trustee so requests) half yearly financial results within 45 (forty five) days from the end of the each half year or within such timelines as prescribed under Applicable Law.

r. In case of initiation of forensic audit (by whatever name called) in respect of the Company, the Company shall provide following information and make requisite disclosures to the stock exchanges:

   i. the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and
   ii. final forensic audit report (other than for forensic audit initiated by regulatory/enforcement agencies) on receipt by the Company along with comments of the management, if any.

s. The Company shall promptly provide or inform the Debenture Trustee the details of all the material orders, directions, notices, of any court/tribunal affecting or likely to affect the Hypothecated Asset.

t. The Company shall submit to the Debenture Trustee, Stock Exchange and the NCD Holders correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the timelines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law.

u. The Company shall furnish the following to the Debenture Trustee:

i. its duly audited annual accounts, at the same time as it is issued along with a copy of certificate from the Company's auditors in respect of utilisation of funds. Provided that in the case of NCDs issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved;
ii. copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (forty five) days from the end of the half year or within such timelines as prescribed under Applicable Law;
iii. a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the Issue as and when such proceeds have been completely deployed toward the proposed end-uses;
iv. such information in relation to the Hypothecated Asset that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the required Security Cover and shall also submit to the Debenture Trustee a certificate from the director/managing director of the Company on quarterly basis, certifying the value of the Receivables forming part of the Security as agreed in the Transaction Documents; and
v. all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI Debenture Trustee Master Circular; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI Debenture Trustee Master Circular.

v. The Company shall:

i. supply to the Debenture Trustee (with sufficient copies for all NCD Holders if the Debenture Trustee so requests) all documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
ii. promptly upon becoming aware, supply to the Debenture Trustee (and sufficient copies for all NCD Holders if the Debenture Trustee so requests), the details of any event which may have a Material Adverse Effect;
iii. promptly upon becoming aware, supply to the Debenture Trustee (and sufficient copies for all NCD Holders if the Debenture Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Company to abandon the business;
iv. at the end of every financial year, supply to the Debenture Trustee (and sufficient copies for all NCD Holders if the Debenture Trustee so requests), a certificate from a practicing Chartered Accountant confirming the due maintenance of a DRR, if required, as per the provisions of Applicable Law;
v. promptly, supply to the Debenture Trustee (and sufficient copies for all NCD Holders if the Debenture Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Debenture Trustee, accompanied (where relevant) by a specimen signature of each new signatory; and
vi. forthwith give, notice in writing to the Debenture Trustee of commencement of any proceedings directly affecting the Hypothecated Asset.

w. shall submit the following to the Debenture Trustee on date of approval of each quarterly and annual financial results at the end of such quarter / financial year, respectively:

i. a certificate signed by the chief financial officer of the Company or any other authorized signatory of the Company stating that the Company is in compliance with all the financial covenants prescribed in the Debenture Trust Deed on the basis of standalone audited balance sheet of the Company for the relevant financial year;
ii. the details of any change in control from that prevailing as on the Effective Date; and
iii. such portfolio information in respect of the Company in the formats as may be prescribed by the Debenture Trustee;

x. on a semi-annual basis, a half yearly certificate on each relevant Quarterly Date providing half-yearly financial statements for the preceding half-year/6 (six) month period, prepared in accordance with the Applicable Accounting Standards, together with a certificate from an independent chartered accountant and/or an authorized signatory of the Company, confirming the value of the Hypothecated Assets, and the compliance of the Company with all the financial covenants and other covenants prescribed under the Transaction Documents.

y. promptly, and in any event at the same time as it has intimated to the Stock Exchanges of the occurrence of any change in the constitutional documents of the Company, which prejudicially affects the rights of the Debenture Trustee under the Transaction Documents.

z. promptly, and in any event within 10 (ten) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.

aa. promptly, and in any event within 10 (ten) Business Days after the Company obtains actual knowledge thereof, any notices, orders or directions any court or tribunal in relation to any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations (included the Hypothecated Assets), which, if adversely determined, could result in a Material Adverse Effect.

bb. promptly, and in any event within 10 (ten) Business Days after the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or Potential Event of Default including any steps taken to cure such event.

cc. promptly, and in any event within 10 (ten) Business Days or as may be specified under Applicable Law, upon the occurrence of any mandatory prepayment, or the receipt of notice of any Financial Indebtedness of the Company declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, and except in case of ordinary course of business.

dd. promptly, and in any event within 10 (ten) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Company or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Company.

ee. promptly, and in any event within 2 (two) Business Days of receiving any notice of any application for winding up/insolvency having been made or any notice of winding up or insolvency under the provisions of the Companies Act or the (Indian) Insolvency and Bankruptcy Code, 2016 or any other statute relating to winding up/insolvency or otherwise of any suit or other legal process intended to be filed or initiated against the Company with such similar intention;

ff. within 45 (forty-five) days of each Quarterly Date, a certificate from an authorized officer of the Company certifying/confirming that no Potential Event of Default or Event of Default has occurred.

gg. The Company shall also submit a certificate from a statutory auditor and authorised officer of the Company for every second fiscal quarter and fourth fiscal quarter certifying the value of Receivables forming part of the Security and maintenance of the Security Cover, as per the terms of the SEBI Debenture Trustee Master Circular, the Prospectus and the Debenture Trust Deed including compliance with the covenants of the Prospectus and any other covenants in respect of listed non-convertible debt securities in the manner as may be specified by SEBI from time to time.

hh. without prejudice to sub-Clauses (gg) above and sub-Clause (ii) below, within such timelines as may be prescribed by the Debenture Trustee, provide all relevant information required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document, including but not limited to the copies of all reports, balance sheets and the profit and loss account of the Company.

ii. without prejudice to sub-Clause (hh) above and sub-Clause (jj) below, promptly and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the NCD Holders, may reasonably request from time to time.

jj. as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Company) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the SEBI Debenture Trustees Regulations, the SEBI Debenture Trustee Master Circular and the Companies (Share Capital and NCDs) Rules, 2014.

kk. promptly, and in any event within 20 (twenty) calendar days after the end of each month, a report on Security Cover in the format prescribed under Applicable Law.

1.4 **Affirmative Covenants**

The Company shall:

(a) ***Use of Proceeds***
use the proceeds of the Issue only for the purpose and in accordance with Applicable Law and the Transaction Documents;

(b) ***Loss or Damage by Uncovered Risks***
promptly inform the Debenture Trustee and the NCD Holders of any loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(c) ***Costs and Expenses***
pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the NCD Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the NCDs subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(d) ***Payment of Rents, etc.***
punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when such amounts are payable;

(e) ***Preserve Corporate Status***

i. diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;
ii. comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and
iii. not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the outstanding Obligations might or would be hindered or delayed;

(f) ***Pay Stamp Duty***
pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws. In the event the Company fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Company shall reimburse the aforementioned amounts to the Debenture Trustee on demand;

(g) ***Furnish Information to Debenture Trustee***

i. provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company;
ii. allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;
iii. provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as

they may require for the purpose of filing any relevant forms with any Governmental Authority (including but not limited to the CERSAI) in relation to the NCDs and the Hypothecated Assets;

iv. inform and provide the Debenture Trustee with applicable documents in respect of the following:
   A. notice of any Event of Default; and
   B. any and all information required to be provided to the NCD Holders under Applicable Law and the listing agreement to be entered into between the Company and the Stock Exchange(s);

(h) ***Redressal of Grievances***

promptly and expeditiously attend to and redress the grievances, if any, of the NCD Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(i) ***Comply with Investor Education and Protection Fund Requirements***

comply with the provisions of the Companies Act relating to transfer of unclaimed/ unpaid amounts of interest on NCDs and redemption of NCDs to Investor Education and Protection Fund, if applicable to it. The Company hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority;

(j) ***Corporate Governance; Fair Practices Code***

comply with any corporate governance requirements applicable to the Company (as may be prescribed by the RBI, SEBI, any Stock Exchange, or any other Governmental Authority) and the fair practices code prescribed by the RBI;

(k) ***Further Assurances***

i. provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Company;
ii. comply with any monitoring and/or servicing requests from the Debenture Trustee;
iii. execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
iv. obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations and licenses necessary to enable it to lawfully enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;
v. comply with:
   A. all Applicable Law (including but not limited to the Companies Act, the SEBI Listed Debentures Circulars, the SEBI Monitoring Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), as applicable in respect of the NCDs and obtain such regulatory approvals as may be required from time to time;
   B. the SEBI Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the NCDs and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the SEBI Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the NCDs;
   C. the provisions of the Companies Act in relation to the Issue;
   D. procure that the NCDs are rated and continue to be rated until the Final Settlement Date;
   E. ensure that, at time of making any payment of interest or repayment of the principal amount of the NCDs in full or in part, the Company shall do so in the manner that is most tax efficient for the NCD Holders but without, in any way requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the NCD Holders;
   F. ensure, and/or cause the Registrar to forward the details of NCD Holders to the Debenture Trustee at the time of allotment and thereafter by the 7th (seventh) Business Day of every next month in order to enable Debenture Trustee to keep its records updated and to communicate effectively with the NCD Holders, especially in situations where Events of Default have occurred; and
   G. if so required, the requirements prescribed under Chapter XI (Operational framework for transactions in defaulted debt securities post maturity date/redemption date) of the SEBI Master Circular, and

provide all details/intimations to the Debenture Trustee, the Depositories, and the Stock Exchange(s) (as the case may be) in accordance with the aforementioned requirements;

vi. to the extent applicable, it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Company giving the value of Receivables forming part of the Security including compliance with all the covenants set out in the Prospectus in such manner as may be specified by SEBI from time to time;

vii. agrees, undertakes and acknowledges that in the event the Company has failed to make a timely Repayment of the Secured Obligations or to create security interest on the Hypothecated Asset or there is a downgrade in credit rating assigned to the NCDs, the Debenture Trustee shall, in accordance with Applicable Law, be entitled to disclose such information to the NCD Holders and the general public by issuing a press release, placing the same on their websites, with the credit rating agencies and updating the distributed ledger technology system in accordance with the SEBI Debenture Trustee Master Circular; and

viii. it will provide all necessary assistance and cooperation to, and permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Company and the Hypothecated Assets;

(l) ***Security***

the Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

i. the NCDs shall be secured by a first pari-passu/ specified charge and continuing security by way of a first pari-passu/ specified charge and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the NCD Holders on or prior to the Deemed Date of Allotment;

ii. all the Hypothecated Assets that will be charged to the Debenture Trustee under the Debenture Trust Deed shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to the Security and be dealt with only under the directions of the Debenture Trustee;

iii. the Company shall not create any charge, lien or other Encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Security;

iv. the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Security and to maintain the Security undiminished and claim reimbursement thereof;

v. to create the security interest over the Hypothecated Assets as contemplated in the Debenture Trust Deed on or prior to the Deemed Date of Allotment;

vi. to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned RoC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Debenture Trust Deed;

vii. the Company shall submit to the Debenture Trustee and to the NCD Holder(s), within 20 (twenty) business days from the end of each month, a certificate from the authorised signatory of the Issuer (duly authorised by the board of directors of the Issuer) listing the Hypothecated Assets and the value thereof, on the letter head of the Issuer along with a XIRR version of such details;

viii. The Company shall, submit to the Debenture Trustee and to the NCD Holder(s), within 45 (forty five) days from the close of each quarter or 7 days of the Board Meeting whichever is later, a certificate from the statutory auditor of the Company certifying the list of the Hypothecated Assets and the value of such Hypothecated Assets or within such timelines as prescribed under Applicable Laws.

ix. the Company shall, within the timelines prescribed under the Debenture Trust Deed, add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents; it is hereby clarified that Company can assign any of its assets excluding underlying Security, provided the Security Cover is maintained and the Issuer is in compliance with the terms of the Debenture Trust Deed.

x. the Company shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;

xi. furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;

xii. furnish and execute all necessary documents to give effect to the Hypothecated Assets;

xiii. the security interest created on the Hypothecated Assets shall be a continuing security;

xiv. the Hypothecated Assets shall fulfil the eligibility criteria set out in the Debenture Trust Deed;

xv. nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the NCD Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Debenture Trustee and/or the NCD Holders;

xvi. the NCD Holders shall have a beneficial interest in the Hypothecated Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Obligations under the Debenture Trust Deed; and

xvii. to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(m) ***Execution of Transaction Documents***

in the event of any delay in the execution of any Transaction Document (including the Debenture Trust Deed) or the creation of security in terms hereof, the Company will, at the option of the NCD Holders, either:

i. if so required by the NCD Holders, refund the Application Money together with interest (including interest accrued) at the applicable Interest Rate/discharge the secured Obligations; and/or

ii. pay to the NCD Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the applicable Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the secured Obligations are discharged (whichever is earlier);

(n) ***Internal Control***

maintain internal control for the purpose of:

i. preventing fraud on amounts lent by the Company; and

ii. preventing money being used for money laundering or illegal purposes;

(o) ***Audit and Inspection***

permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and other representatives of the NCD Holders as and when required by them;

(p) ***Records***

keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Hypothecated Asset and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Hypothecated Asset and the business of the Company shall at reasonable times be open for inspection of the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, in writing for that purpose appoint;

(q) ***Register of NCD Holders***

keep at its registered office, a register of the NCD Holders or ensure that the Depository maintains a register and index of beneficial owners of the dematerialised NCDs in their records. For the above purpose, the Company shall request the Registrar of the issuance or the Depository, in case of dematerialised NCDs, to provide a list of NCD Holders as at the end of day on the day falling on the Record Date. The Debenture Trustee and/or the NCD Holders or any of them or any other Person shall, as provided in the Act, be entitled to inspect the said register of NCD Holders and to take copies of or extracts from the same or any part thereof during usual business hours;

(r) ***FATCA***

ensure compliance with the applicable provisions of the Foreign Account Tax Compliance Act ("**FATCA**") at all times during the currency of the NCDs. The Company agrees to provide the respective authorities with any documentation or information requested relating to self or beneficiary or related Tax entity to the extent required by the Debenture Trustee for meeting its compliances. The Company agrees that it will provide a copy of the documents provided to the Tax authorities to the Debenture Trustee for its records. Further, the Company shall indemnify and hold harmless the Debenture Trustee for any penal consequence arising due to non-compliance of the aforesaid provision by the Company;

(s) ***Listing and Monitoring Requirements***

comply with all covenants, undertakings and requirements.

(t) ***General Undertakings***

The Company undertakes that it shall:

i. at all times, obtain and maintain, or cause to be obtained and maintained, in full force and effect (or where appropriate, renew) all necessary declarations, reporting and filings (including with any Governmental Authority in India) required for: (A) the purposes of the business, except such declaration, reporting or filing which would not, or would not reasonably be expected to, result in a Material Adverse Effect; and (ii) all transactions as contemplated by the Transaction Documents;

ii. create the security interest on the Hypothecated Assets within the applicable regulatory timeframe and as may be required by the Debenture Trustee as per the terms hereof and shall ensure that all Transaction Documents, when executed, shall constitute its legal, valid and binding obligations under Applicable Law;

iii. attend to the complaints received in respect of the NCDs expeditiously and satisfactorily;

iv. if any of the Directors of the Company are added to any defaulter's list by any Governmental Authority, take immediate steps forthwith to remove such person from its Board;

v. duly cause these presents to be registered in all respects so as to comply with the provisions of the Act and also cause these presents to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any act, ordinance or regulation applicable in any part of India, within which any portion of the Hypothecated Asset are or may be situated, by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents;

vi. have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations, the Debenture Trustee shall, as the Debenture Trustee may deem appropriate and necessary, be entitled to disclose all or any:
   A. information and data relating to the Company,
   B. information or data relating to the Debenture Trust Deed; and
   C. default committed by the Company in discharge of the obligations under the Transaction Documents, to TransUnion CIBIL Limited ("CIBIL") and any other agency authorised in this behalf by RBI;

vii. have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations, the Debenture Trustee shall, as the Debenture Trustee may deem appropriate and necessary, be entitled to disclose to CIBIL and/or any other agency so authorised may use, process the aforesaid information and data disclosed by the Debenture Trustee in the manner as deemed fit by them;

viii. have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations, the Debenture Trustee shall, as the Debenture Trustee may deem appropriate and necessary, be entitled to disclose to CIBIL and/or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to the Debenture Trustee, and other credit grantors or registered users, as may be specified by RBI in this behalf;

ix. have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely repayment of the secured Obligations, the Debenture Trustee and/or RBI will have an unqualified right to disclose or publish the details of the default and the name of the guarantor (including its directors) as the case may be, as defaulters, in such manner and through such medium as the Debenture Trustee or RBI in their absolute discretion may think fit;

x. no immunity (if acquired) shall be claimed by it or on its behalf with respect to its assets in any proceedings in relation to its obligations under the Transaction Documents and shall waive any such right of immunity which it or its assets has or may acquire. The execution of the Debenture Trust Deed constitutes, and the exercise of its rights and performance of and compliance with its obligations under the Debenture Trust Deed will constitute, private and commercial acts done and performed for private and commercial purposes; and

xi. it has obtained the necessary permissions as may be required, for entering into the Transaction Documents, and shall execute the same within the time frame prescribed under the relevant SEBI regulations and circulars and furthermore, shall submit such Transaction Documents, as applicable, to the relevant Stock Exchange for uploading on its website (as applicable), within 5 (five) days of execution of the same.

1.5 **Negative Covenants**

The Company shall not take any action in relation to the items set out below without the prior written consent of the Debenture Trustee:

(a) ***Change of Business; Constitutional Documents***

i. change the general nature of its business from that which is permitted as a non-deposit accepting base layer non-banking financial company registered with the RBI; or

ii. any changes, amendments, or modifications to its constitutional documents which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/ adversely impact the rights/interest of the NCD Holders or in any manner alter the terms of the NCDs.

(b) ***Dividend***

i. declare or pay any dividend to its shareholders (including holders of preference shares) during any Financial Year unless it has paid or made arrangements to pay all the dues to the NCD Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof; or

ii. if an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (including holders of preference shares).

(c) ***Disposal of Assets***

Subject to the Company maintaining 100% security cover at all time, sell, transfer, or otherwise dispose of in any manner whatsoever any Security, whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect including any securitization/portfolio sale of the underlying Security.

(d) ***Insolvency***

The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

(e) ***NCD Terms***

The Company shall not make any modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without the prior approval of the Stock Exchange and such prior approval of the Stock Exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Act, SEBI NCS Regulations, SEBI LODR Regulations and circulars issued thereunder, including approval of the requisite majority of NCD Holders. Further, any proposal of restructuring received by Debenture Trustee shall be communicated to NCD Holders immediately.

(f) ***Investments***

The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default.

(g) ***Encumbrance***

The Company shall not, without the prior consent of the Debenture Trustee, create or permit to subsist any Encumbrance on any Hypothecated Assets (including, without limitations, on the Receivables forming part of the Security).

Events of Default and Consequences of Events of Default

1.1. The occurrence of any of the following events shall constitute an Event of Default by the company in relation to the NCDs:

a. Default is committed in payment of the principal amount of the NCDs on the due date(s);

b. Default is committed in payment of any interest on the NCDs on the due date(s);

c. Default is committed in payment of any other amounts outstanding in respect of the NCDs;

d. Default is committed in payment of the principal amount and accrued interest thereon on any of the Call Date(s) upon exercise of Call Option by the Issuer;

e. Default is committed in maintenance of the Security Cover;

f. Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents as applicable for this Transaction or and such default (if capable of being cured within the cure period in the opinion of Debenture Trustee) shall have continued after cure periods of 15 Working Days for remedying such default; It is hereby clarified that there shall be no cure period in the event the security cover fall below 1x as stipulated under the Applicable Laws, it shall amount to an Event of Default in terms of the Debenture Trust Deed.

g. Defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created;

h. If any Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;

i. The NCDs are, delisted or cease to be listed on any of the Designated Stock Exchange(s) for any reason whatsoever (whether or not attributable to any action of the Company) at any time prior to the Final Settlement Date unless required by any regulation as applicable to the Company;

j. Default is committed if any information given by the Company in the Draft Prospectus, the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

k. Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;

l. The Company hasinvoluntarily (which is not stayed or vacated within 30 (thirty) days of being admitted under any bankruptcy or insolvency law) or voluntary become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;

m. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures;

n. If the Company is unable to pay its debts;

o. If an application for commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, is made against the Company;

p. Enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction;

q. Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/NCD Holders by the Company shall prove to have been incorrect, false or misleading in any respect when made or deemed made.

r. The Company ceases to carry on its business or gives notice of its intention to do so;

s. The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

t. Failure by the Company to meet the requirements under Applicable Law with respect to data integrity and such failure, if in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders at each ISIN level) is capable of remedy, is not cured within 60 (sixty) days;

u. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

v. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have Material Adverse Effect on the Company or the Debentures;

w. Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;

x. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);

y. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;

z. If it becomes unlawful for the company to perform any of its obligations under this transaction document;

aa. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a Material Adverse Effect;

bb. Any Security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof in the opinion of the Debenture Trustee or any event occurs which causes the Debenture Trust Deed or any related agreement to become ineffective;

cc. Except as stated in the Debenture Trust Deed and the Prospectus:

i. any Security created over any of the Hypothecated Assets at any time during the tenure of the NCDs, without prior written consent of the Debenture Trustee (if required);
ii. the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other Encumbrance over any of the Hypothecated Assets.

dd. Any other event described as an Event of Default in the Draft Prospectus, the Prospectus and the Transaction Documents.

1.2. Except for any default relating to points a, b and c given above, where no such consent/ resolution of NCD Holders will be required for calling of Event of Default, any Event of Default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by Super Majority, as set out in the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Master Circular.

1.3. Consequence of Event of Default

a) On and at any time after the occurrence of the Event of Default in relation to the NCD Holders, the Debenture Trustee shall, if so directed by Majority Debenture Holders of the this Issue of NCDs, be entitled to:

i. Accelerate the redemption of the NCDs issued under Prospectus and the amounts due shall become immediately due and payable; and/or
ii. Exercise any other right that the Debenture Trustee and/or NCD Holder(s) may have under the Transaction Documents or under Indian Law; and/or
iii. To appoint a nominee director to the board of directors of the Company, in the manner more particularly set out in the Debenture Trust Deed, in terms of Regulation 15(1)(e) of SEBI Debenture Trustees Regulations and Articles of Association of the Company. If so required, the Company shall take all steps necessary to amend its articles of association, to give effect to Regulation 15(1)(e) of SEBI Debenture Trustees Regulations.
iv. enforce its charge over the security in terms of the Debenture Trust Deed to recover the amounts due in respect of the relevant series of the Debentures;

b) In case of Event of Default, the Debenture Trustee shall follow the procedure as laid down in the SEBI Debenture Trustee Master Circular.

c) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the company shall promptly give notice thereof to the Debenture Trustee, in writing specifying the nature of such Event of Default.

d) In addition to the above, and without prejudice to the Company's obligation to make payment of default interest on account of any delay in relation to making of any payments due in relation to the NCDs, so long as there shall be an Event of Default other than a payment related event of default, the Company shall pay an additional interest of 2% (two per cent) per annum over the coupon rate until such Event of Default is rectified, without any prejudice to the remedies available to the NCD Holder(s) or the consequences of events of default.

Notwithstanding anything containing herein or under Applicable Law, the Debenture Trustee shall, in case of any Event of Default, also be entitled to enforce the Debenture Trust Deed and its rights and benefits created thereunder, including (but not limited to) in relation to the charge/ security interest and to seek any and all remedies under the Applicable Laws from time to time, including without limitation, under the Securitization and Reconstruction of Financial Assets and Enforcement of security interest Act, 2002 and or the Recovery of Debts and Bankruptcy Act, 1993, if applicable.

Remedies

If one or more of the Events of Default specified above occurs, the Debenture Trustee may subject to the provisions of and SEBI Debenture Trustee Master Circular by a notice in writing to the Company, declare the principal of and all accrued interest on the Debentures to be due and payable forthwith and the Debentures shall without any further action become due for redemption along with the interest accrued thereon.

Market Lot and Trading Lot

Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* on page 228.

Nomination facility to Debenture Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective

Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Pune, Maharashtra, India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialize the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 228.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCDs held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act applicable as on the date of this Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased Debenture Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture Holder. He shall approach the respective Depository Participant of the Debenture Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

Subject to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022 dated January 25, 2022, Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not

submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. However, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure

Issue Programme

ISSUE OPENING DATE	Friday, February 28, 2025
ISSUE CLOSING DATE	Thursday, March 13, 2025[#]

[#] *This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing this Prospectus with ROC) as may be decided by the Board of Directors of our Company or Liabilities Management committee and subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.*

Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") during the Issue Period as mentioned above by the Designated Intermediaries at the bidding centre and by the SCSBs directly at the Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

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

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.
Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of The Issue- Manner of Payment of Interest / Redemption Amounts"* on page 222.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) working days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular shall be disclosed in this Prospectus.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. Subject to the right to exercise Call Option by the Issuer, the NCDs will be redeemed at the expiry of 5 years (i.e., 1826 days) from the Deemed Date of Allotment.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum Application size for each Application would be ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all series of NCDs, as may be applicable, offered hereunder provided the Applicant has applied for minimum Application size using the same Application Form.

Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is blocked in the ASBA Account on Application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on Application in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of The Issue- Procedure for Re-materialization of NCDs*" on page 219.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of interest / redemption amount, through:

    i. **Direct Credit**. interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

    ii. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

    iii. **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount

exceeds ₹ 2 lakh, or such amount as may be fixed by RBI from time to time, **have** the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

iv. **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be **linked** to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) working days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Debenture Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements.

Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by Debenture Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be

surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Debenture Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Terms of The Issue- Payment on Redemption*" on page 224.

NCDs held in electronic form:

No action is required on the part of Debenture Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the redemption date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Debenture Holders whose names stand in the Register of Debenture Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) working days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) working days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Debenture Holders.

Our liability to Debenture Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the

power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with us, and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Debenture Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Maharashtra and/or will be sent by post/ courier or through email or other electronic media to the registered holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or providing intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

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

"Any person who:

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

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

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue, i.e. ₹ 3,750 lakh). Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 3,750 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30 of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through this Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter bearing reference number DCS/BM/PI-BOND/35/24-25 dated February 17, 2025. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within six Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the options, such option(s) of NCDs shall not be listed. If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from financial year 2024-25, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Master Circular, SEBI has introduced the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹ 5 lakh or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020. Further, pursuant to SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 dated September 24, 2024 all individual investors applying in public issue through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum-application form submitted with intermediaries.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 246.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the requirements notified by the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Further, our Company, the Lead Manager and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Pune, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Member;
(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of the Prospectus and this Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application up to ₹ 5 lakh, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I

- Resident public financial institutions as defined in Section 2(72) of the Companies act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements.

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies

registered under the applicable laws in India and authorised to invest in the NCDs;

- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta applying for an amount aggregating to a value exceeding ₹ 5 lakh.

Category III (High Net-worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 in the Issue.

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID, Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India and other foreign entities;
(d) Foreign Portfolio Investors;
(e) Foreign Venture Capital Investors;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies; and
(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "Issue Procedure- *Rejection of Applications*" on page 248 for information on rejection of Applications.

Method of Application

In terms of the SEBI Master Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Master Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

Additionally, certain SEBI registered UPI handles which can be accessed at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40may also be used for making an Application through the UPI Mechanism.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e., to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the

ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT*

SEBI, *vide* the SEBI Master Circular, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

Please note that Applications in the Issue, through the 'BSE Direct' platform, can only be made by UPI Investors, i.e., Applicants who make an Application in the Issue for an amount up to ₹ 5 lakh only.

BSE Limited, the Designated Stock Exchange, has vide notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website at www.bseindia.com.

Operational Instructions and Guidelines

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure- Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 234.

ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

iii. The BSE Direct platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds up to ₹ 5 lakh through the UPI Mechanism.

iv. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters –**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options, if applicable;

ii. Applicants can enter order for a single Application having different series, if applicable, within one order entry screen;

iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

Modification and cancellation of orders

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.

ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.

iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications – for Applications under the UPI Mechanism*" on page 239.

c. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.

ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.

iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

d. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.

ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

e. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.

ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

f. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.

ii. Applicants shall only be able to make an Application for an amount up to ₹ 5 lakh.

iii. Applicants shall have only UPI as the payment mechanism with ASBA.

iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before

making an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.

vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.

vii. Applicants must accept the UPI Mandate request within stipulated timelines.

viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSEC AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value up to ₹ 5 lakh.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option (if any) along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of up to ₹ 5 lakh.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications - for Applications under the UPI Mechanism*" on page 239.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure- Operational Instructions and Guidelines – Acceptance of the UPI Mandate*" on page 233.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE Direct.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services

sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a net worth certificate from its statutory auditor(s). Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefor.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts

applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or

registration issued under the Limited Liability Partnership Act, 2008, as applicable. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA

Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹ 5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(i) ***for Applications other than under the UPI Mechanism*** – the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(ii) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 55. Physical Application Forms directly submitted to SCSBs should ear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- All Applicants need to tick the series (if any) of NCDs in the Application Form that they wish to apply for. Applications for all the series (if any) of the NCDs may be made in a single Application Form only.
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in this Prospectus and the Application Form;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. The Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;
- Applicants must provide details of valid and active DP ID, Client ID and PAN, clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special

Executive Magistrate under his/her seal;

- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- All Applicants are required to check if they are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected;
- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be; and
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application.

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned

undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable) then such Application are liable to be rejected.

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e., either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in this Prospectus and in multiples of thereafter as specified in this Prospectus. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 5 lakh shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals.

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Non-Convertible Debentures will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and

in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 55.

20. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the option of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
16. Do not make an Application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Please also see "*Issue Procedure- Operational Instructions and Guidelines – Applicant's Responsibilities*" on page 233.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see "*Issue Procedure- Rejection of Applications*" on page 248 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., up to ₹ 5 lakh, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹ 5 lakh) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the

Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 55.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for (if applicable)
- Number of NCDs Applied for in each Series of NCD (if applicable)
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Series of NCDs applied for (if applicable)
- Number of NCDs Applied for in each Series of NCD (if applicable)
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Liabilities Management Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum Application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, this Prospectus and as per the instructions in the Application Form and this Prospectus;

(hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(ll) Investor category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹ 5 lakh.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.
Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

(a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*")**;

(b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*")**;

(c) *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, **("*High Net-Worth Individual Portion*")**.

(d) *Applications received from Category IV applicants:* Applications received from Category IV, shall be grouped together, **("*Retail Individual Portion*")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***", "***High-Net-Worth Individual Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*".**

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹ 5,000 lakh. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Allocation ratio for NCDs

Particulars	Institutional Portion	Non- Institutional Portion	High Net Worth Individual Portion	Retail Individual Portion
% of Issue	10%	20%	40%	30%

Particulars	Institutional Portion	Non- Institutional Portion	High Net Worth Individual Portion	Retail Individual Portion
Base Issue Size (in lakh)	500.00	1,000.00	2,000.00	1,500.00
Total Issue Size (in lakh)	1,000.00	2,000.00	4,000.00	3,000.00

A. **Allotments in the first instance**:

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of the Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 20% of the Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 30% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

As per the SEBI Master Circular, in consultation with the Designated Stock Exchange, the allotment in this Issue is required to be made on date priority basis, i.e., first come first serve basis, based on the date of upload of each application into the electronic book of the Stock Exchange, in each portion subject to the Allocation Ratio indicated herein above. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

B. **Allotment in case of Under subscription**: If there is under subscription in any Category, priority in Allotments will be given to in the following order: (i). Category IV – Retail Individual Portion; ii. Category III – High Net Worth Individual Portion ; iii. Category II – Non- Institutional Portion; and iv. Category I – Institutional Portion, on a first come first serve basis. If there is undersubscription in the Issue Size due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure Day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

C. For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchange exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.

D. Minimum Allotment of 1 Secured NCDs and in multiples of 1 Secured NCD thereafter would be made in case of each valid Application to all Applicants.

E. **Allotment in case of oversubscription**: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of the NCDs to the applicants from the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

i. In case of an oversubscription in all Portions resulting in an oversubscription in Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchange in each Portion). The date of oversubscription for each category will be determined as per the bucket size based on the allocation ratio stated above not taking into account any spill overs due to undersubscription in other categories.

ii. In case there is oversubscription in the Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:

a. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchange till the end of the last day of the Issue Period, shall receive full and firm allotment.
b. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchange. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue Period.
b. For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Issue Period.

F. Proportionate Allotments:

For each Portion, from the date of oversubscription and thereafter:

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Applications under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/UPI linked bank account, for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Application Amount shall be unblocked within six Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith, failing which interest shall be due to be paid to the Applicants in accordance with applicable law.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series), if applicable) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure - Operational Instructions and Guidelines – Modification and cancellation of orders*" on page 233.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated December 18, 2024 among our Company, the Registrar and CDSL and tripartite agreement dated December 18, 2024 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the statement of '*Risk factors*' on page 20.

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

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

(b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) Details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of the Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deed within a period specified under the said Regulation, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in the Draft Prospectus and this Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 3,750 lakh and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies; and

(h) Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

(h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Prospectus.

SECTION VIII: ARTICLES OF ASSOCIATION

Our Board of Directors and Shareholders, through their resolution dated June 12, 2024 and June 27, 2024 respectively, have approved to the adoption of restated Articles of Association of our Company pursuant to its conversion.

The regulations contained in Table "F" in Schedule I to the Companies Act, 2013 shall not apply to the Company except so far as expressly incorporated herein below or made applicable by the said Companies Act, 2013.

Interpretation

1. In these regulations -

   A. "The Act" means the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force.

   B. "The Seal" means the common seal of the Company.

   C. #"The Company" means "Prachay Capital Limited"

   D. "The Presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and include the Memorandum of Association where the context so requires.

   E. "The Articles" means these Articles of Association of the Company or as altered from time to time.

   F. "The Memorandum" means the Memorandum of Association of the Company or as altered from time to time.

   G. "The Office" means the Registered Office for the time being in force.

   H. "The Director" means a Director on the Board of the Company for the time being of the company and includes any person occupying the position of director by whatever name called.

   I. "The Board" means the Board of Directors of the Company.

   J. "In writing" or "written" includes printing, lithography and other modes of representing or reproducing words in visible form.

      #The Company has altered its name from 'Prachay Capital Private Limited' to 'Prachay Capital Limited' by passing a Special Resolution at the 7th Annual General Meeting of the Members of the Company convened on Thursday, 27th June, 2024.

   K. "Member(s) or Shareholder(s)" means - (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members; (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; or (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

   L. "Transfer" means to sell, gift, give, assign, transfer, transfer any interest in trust mortgage, alienate, hypothecate, pledge, encumber, grant a security interest in amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily including, without limitation, any attachment, assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertakings, but shall not include transfer by way of testamentary or intestate succession.

   M. "Share" means a share in the share capital of the Company and includes stock, except where a distinction between stock and shares is expressed or implied.

   N. 'Relative" has the meaning assigned to it by section (2) (77) of the Act.

   O. "Capital" means the Capital for the time being raised or authorized to be raised for the purpose of the Company.

P. "Paid- up" means and includes credited as paid-up.

Q. "The Register" means the Register of Members to be kept pursuant to the provision of Act.

R. "Dividend" includes Interim Dividend / Bonus.

S. "Month" means Calendar Month.

T. "Year" means the Calendar Year and "Financial Year" shall have the meaning assigned thereto in the Act

U. "Annual General Meeting" means a general meeting of members held in accordance with the provisions of Act or such other relevant provisions of the Act or Acts related to incorporated companies for the time being in force in India.

V. "Extra-ordinary Meeting" means an Extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.

W. "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned them. to respectively by section of the Act.

X. "Proxy' means an instrument whereby any person is authorized to vote for a member at a general meeting on a poll.

Y. "Depository" means depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996

Words importing the singular number only include the plural number and vice-versa.

Words importing the masculine gender only include the feminine gender. Words importing persons include corporations.

Subject as aforesaid any words or expressions defined in the Act, shall, except, where the subject or context forbids, bear the some meaning in these Articles.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share Capital and variation of rights

2. (i) The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause 5 of the Memorandum of Association, with power to increase or re-classify or sub-divide or consolidate or reduce or modify the said Capital and to divide the shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified, or special rights or conditions, as may be determined by or in accordance with the Act or Articles of Association of the Company or terms of issue and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided for by the Act or Articles of Association to the Company or the terms of issue.

The Company in general meeting may, by ordinary resolution from time to time increase the capital by the creation of new shares such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Section 43, 47 and 50 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

(ii) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

(iii) If and whenever the capital of the Company is divided into shares of different classes, the Rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the Act or by Articles of Association or by the terms of issue, but not further or otherwise.

(iv) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(v) Any capital raised by the creation of new Shares shall be considered as part of the existing Capital and shall, except in so far as otherwise provided in the conditions of issue of Shares, be subject to provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(vi) The certificates of title to shares shall be numbered progressively according to their several denominations, specify the shares to which it relates and bear the Seal of the Company which shall be affixed in the presence of and signed by two Directors or by a director and the company secretary, wherever the company has appointed a company secretary. Except in the manner provided in these Articles, no Share shall be sub-divided.

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

Provided that, notwithstanding anything contained in the Articles, the certificate of title to shares as may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.

Provided however that the provision relating to progressive or distinctive numbering of Shares shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

(vii) Every Member shall be entitled, without payment, to one or more certificates for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two Months from the date of allotment unless the conditions of issue then, of otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Share Certificate as the case may be, subject to applicable provisions of the Act in this regard as may be in force for the time being and from time to time. Every certificate of Shares shall be under the Seal of the Company, and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Act may prescribe.

(viii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(ix) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then union proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(x) The provisions of Article (2) shall mutatis mutandis apply to debentures of the company.

Provided however that every Debenture holder shall be entitled, without payment, to one or more certificates for all the Debentures of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Debentures and the Company shall complete and have ready for delivery of such certificates within Six Months from the date of allotment unless the conditions of issue thereof and/or applicable provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time otherwise provide.

3. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and

the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by low otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

4. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

5. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

7. (i) The Company, subject to the provisions of section 55 and other applicable provisions of the Act, shall have the power to issue on a cumulative or non-cumulative basis, preference shares whether convertible or not liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(ii) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares, may by resolution of the Board be applied only in paying up in full or in part any new securities then remaining unissued come issued to such Members of the Company as the Board may resolve up to an amount equal to the nominal amount of the securities so issued.

Lien

8. (i) The company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b)on all shares (not being fully paid shares) standing registered in the name of a single person, tor all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

9. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made –

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder tor the time being of the share or the person entitled thereto by reason of his death or insolvency.

10. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

11. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

(iii) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

12. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way f premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time at times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

13. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

15. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

16. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

17. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the own in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

(c) The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

(d) At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board of which any call was mode nor that the meeting of which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

(e) The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transfer of Shares

18. (i) Subject to the provisions of Section 56 of the Act, the Pules and such other conditions as may be prescribed under rules, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(ii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferer is entered in the register of members in respect thereof.

Section 56 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

19. The Board may, subject to the right of appeal conferred by section 58 decline to register -

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

20. The Board may decline to recognise any instrument of transfer unless -

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and

(c) such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and the instrument of transfer is in respect of only one class of shares.

21. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

22. Where in the case of partly paid shares, on application for registration is mode by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

23. (i) Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of electing transfer of ownership of Securities on behalf of a Beneficial Owner.

(ii) Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.

(iii) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles or the Companies Act, 2013 or any other Applicable Law) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

24. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transmission of shares

25. (i) On the death of a member, the survivor, or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company on having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, it the deceased or insolvent member had transferred the share before his death or insolvency.

27. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) It the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may of any time, give notice requiring any such person to elect either to be registered

himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other monies payable in respect of the share, until the requirements of the notice have been complied with.

29. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Forfeiture of shares

30. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remain unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice aforesaid shall -

a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b. state that, in the event of non-payment on or before the day so named, the shares in respect at which the call was made shall be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

33. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sle or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

34. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment at in full of all such monies in respect of the shares.

35. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

36. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

37. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

38. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's

name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

39. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

40. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

41. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Dematerialisation of Securities

42. 1. For the purpose of this Article: -

a. 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;
b. 'SEBI' means the Securities and Exchange Board of India;
c. 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as o depository under the Securities and Exchange Board of India Act, 1992; and
d. 'Security' means such security as may be specified by SEBI from time to time.

2. Notwithstanding anything contained in this Articles, the Company shall be entitled to dematerialise and rematerialize its Securities held with the Depository(s) and/or to offer its securities in a dematerialised form pursuant to the provisions of Depositories Act, 1996 and the rules framed thereunder, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force).

3. Subject to the applicable provisions of the Companies Act, 2013, either the Company or the security holder may exercise an option to issue (in case of the Company only), dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereto shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

4. All Securities held by a Depository shall be dematerialised and be in fungible form. No certificate the shall be issued for the securities held by the Depository.

5. Nothing contained in Sections 88, 89 and T86 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

6. Notwithstanding anything to the contrary contained in the Companies Act, 2013 or this Articles., a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

Save as otherwise provided, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

7. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Security holder of the Company.

8. The Beneficial Owner of Securities shall, in accordance with the provisions of this Articles and te Companies Act, 2013, be entitled to all the rights and subject to all the liabilities in respect of his securities, which are held by a Depository.

9. Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the

Depository accordingly.

10. Notwithstanding anything contrary contained in these Articles, when securities are held in Depository, the records of the beneficial ownership may be served by such Depositories on the Company by means of electronic mode or by deliveries of floppies or discs.

11. The Register and Index of Beneficial Owners of securities maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or of holders of securities of the Company.

Alteration of capital

43. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

44. Subject to the provisions of section 61, the company may, by ordinary resolution, -

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid- up shares of any denomination.

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

45. Where shares are converted into stock, -

(a) the holders of stock may transfer the some or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the articles of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

46. (i) The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law -

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

(ii) Where any share Capital is subdivided, the Company in General Meeting, subject to the provisions of Section 43, 47 and 48 of the Act, may determine that, as between the holders of the shares resulting from sub-division, one or more of such shares shall have some preference or special advantage over others as regards dividend, repayment of capital, voting or otherwise.

(iii). Whenever the share capital, by reason of the issue of preference shares or otherwise is divided into different

classes of shares, all or any of the provisions of section 106 and 107 at the Act, be modified, commuted, affected, abrogated or dealt with by the consent in writing of the holders of not less than three fourth of the issued shares of that class, and supported by the vote of that class and all the provisions hereinafter contained as the General Meeting shall, mutatis mutandis, apply to every such meeting.

(iv). Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities

Capitalisation of profits

47. (i) The company in general meeting may, upon the recommendation of the Board, resolve -

(a) that it is desirable to capitalise any pan of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set tree tor distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way its dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) either in or towards -

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as full paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub clause (B);

(D) A securities premium account and a capital redemption reserve account may, tor the purpose of this regulation, be applied in the paying up of unissued shares to be issued to members the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

48. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to these Articles as the case may be, and accordingly this corresponding amount shall not be capitalized.

49. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

(a) make all appropriations and applications of the undivided profits resolved to be capital thereby, and all allotments and issues of fully paid shares if any; and
(b) generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power –

(a) to make such provisions, by the issue of fractional certificates or by payment in cosh oi otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into ai agreement with the company providing for the allotment to them respectively, credited as fully, paid- up, of any further shares to which they may be entitled upon such capitalisation, or as that case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

50. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

51. All general meetings other than annual general meeting shall be called extraordinary general meeting.

52. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call on extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

53. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

54. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

55. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.

56. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Adjournment of meeting

57. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so, directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give and notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

58. Subject to any rights or restrictions or the time being attached to any class or classes of shares –

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

59. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

60. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in this register of members.

61. A member of unsound mind, or in respect of whom on order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

62. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection mode in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

65. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

66. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

67. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

68. (i) The number of Directors shall not be less than three and shall not be more than fifteen. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.

(ii) only on individual and not a body corporate, association or firm shall be appointed as the Director of the Company.

(iii) The First Directors of the Company are:

1. Girish Lakhotiya
2. Roshan Sancheti

69. Retirement and Rotation of Directors

(i) Not less than two-thirds of the total number of Directors of the Company, excluding the independent directors, if any shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

(ii) The remaining Directors shall be appointed in accordance with the provisions of the Act.

(iii) At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

(iv) Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.

(v) Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

(vi) Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a director retires in the manner aforesaid may till up the vacated office by electing the retiring Director or some other person thereto.

70. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

71. The Board may pay all expenses incurred in getting up and registering the company.,

72. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

73. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.,

74. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(iii) The Company shall be entitled to agree with the Trustees of Debentures, financial Institution, Banks, Government authority or Corporation that they shall hove powers to appoint their nominees on the Board of Directors of the Company. Such a director shall be called Special Director. He shal not be required to hold qualification shares and shall hold his office during the pleasure of the appointer.

(iv) The Board of Directors of the Company shall have no power to remove from the office the Nominee Director/s. Such Nominee Director/s shall not be required to hold any share qualification in the Company and shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to some rights and privileges and subject to the same obligations as any other Director of the Company.

(v) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the financial institutions, corporations, banks or so long as the financial institutions, corporations, banks, holds or continues to hold or continues to hold Debentures/shares in the Company. as a result of direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Directors appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to financial institutions, corporations, banks are paid off or on the financial institutions, corporations, banks ceasing to hold the debentures/ shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

(vi) Director shall be paid as sitting fees such sum not exceeding as the Board may determine for every meeting of the Board attended by him.

(vii) If a Director, being willing, is called upon to render extra services, including work done as a member of any Committee formed by the Board or to make any special exertion in going or residing abroad, or otherwise for any of the purpose of the Company, the Company shall remunerate such Director either by a fixed sum or by percentage of profit or otherwise as may be determined by the Board.

(vii) The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a director (hereinafter called" the Original Director") during his absence for a period of not less than three months from India.

75. Government authority or corporation that they shall have powers to appoint their nominees on the Board of Directors of the Company. Such a director shall be called Special Director. He shall not be required to hold qualification shares and shall hold his office during the pleasure of the appointer,

(i) Director shall be paid as sitting fees such sum not exceeding as the Board may determine for every meeting of the Board attended by him,

(ii) If a Director, being willing, is called upon to render extra services, including work done as a member of any Committee formed by the Board or to make any special exertion in going or residing abroad, or otherwise for any of the purpose of the Company, the Company shall remunerate such Director either by a fixed sum or by percentage of profit or otherwise as may be determined by the Board.

Proceedings of the Board

76. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

77. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of on equality of votes, the Chairperson of the Board, if any, shall love a second or costing

78. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

79. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after

the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

80. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committ‹.es consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

81. (i) A committee may elect a chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

82. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of vote of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

83. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

84. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

85. Subject to the provisions of the Act –

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

86. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

87. (i) The Board shall provide for the safe custody of the seal

(ii) The seal of the company, shall not be affixed to any instrument except by the authority at a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board a may appoint tor the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company, is so affixed in their presence.

Dividends and Reserve

88. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

89. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

90. (i) The Board may, before recommending any dividend, set aside out of the profits of the company suits it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) of the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

91. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

92. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

93. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders. to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

94. Any one of two or more joint holders of a share may give effective receipts for any dividend bonuses or other monies payable in respect of such share.

95. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

96. No dividend shall bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the dote of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules mode thereof.

The company shall transfer any money transferred to the unpaid dividend account of o company that remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. This Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

97. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or an / of them, shall be open to the inspection of members not being Directors.

(ii) No member (not being a director) shall have any right of inspecting any account or books or document of the company except as conferred by law or authorised by the Board or the company in general meeting.

Winding up

98. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in species or kind, the whole or any part of the assets of the company, whether they shall consist of properties of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is a liability.

Indemnity

99. Every officer of the company shall be indemnified out of the assets of the company against an ay liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Others

100. 1. MANAGEMENT:

(i) Subject to the provisions of the Act, the control of the Company shall be vested in the Board with shall be entitled to exercise all such powers, and to do all such acts and things as the Company, is authorized to exercise and do, provided that the Board shall not exercise any power or do any act or things which is directed or required, whether by the Act or any other statute, to be done in gene al meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith and duly made hereunder, including regulations, made by the Company in general meeting but no regulation made by the Company in general meeting, shall invalidate any prior act of the Board which would have been valid it that regulation had not been made.

(ii) Subject to the provision of applicable provision of the Act, the Board shall have power to appoint from time to time any of its members as Managing Director(s) / Joint Managing Director, Whole time Director of the Company and may from time to time remove or dismiss him or them from office and appoint another or others in his place or places.

(iii) The Managing Director / Joint Managing Director / Whole-time Director of the Company shall be entitled to receive such remuneration from time to time as may be fixed by the Board and may be by way of fixed salary or commission on profits of the Company or by participation in any such profits or by any or all of these modes or in such manner as they shall in their absolute discretion think fit and such remuneration shall be in

addition to the allowance payable to all the Director of the Company for attending the Board Meetings,

(iv) Without prejudice to the general powers and to any other powers or authorities conferred by these Articles and subject to the provisions of the Act, the Managing Director or joint Managing Director/ Whole time Director shall have the following powers exercisable under the superintendence and control of the Board of Directors until otherwise decided by the Board or by the Company in a General Meeting.

(a) To purchase or otherwise acquire for the Company on property right or privileges which the company is authorized to acquire and to sell, let, exchange or otherwise dispose of or deal with alt or any part of the property rights or privileges of the company at such price and for such consideration and on such terms and conditions as he may deem expedient.

(b) To enter into, carry out, rescind or vary all financial arrangements with banks, persons, Companies, corporations or other bodies for or in connection with the business of the Company.

(c) Subject to the limit laid down by the Board of Directors under Section of the Act, to raise or borrow, from time to time and at his discretion, any sums of money or make any arrangements for finance for the purpose of the Company and to secure the payment of, such sum or sums in such manner and upon such terms and conditions in all respects as he may think fit end in particular by making, drawing, accepting or endorsing on behalf of the company any promissory notes or bills of exchange or by issuing receipts of the Company or by giving any security Of the Company or by creating mortgage or charge over all or any part of the property of the Company.

(d) To appoint from time to time and at his discretion for the purpose of the Company, managers, secretaries, agents, experts and other officers, clerks, servants and other employees of the Company on such terms and conditions and to pay, tenure and otherwise as he may deem expedient and to determine their powers and duties and at his discretion to terminate the services of any one or more of them as he may deem expedient.

(e) To institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or otherwise concerning the affairs of the Company and to act on behalf of the company in all matters, relating to any Government Agency or Authority including those relating to taxation, licensing, excise and customs and in matters pertaining to the insolvencies or liquidations and to apply for and obtain Letters of Administration, with or without a will, to the estate of persons whom the Company shall have dealings.

(f) To make, draw, sign, accept, endorse, negotiate and otherwise execute on behalf of the Company all cheques, promissory notes, draft, pay order, bill of landing and other documents of titles and securities including securities of Government of India and other promissory notes, contracts, transfer deeds and other Instruments as shall be necessary in the opinion for carrying on the business of the Company.

(g) Subject to the overall limit fixed by the Board of Directors under the Act, to invest and deal with the moneys of the Company not immediately required for the purposes thereof upon such securities or investments and in such manner as he thinks fit and from time to time, to vary or realize or otherwise deal, with such securities and investments.

(h) To negotiate and enter into any contracts and execute, rescind or vary all such contracts and do all acts deeds and things in the name and on behalf of the aforesaid or otherwise for the business of the company.

2. RECORDS IN ELECTRONIC FORM:

The Company shall be entitled to create, keep, maintain and produce any document, paper, record, book and register in electronic form through computer or otherwise in accordance with the provisions of the Act or the Information Technology Act, 2000 or any other law for the time being in force.

3. GENERAL AUTHORITY:

Wherever in the Companies Act it has been provided that any Company shall have any right, privilege or authority or that any Company cannot carry out any transaction unless it is so authorised by its Articles, then and in that case this Article hereby authorizes and empowers this Company to have such right, privilege or

authority and to carry out such transaction as have been permitted by the Companies Act, without there being any other specific Article in that behalf herein provided.

4. BORROWING:

The Board may, from time to time at their discretion raise, borrow or secure the payment of any sum(s) of money for the purposes of the Company at such time, manner and upon such terms and conditions in all respects of the Board may think fit and in particular by promissory notes or by opening current accounts or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging, charging, pledging any land, building, plant and machinery, goods or other property and securities of the Company or by such other means.

5. SECRECY:

(i) Subject to the provisions of the Applicable Law and the provisions of these Articles, no member shall be entitled to visit or Inspect any works of the Company without the permission of the Directors or any other person authorised on that behalf by the Director to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade secret process or of any other matter which may relate to the conduct of the business of the Company which in the opinion of Directors, would be inexpedient in the interest of the Company to disclose.

(ii) Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company, with the customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law or by the person to whom such matters relate, except so far as may be necessary in order to comply with any provisions of these presents contained.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on any business days at the Registered Office of our Company situated at Office No 1401/1402, 14th Floor, Next Gen Avenue, Wing B, CTS No 2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, Maharashtra 411016 India, between 10 AM to 5 PM on any working days from the date of the filing of this Prospectus with the RoC until the date of closure of the Issue.

Material Contracts

1. Issue Agreement dated February 05, 2025 between our Company and the Lead Manager;

2. Registrar Agreement dated February 04, 2025, between our Company and the Registrar to the Issue;

3. Debenture Trustee Agreement dated February 04, 2025, between our Company and Catalyst Trusteeship Limited, the Debenture Trustee;

4. Public Issue Account and Sponsor Bank Agreement dated February 14, 2025, executed by our Company, the Registrar, the Public Issue Account Bank(s), Sponsor Bank and Lead Manager;

5. Tripartite Agreement dated December 18, 2024 between CDSL, our Company and Registrar to the Issue.

6. Tripartite Agreement dated December 18, 2024 between NSDL, our Company and Registrar to the Issue.

7. Syndicate Agreement dated February 13, 2025,executed by the Company, Lead Manager and the Syndicate Member.

8. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Material Documents

1. Memorandum and Articles of Association of the Company, as amended to date;

2. Certificate of Incorporation of Company dated February 8, 2017 issued to our Company, under the name 'Pracaya Financial Services Private Limited' by the Registrar of Companies, Central Registration Centre.

3. Fresh certificate of Incorporation of the Company dated March 27, 2019 pursuant to change of name of our company from 'Pracaya Financial Services Private Limited' to 'Prachay Capital Private Limited' issued by Registrar of Companies, Pune.

4. Fresh certificate of Incorporation of the Company dated 04th September 2024 issued to our Company, under the name 'Prachay Capital Limited' by the Registrar of Companies, Central Processing Centre pursuant to conversion from Private Limited Company to a Public Limited Company.

5. The certificate of registration No. N-13.02198 dated August 11, 2017 issued by RBI under Section 45IA of the RBI Act;

6. Fresh certificate of registration bearing number N- 13.02198 dated 07th October 2024 issued by the RBI pursuant to conversion of our Company from Private Limited Company to Public Limited Company to commence or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934.

7. Credit rating letter dated January 24, 2025 from CRISIL Ratings Limited, granting credit rating to the NCDs, for the proposed non-convertible debenture issue;

8. Copy of shareholders' resolution on September 12, 2024 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

9. Copy of shareholders' resolution on September 12, 2024 under Section 180(1)(a) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

10. Copy of the Board Resolution vide its meeting dated January 30, 2025, approved the issuance of NCDs of face value of 1,000 each for an amount aggregating up to ₹ 5,000 lakh ("Base Issue Size") with an option to retain oversubscription up to ₹ 5,000 lakh, aggregating up to ₹ 10,000 lakh.

11. Copy of the resolution dated February 05, 2025 passed by Liabilities Management Committee, approving the Draft Prospectus.

12. Copy of the resolution dated February 17, 2025 passed by Liabilities Management Committee approving this Prospectus.

13. Consents of the Directors, Auditor, Lead Manager, Debenture Trustee, Credit Rating Agency for the Issue, Legal Counsel to the Issue, Bankers to the Company, Public Issue Account Bank, Refund Bank, Sponsor Bank and the Registrar to the Issue, Syndicate Member, to include their names in this Prospectus;

14. The written consent from the Statutory Auditor, namely Shah Khandelwal Jain & Associates, Chartered Accountants, to include its name as required under Section 26(1)(a) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the: (a) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for six months period ended September 30, 2024; (b) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the six months period ended September 30, 2024; (c) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2024; (d) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2024; (e) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023); (f) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2023. The consent of the Statutory Auditors has not been withdrawn as on the date of this Prospectus.

15. Annual Reports of the Company for last three Financial Years;

16. Special Purpose Audited Financial Statements of the Company: (a) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for six months period ended September 30, 2024; (b) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the six months period ended September 30, 2024; (c) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2024; (d) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2024; (e) Audit report dated January 30, 2025 along with special purpose audited standalone financial statements for the financial year ending March 31, 2023 (including March 31, 2022 as comparative financial information to financial year ending March 31, 2023); (f) Audit report dated January 30, 2025 along with special purpose audited consolidated financial statements for the financial year ending March 31, 2023;

17. Due Diligence certificate dated February 05, 2025 from Debenture Trustee to the Issue

18. Due Diligence certificate dated February 17, 2025, filed with SEBI by the Lead Manager; and

19. In-principle listing approval letter dated February 17, 2025 issued by BSE, for the Issue.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the applicants, subject to compliance of the provisions contained in the provisions of the Companies Act, 2013 and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

We further certify that the contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

Signed by the Directors of our Company

Girish Murlidhar Lakhotiya *Managing Director* **DIN**: 02699138	Roshan Rajendra Sancheti *Executive Director* **DIN:** 07707109
Divya Raizada *Executive Director* **DIN**: 10432172	Nilesh Rameshchandraji Saboo *Non-Executive Independent Director* **DIN:** 07078878
Archna Rastogi *Non-Executive Independent Director* **DIN**: 10673171	Vinita Bhattacharjee *Additional Non-Executive Independent Director* **DIN:** 10871076

Date: 17th February 2025
Place: Pune

ANNEXURE I- DAY COUNT CONVENTION

Interest on the NCDs shall be computed on an actual/actual basis for the broken period, if any. Consequently, interest shall be computed on a 365 day a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment/anniversary date of Allotment till one day prior to the next anniversary/redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.

The interest shall be paid on monthly basis and the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment shall be made at the time of redemption of the NCDs.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per NCD for all Categories of NCD Holders.

Company	Prachay Capital Limited
Face Value	₹ 1,000
Day and Date of Allotment (tentative)	Thursday, March 20, 2025
Series	Not Applicable
Tenure	5 years (i.e., 1826 days)
Coupon (%) for NCD Holders in Category I, II, III and IV	13.00% per annum
Frequency of the Interest Payment with specified dates starting from date of allotment	Monthly For specified dates please refer to below tables on illustrative cashflows
Day Count Convention	Actual/Actual

Illustrative cashflows where no Call Option is exercised by the Issuer and the NCDs are redeemed on the Redemption Date

Cashflow	Interest Due Date[(1)]	Nos of Days in Coupon /Maturity	Conditions for Leap Year	Amount (in ₹ lakh)	Date of Interest/Redemption Payment[(2)]
1st Coupon	Wednesday, April 30, 2025	42.00	0	149.59	Wednesday, April 30, 2025
2nd Coupon	Saturday, May 31, 2025	31.00	0	110.41	Saturday, May 31, 2025
3rd Coupon	Monday, June 30, 2025	30.00	0	106.85	Monday, June 30, 2025
4th Coupon	Thursday, July 31, 2025	31.00	0	110.41	Thursday, July 31, 2025
5th Coupon	Sunday, August 31, 2025	31.00	0	110.41	Monday, September 1, 2025
6th Coupon	Tuesday, September 30, 2025	30.00	0	106.85	Tuesday, September 30, 2025
7th Coupon	Friday, October 31, 2025	31.00	0	110.41	Friday, October 31, 2025
8th Coupon	Sunday, November 30, 2025	30.00	0	106.85	Monday, December 1, 2025
9th Coupon	Wednesday, December 31, 2025	31.00	0	110.41	Wednesday, December 31, 2025
10th Coupon	Saturday, January 31, 2026	31.00	0	110.41	Saturday, January 31, 2026
11th Coupon	Saturday, February 28, 2026	28.00	0	99.73	Saturday, February 28, 2026
12th Coupon	Tuesday, March 31, 2026	31.00	0	110.41	Tuesday, March 31, 2026
13th Coupon	Thursday, April 30, 2026	30.00	0	106.85	Thursday, April 30, 2026
14th Coupon	Sunday, May 31, 2026	31.00	0	110.41	Monday, June 1, 2026
15th Coupon	Tuesday, June 30, 2026	30.00	0	106.85	Tuesday, June 30, 2026

Cashflow	Interest Due Date[1]	Nos of Days in Coupon /Maturity	Conditions for Leap Year	Amount (in ₹ lakh)	Date of Interest/Redemption Payment[2]
16th Coupon	Friday, July 31, 2026	31.00	0	110.41	Friday, July 31, 2026
17th Coupon	Monday, August 31, 2026	31.00	0	110.41	Monday, August 31, 2026
18th Coupon	Wednesday, September 30, 2026	30.00	0	106.85	Wednesday, September 30, 2026
19th Coupon	Saturday, October 31, 2026	31.00	0	110.41	Saturday, October 31, 2026
20th Coupon	Monday, November 30, 2026	30.00	0	106.85	Monday, November 30, 2026
21st Coupon	Thursday, December 31, 2026	31.00	0	110.41	Thursday, December 31, 2026
22nd Coupon	Sunday, January 31, 2027	31.00	0	110.41	Monday, February 1, 2027
23rd Coupon	Sunday, February 28, 2027	28.00	0	99.73	Monday, March 1, 2027
24th Coupon	Wednesday, March 31, 2027	31.00	0	110.41	Wednesday, March 31, 2027
25th Coupon	Friday, April 30, 2027	30.00	0	106.85	Friday, April 30, 2027
26th Coupon	Monday, May 31, 2027	31.00	0	110.41	Monday, May 31, 2027
27th Coupon	Wednesday, June 30, 2027	30.00	0	106.85	Wednesday, June 30, 2027
28th Coupon	Saturday, July 31, 2027	31.00	0	110.41	Saturday, July 31, 2027
29th Coupon	Tuesday, August 31, 2027	31.00	0	110.41	Tuesday, August 31, 2027
30th Coupon	Thursday, September 30, 2027	30.00	0	106.85	Thursday, September 30, 2027
31st Coupon	Sunday, October 31, 2027	31.00	0	110.41	Monday, November 1, 2027
32nd Coupon	Tuesday, November 30, 2027	30.00	0	106.85	Tuesday, November 30, 2027
33rd Coupon	Friday, December 31, 2027	31.00	0	110.41	Friday, December 31, 2027
34th Coupon	Monday, January 31, 2028	31.00	1	110.41	Monday, January 31, 2028
35th Coupon	Tuesday, February 29, 2028	29.00	1	103.01	Tuesday, February 29, 2028
36th Coupon	Friday, March 31, 2028	31.00	1	110.11	Friday, March 31, 2028
37th Coupon	Sunday, April 30, 2028	30.00	1	106.56	Monday, May 1, 2028
38th Coupon	Wednesday, May 31, 2028	31.00	1	110.11	Wednesday, May 31, 2028
39th Coupon	Friday, June 30, 2028	30.00	1	106.56	Friday, June 30, 2028
40th Coupon	Monday, July 31, 2028	31.00	1	110.11	Monday, July 31, 2028
41st Coupon	Thursday, August 31, 2028	31.00	1	110.11	Thursday, August 31, 2028
42nd Coupon	Saturday, September 30, 2028	30.00	1	106.56	Saturday, September 30, 2028
43rd Coupon	Tuesday, October 31, 2028	31.00	1	110.11	Tuesday, October 31, 2028
44th Coupon	Thursday, November 30, 2028	30.00	1	106.56	Thursday, November 30, 2028
45th Coupon	Sunday, December 31, 2028	31.00	1	110.11	Monday, January 1, 2029

Cashflow	Interest Due Date[1]	Nos of Days in Coupon /Maturity	Conditions for Leap Year	Amount (in ₹ lakh)	Date of Interest/Redemption Payment[2]
46th Coupon	Wednesday, January 31, 2029	31.00	0	110.11	Wednesday, January 31, 2029
47th Coupon	Wednesday, February 28, 2029	28.00	0	99.73	Wednesday, February 28, 2029
48th Coupon	Saturday, March 31, 2029	31.00	0	110.41	Saturday, March 31, 2029
49th Coupon	Monday, April 30, 2029	30.00	0	106.85	Monday, April 30, 2029
50th Coupon	Thursday, May 31, 2029	31.00	0	110.41	Thursday, May 31, 2029
51st Coupon	Saturday, June 30, 2029	30.00	0	106.85	Saturday, June 30, 2029
52nd Coupon	Tuesday, July 31, 2029	31.00	0	110.41	Tuesday, July 31, 2029
53rd Coupon	Friday, August 31, 2029	31.00	0	110.41	Friday, August 31, 2029
54th Coupon	Sunday, September 30, 2029	30.00	0	106.85	Monday, October 1, 2029
55th Coupon	Wednesday, October 31, 2029	31.00	0	110.41	Wednesday, October 31, 2029
56th Coupon	Friday, November 30, 2029	30.00	0	106.85	Friday, November 30, 2029
57th Coupon	Monday, December 31, 2029	31.00	0	110.41	Monday, December 31, 2029
58th Coupon	Thursday, January 31, 2030	31.00	0	110.41	Thursday, January 31, 2030
59th Coupon	Thursday, February 28, 2030	28.00	0	99.73	Thursday, February 28, 2030
60th Coupon	Monday, March 20, 2030	20.00	0	71.23	Monday, March 20, 2030
Principal	Monday, March 20, 2030	1826.00	0	10,000.00	Monday, March 20, 2030

Illustrative cashflows where Call Option is exercised by the Issuer after 1 (one) year from the Deemed Date of Allotment of the NCDs

Cashflow	Interest Due Date[1]	Nos of Days in Coupon /Maturity	Conditions for Leap Year	Amount (in ₹ lakh)	Date of Interest/Redemption Payment[2]
1st Coupon	Wednesday, April 30, 2025	42.00	0	149.59	Wednesday, April 30, 2025
2nd Coupon	Saturday, May 31, 2025	31.00	0	110.41	Saturday, May 31, 2025
3rd Coupon	Monday, June 30, 2025	30.00	0	106.85	Monday, June 30, 2025
4th Coupon	Thursday, July 31, 2025	31.00	0	110.41	Thursday, July 31, 2025
5th Coupon	Sunday, August 31, 2025	31.00	0	110.41	Monday, September 1, 2025
6th Coupon	Tuesday, September 30, 2025	30.00	0	106.85	Tuesday, September 30, 2025
7th Coupon	Friday, October 31, 2025	31.00	0	110.41	Friday, October 31, 2025
8th Coupon	Sunday, November 30, 2025	30.00	0	106.85	Monday, December 1, 2025
9th Coupon	Wednesday, December 31, 2025	31.00	0	110.41	Wednesday, December 31, 2025

Cashflow	Interest Due Date[1]	Nos of Days in Coupon /Maturity	Conditions for Leap Year	Amount (in ₹ lakh)	Date of Interest/Redemption Payment[2]
10th Coupon	Saturday, January 31, 2026	31.00	0	110.41	Saturday, January 31, 2026
11th Coupon	Saturday, February 28, 2026	28.00	0	99.73	Saturday, February 28, 2026
12th Coupon	Wednesday, March 20, 2026	20.00	0	71.23	Wednesday, March 20, 2026
Principal	Wednesday, March 20, 2026	365.00	0	10,000.00	Wednesday, March 20, 2026

NOTES:

1. *Effect of public holidays has been ignored as these are difficult to ascertain for future period except January 26, April 1, May 1, August 15, October 2, day have been taken into consideration.*
2. *As per SEBI Master Circular, in order to ensure uniformity for payment of interest/redemption on debt securities, the interest/redemption payment shall be made only on the Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next day, which will be the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.*
3. *Deemed Date of Allotment has been assumed to be Thursday, March 20, 2025.*
4. *Call Date has been assumed to be Friday, March 20, 2026.*
5. *The last coupon payment will be paid along with maturity amount at the Redemption Date/ Call Date.*

ANNEXURE II- CREDIT RATING LETTER AND RATIONALE

APPENDED OVERLEAF

CONFIDENTIAL

RL/PCFASI/361251/NCD/0125/107708/168553445
January 24, 2025

Mr. Roshan Sancheti
Director
Prachay Capital Limited
309/310, City square, K.M. Gandhi Park, Behind Pride Hotel,
Next to Zenith Complex, Shivaji Nagar
Pune - 411005
9112112834

Dear Mr. Roshan Sancheti,

Re: Crisil Rating on the Rs. 250 Crore Non Convertible Debentures& of Prachay Capital Limited

We refer to your request for a rating for the captioned Debt instrument.

Crisil Ratings has, after due consideration, assigned a Crisil BBB-/Stable (pronounced as Crisil triple B minus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk.

Further, in view of your decision to accept the Crisil Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from Crisil Ratings will be necessary.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Rounak Agarwal
Associate Director - Crisil Ratings





Nivedita Shibu
Director - Crisil Ratings

& The credit rating provided is for the overall limit of Rs 250 crore for the NCDs and this inter-alia includes sub-limit of proposed public issue of NCDs amounting to Rs 100 crore

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Crisil Ratings

Rating Rationale

January 24, 2025 | Mumbai

Prachay Capital Limited

'Crisil BBB-/Stable' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.61 Crore**
Long Term Rating	**Crisil BBB-/Stable (Reaffirmed)**

Rs.250 Crore Non Convertible Debentures&	**Crisil BBB-/Stable (Assigned)**

& The credit rating provided is for the overall limit of Rs. 250 crore for the NCDs and this inter-alia includes sub-limit of proposed public issue of NCDs amounting to Rs.100 crore
Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has assigned its '**Crisil BBB-/Stable**' rating to the Rs. 250 crore non-convertible debentures of Prachay Capital Limited (Prachay Capital) and has reaffirmed its 'Crisil BBB-/Stable' rating on the long-term bank facilities of the company.

The rating continues to reflect the adequate capital position of the company along with a healthy earnings profile. These strengths are partially offset by the wholesale nature of advances which have inherent vulnerability to asset quality risks. Besides, the company also has small scale of operations with high concentration and limited diversity in the funding profile.

Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of Prachay Capital for arriving at the ratings.

Key Rating Drivers & Detailed Description

Strengths:

Adequate capital position

Prachay Capital's capitalisation stood adequate at the current scale of operations with networth of Rs 85.6 crore as on December 31, 2024 which is largely supported by internal accruals. The company has been reporting net profit since commencement of operations, resulting in positive accruals. Gearing is also comfortable at 2.6 times as on December 31, 2024.

The company has received equity of ~Rs. 15 Crores during the last two fiscals. Furthermore, equity of around Rs. 20 crore is expected to be infused in the near term. Capitalization metrics is therefore expected to remain comfortable in the medium term with gearing metrics on a steady state basis not expected to go beyond 3.5 times.

Healthy earnings profile

Prachay Capital has been profitable since commencement of operations. During fiscal year 2024, Prachay Capital reported net profit of Rs. 12.9 crore on a total income of Rs. 44.8 crore with Return on managed assets of 4.7%, as compared to net profit of Rs 8.6 crore on a total income of Rs. 32.6 crore and RoMA of 4.6%, in fiscal 2023. During the first nine months of fiscal 2025, the company reported net profit of Rs 11.1 crore with annualised RoMA of 4.7%.

Overall profitability continues to be supported by almost nil credit cost since inception and lower operating expenses (as a percentage of average managed assets) remaining in the range of 2.3% - 3.3% as company operates from single branch in Pune currently. As company expands operations in other geographies, operating expenses are expected to increase in near term. Moreover, the company has low vintage and risk of any single account going bad may have major impact on earnings profile. Thus, ability of the company to sustain healthy profitability going forward shall remain a key monitorable.

Weaknesses:

Inherent vulnerability in asset quality owing to risk associated with the borrower

Prachay Capital started lending operations in 2017 and have been able to maintain nil Gross NPA since its inception. However, the loan portfolio remains chunky given the nature of asset segments, the risk of one account becoming NPA remains higher, that could result in overall weakening of asset quality profile of the company. The top ten borrowers account for 41% of AUM as on December 31, 2024 indicating concentration risk of borrowers.

The asset quality is also vulnerable to the borrower profile, as more than 90% AUM consist of loans extended to real estate entities, resulting in sector concentration risk as well. Any change in the market or regulatory dynamics of real estate sector could therefore impact earnings profile of the company. Nevertheless, the company benefits from diverse experience of Mr. Girish Lakhotiya who is a Chartered Accountant and has over a decade long significant relevant experience complementing the business model of the group as he provided debt syndication and project finance services to these developers prior to starting of Prachay Capital.

Thus, ability to control asset quality as well as sustain healthy earnings profile while scaling up portfolio will remain a monitorable.

Small scale of operations
The company had an AUM of Rs. 276.51 crores as on March 31, 2024 against which disbursements of Rs 365.25 crores were made in fiscal 2024. AUM as on December 31, 2024, declined to Rs. 250.1 crores largely on account of prepayments and reduced disbursements.

Prachay Capital's operations are currently concentrated in Pune. This exposes the company to high geographical concentration risk. However, the company has already disbursed loans in Hyderabad, Bhubaneshwar and Bangaluru recently and portfolio in those regions stood at 16% of AUM as on December 31, 2024. Further, the company plans to diversify into Indore, Nagpur, Ahmadabad, Hyderabad, Lucknow and Chandigarh locations over the medium term. Successful scaling up of portfolio across locations would remain monitorable.

Limited diversity in the funding profile
The resource profile of the company remains modest as on December 31, 2024. The company had approximately Rs 219 crore debt outstanding, of which ~75% is in form of NCDs and ICD's issued to HNIs, Corporate Offices and Family Offices. The balance 25% was in form of term loan and overdrafts from banks. Of the total NCD's outstanding as on March 31, 2024, there is concentration of investors as top 5 investors accounted for ~66% of total NCD's outstanding. The incremental cost of funding for the company is at ~13-14%. Ability to diversify the resource profile and raise funds at competitive rates remains a key monitorable

Liquidity: Adequate
The company's ALM had positive cumulative mismatches across buckets as on December 31, 2024. As on December 31, 2024, the company had cash & equivalent (including unutilized bank lines) of around Rs 30.6 crore, against which it had total cash outflow of around Rs 17.0 crore for the next 3 months.

Outlook: Stable
Crisil Ratings believes Prachay Capital will maintain comfortable capitalisation metrics, while sustenance of asset quality performance and profitability will be demonstrated only over time.

Rating Sensitivity Factors
Upward factors:
- Ramp up in operations along with sustenance of healthy asset quality and earnings profile
- Continued comfortable capitalization metrics such that gearing not exceeding 3.5 times on a sustained basis

Downward factors
- Increase in the steady state gearing of above 4 times
- Adverse movement in asset quality metrics and consequently credit costs, thereby, leading to an impact on the earnings profile of the company.

About Prachay Group
Prachay Group, founded by Mr. Girish Lakhotiya was incorporated in 2014, with debt syndication and advisory firm and a boutique investment banking firm by the name Prachay Advisors. In year 2021, A wholly owned subsidiary of Prachay Capital, Prachay Investment Managers, Category II, SEBI registered AIF for equity and quasi equity funds was launched.

About Prachay Capital
Headquartered in Pune, Maharashtra, Prachay Capital is non-deposit-taking non-banking financing firm of Prachay group promoted by Mr. Girish Lakhotiya.

Prachay group incorporated in 2014 as debt syndication and advisory firm and a boutique investment banking firm by the name Prachay Advisors held under Prachay Holdings Private Limited. Prachay Capital commenced its lending operations in 2017 and provide funding to real estate developers. The products offered have average ticket size of ~Rs. 6 crore and average tenure of up to 30 months and principal moratorium of upto 18 months.

The company offers financial solutions with quick turnaround time and comprehends the financial requirements and designs structured solutions to address the needs of mid to large business, presently in real estate industry. While operations are concentrated in Pune, Maharashtra, the company has expanded to Hyderabad, Telangana, Bhubaneshwar and Orissa.

It reported PAT of Rs ~11.1 crore with RoMA of 4.7% (annualized) in the first nine months of fiscal 2025 as against Rs ~12.9 crore with RoMA of 4.7% in fiscal 2024 and ~Rs 8.6 crore with RoMA of 4.6% in fiscal 2023.

Key Financial Indicators

As on / for the period ended	Unit	December 2024#	March 2024	March 2023	March 2022
Total Assets	Rs Crore	317.5	315.9	233.7	141.8

Total Income	Rs Crore	43.6	44.8	32.6	22.0
Profit After Tax (PAT)	Rs Crore	11.1	12.9	8.6	7.0
Adjusted Gearing	Times	2.6	3.1	3.5	2.7
RoMA	%	4.7*	4.7	4.6	5.7

**annualized; #provisional*

Any other information: Not Applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Non Convertible Debentures#	NA	NA	NA	250.00	Simple	Crisil BBB-/Stable
NA	Overdraft Facility	NA	NA	NA	24.33	NA	Crisil BBB-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	0.42	NA	Crisil BBB-/Stable
NA	Term Loan	NA	NA	22-Oct-31	15.00	NA	Crisil BBB-/Stable
NA	Term Loan	NA	NA	28-Feb-28	7.00	NA	Crisil BBB-/Stable
NA	Term Loan	NA	NA	30-Jun-28	3.00	NA	Crisil BBB-/Stable
NA	Term Loan	NA	NA	01-Mar-29	11.25	NA	Crisil BBB-/Stable

#Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	61.0	Crisil BBB-/Stable		--	04-12-24	Crisil BBB-/Stable		--		--	--
			--		--	24-09-24	Crisil BBB-/Stable		--		--	--
Non Convertible Debentures	LT	250.0	Crisil BBB-/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Overdraft Facility	3.33	AU Small Finance Bank Limited	Crisil BBB-/Stable
Overdraft Facility	20	AU Small Finance Bank Limited	Crisil BBB-/Stable
Overdraft Facility	1	AU Small Finance Bank Limited	Crisil BBB-/Stable
Proposed Long Term Bank Loan Facility	0.42	Not Applicable	Crisil BBB-/Stable
Term Loan	15	Indian Overseas Bank	Crisil BBB-/Stable
Term Loan	7	State Bank of India	Crisil BBB-/Stable

Term Loan	**3**	**State Bank of India**	**Crisil BBB-/Stable**
Term Loan	**11.25**	**State Bank of India**	**Crisil BBB-/Stable**

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Sanjay Lawrence** Media Relations **Crisil Limited** M: +91 89833 21061 B: +91 22 6137 3000 **sanjay.lawrence@crisil.com**	Ajit Velonie Senior Director **Crisil Ratings Limited** B:+91 22 6137 3000 ajit.velonie@crisil.com Malvika Bhotika Director **Crisil Ratings Limited** B:+91 22 6137 3000 malvika.bhotika@crisil.com Shubham Brahmankar Senior Rating Analyst **Crisil Ratings Limited** B:+91 22 6137 3000 Shubham.Brahmankar@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

CRISIL PRIVACY NOTICE

Crisil respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from Crisil. For further information on Crisil's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON "AS IS" BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall Crisil Ratings, its associates, third-party

providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

The report is confidential information of Crisil Ratings and Crisil Ratings reserves all rights, titles and interest in the rating report. The report shall not be altered, disseminated, distributed, redistributed, licensed, sub-licensed, sold, assigned or published any content thereof or offer access to any third party without prior written consent of Crisil Ratings.

Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by Crisil Ratings. Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, www.crisilratings.com and https://www.ratingsanalytica.com (free of charge). Crisil Ratings shall not have the obligation to update the information in the Crisil Ratings report following its publication although Crisil Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by Crisil Ratings are available on the Crisil Ratings website, www.crisilratings.com. For the latest rating information on any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html

Details of the Rs. 250 Crore Non Convertible Debentures of Prachay Capital Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE

APPENDED OVERLEAF

CTL/DEB/24-25/13227 **January 29,2025**

Consent letter from the Debenture Trustee to the Issue

Prachay Capital Limited
Office No 1401/1402, 14th Floor, Next Gen Avenue,
Wing B, CTS No2850, S No.103, Bahiratwadi,
Near ICC Tower, Senapati Bapat Road, Model Colony,
Pune, Maharashtra - 411016

Dear Ma'am/Sir

Sub: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5,000 lakhs ("Base Issue"), with an option to retain over-subscription up to ₹ 5,000 lakhs ("Green Shoe Option"), aggregating up to ₹ 10,000 lakhs ("Issue Size" or "Issue Limit") of Prachay Capital Limited ("Company" or "I" or "Issuer")

We, the undersigned, hereby consent to be named as the debenture trustee to the Issue ("**Debenture Trustee**") and to our name being inserted as the Debenture Trustee to the Issue in the draft prospectus ("**Draft Prospectus**") to be filed with the BSE Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Prospectus ("**Prospectus**") to be filed with the Registrar of Companies, Pune ("**RoC**"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Logo:	CATALYST Catalyst Trusteeship Limited
Name:	Catalyst Trusteeship Limited
Address:	GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038, Maharashtra
Tel:	+91 22 4922 0555
Fax:	+ 91 22 4922 0505
Email:	ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance:	grievance@ctltrustee.com
Mail:	ComplianceCTL-Mumbai@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi, Managing Director
SEBI Registration No:	IND000000034
CIN:	U74999PN1997PLC110262

CATALYST TRUSTEESHIP LIMITED

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary-Debenture trustee

in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately in writing inform the Company and the Lead Manager of any change to the above information until the date when the proposed public issue of NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Catalyst Trusteeship Limited**

CATALYST TRUSTEESHIP LIMITED

Srishti Varma
Manager

CC:

Galactico Corporate Services Limited
68, Business Bay Premises,
Shri Hari Kute Marg, Tidke Colony,
Nashik (MH) – 422002

Khaitan & Co
One World Centre
10th, 13th & 14th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

फार्म बी
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 PA 2

(विनियम 6)
(Regulation 6)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उक्त अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85,
S. No. 94 & 95, Bhusari Colony (Right), Kothrud,
Pune- 411038, Maharashtra

को नियमों में लगी के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।

2) Registration Code for the debenture trustee is **IND000000034**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from to

This Certificate of Registration shall be valid from 13/04/2022 for permanent, unless suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : Mumbai

दिनांक Date : April 18, 2022

CATALYST TRUSTEESHIP LIMITED

Annexure B

January 29, 2025

Prachay Capital Limited
Office No 1401/1402, 14th Floor, Next Gen Avenue,
Wing B, CTS No2850, S No.103, Bahiratwadi,
Near ICC Tower, Senapati Bapat Road, Model Colony,
Pune, Maharashtra - 411016

Dear Ma'am/Sir

Sub: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5,000 lakhs ("Base Issue"), with an option to retain over-subscription up to ₹ 5,000 lakhs ("Green Shoe Option"), aggregating up to ₹ 10,000 lakhs ("Issue Size" or "Issue Limit") of Prachay Capital Limited ("Company" or "I" or "Issuer")

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	April 18, 2022
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	NA
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	The order restraining to act as AIF trustee was passed on 28.02.2024. The said order was stayed by SAT on 13.03.2024. The matter is still sub judice
6.	Any enquiry/ investigation being conducted by SEBI	NA
7.	Details of any penalty imposed by SEBI	Spandana Sphoorty Financial Ltd. (Spandana) had issued NCDs with Catalyst Trusteeship Ltd. (Catalyst) as Debenture Trustee (DT). While examining the compliances, SEBI observed that Spandana had delayed disclosure of early redemption of NCDs and failed to disclose to stock exchanges and its website about the breach of covenants. Spandana proceeded with Settlement Regulations and SEBI, vide its order dated 21.08.2024 imposed penalty of Rs.38.12 lakh. SEBI also held Catalyst, being DT for not maintaining proper records of debenture holders' meeting and non-reporting to CRA on its own about the defaults committed by Spandana and imposed a penalty of

		Rs.1.00 lakh on Catalyst vide its order dated 26.08.2024. Catalyst has preferred an appeal against the said order with SAT

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately in writing intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchange.

For **Catalyst Trusteeship Limited**

CATALYST TRUSTEESHIP LIMITED

Srishti Varma
Manager

ANNEXURE IV- FINANCIAL STATEMENTS

APPENDED OVERLEAF

Shah Khandelwal Jain & Associates
Chartered Accountants

T | + 91. 20. 6721 5500
www.skjican.com

Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India

Independent Auditors' Special Purpose Audit Report on the Standalone Financial Statement of Assets and liabilities as at September 30, 2024, Standalone Statement of Profit and Loss and Standalone Cash Flows Statement for the period ended September 30, 2024, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Standalone financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited accompanying financial statements of Prachay Capital Limited (the " Company"), which comprises the standalone balance sheet as at September 30, 2024, the standalone statement of profit and loss, Standalone statement of changes in equity and standalone cash flow statement for the period ended September 30, 2024, and a summary of Material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Standalone Ind As Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Ind AS Financial Statement are prepared in all material aspects and in terms of compliance with SEBI NCS Regulations and in accordance with the basis set out in Note No. 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Standalone Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements section of our report. We are independent of the company in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Standalone Ind AS Financial Statements.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Standalone Ind AS Financial Statements that give a true and fair view of the Standalone financial position, Standalone results of operations, Standalone changes of equity and Standalone 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 Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Company are responsible for 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 Special Purpose Standalone Ind AS 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 Special Purpose Standalone Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special purpose Ind AS financial statements, the respective Board of the Directors of the Companies are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing the financial reporting process of the Company.



Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Ind AS Financial Statements 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 Special Purpose Standalone Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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



f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Special Purpose Standalone Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Standalone Ind AS Financial Statements of which we are the independent auditors

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

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Standalone Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No:142740W

AC Khandelwal



Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMHYPG8336

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Balance sheet as at 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 30 September 2024	As at 31 March 2024
ASSETS			
1. Financial assets			
Cash and cash equivalents	4	45.03	1,661.13
Bank Balance other than cash and cash equivalents	5	871.02	451.24
Receivables			
(i) Trade receivables	6	62.84	-
Loans	7	26,633.05	27,483.44
Investments	8	1,996.26	1,123.76
Other Financial assets	9	75.01	30.20
		29,683.22	30,749.77
2. Non-financial assets			
Current tax assets (net)	10	-	155.82
Deferred tax assets (net)	11	88.23	77.96
Property, plant and equipment	12	213.28	217.09
Capital work inprogress	12	27.25	-
Right of use assets	12	51.76	33.88
Intangible assets under development	12	59.95	43.60
Other Intangible assets	12	0.21	0.26
Other non-financial assets	13	187.33	5.41
		628.01	534.02
Total Assets		30,311.23	31,283.79
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Payables	14		
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	1.15
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.36	0.47
Debt securities	15	15,039.50	12,495.00
Borrowings (other than debt securities)	16	5,875.62	10,443.23
Lease liabilities	17	20.27	34.23
Other financial liabilities	18	1,061.65	457.72
		22,001.40	23,431.81
2. Non-Financial liabilities			
Current tax liabilities (Net)	19	39.83	-
Provisions	20	8.28	5.52
Other non-financial liabilities	21	322.68	647.56
		370.78	653.08
EQUITY			
Equity share capital	22	2,165.00	2,165.00
Other equity	23	5,774.04	5,033.91
		7,939.04	7,198.91
Total Liabilities and Equity		30,311.23	31,283.79

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. * (Formerly Known As Prachay Capital Private Limited) * CIN- U65900PN2017PLC168737

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of Profit and Loss Account for the period ended 30 September, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Revenue from operations			
Interest Income	24	2,687.20	4,189.39
Total revenue from operations		2,687.20	4,189.39
Other income	25	73.16	46.76
Total income		2,760.36	4,236.14
Expenses			
Finance costs	26	1,345.36	2,042.16
Impairment on financial instruments	27	(2.22)	13.02
Employee benefits expenses	28	213.61	315.62
Depreciation, amortisation and impairment	29	28.97	51.57
Others expenses	30	213.11	341.83
Total expenses		1,798.83	2,764.20
Profit before tax		961.53	1,471.95
Tax expense:			
Current tax		251.58	443.49
Deferred tax		(10.27)	(66.50)
Prior year Income tax		-	(2.33)
Profit for the period / year		720.23	1,097.30
Other comprehensive income		-	-
Total comprehensive income for the period / year		720.23	1,097.30
Earnings per equity share (for continuing operations)	31		
Basic (Rs.10)		3.33	5.13
Diluted (Rs.10)		Refer Note	Refer Note

Material accounting policies **1-3**

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. (Formerly known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of changes in equity for the period ended 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 30 September 2024	As at 31 March 2024
Balance at the beginning of the current reporting period	2,165	2,085
Changes in equity share capital during the current period/year	-	80
Balance at the end of the current reporting period	2,165	2,165

B) Other equity

For the year ended 30 September 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31 March 2024	2,885.44	768.10	1,345.00	7.10	28.28	-	-	5,033.91
Profit after tax	720.23	-	-	-	-	-	-	720.23
Other comprehensive income	-	-	-	-	-	-	-	-
	3,605.67	768.10	1,345.00	7.10	28.28	-	-	5,754.14
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(144.05)	144.05	-	-	-	-	-	-
Add: Addition during the year	-		-	-	19.90	-	-	19.90
Balance as at 30 September 2024	3,461.62	912.14	1,345.00	7.10	48.18	-	-	5,774.04

For the year ended 31 March 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31 March 2023	2,014.70	548.64	425.00	-	-	-	-	2,988.34
Profit after tax	1,097.30	-	-	-	-	-	-	1,097.30
Other comprehensive income	-	-	-	-	-	-	-	-
	3,112.00	548.64	425.00	-		-	-	4,085.64
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(219.46)	219.46	-	-	-	-	-	-
Transfer to capital redemption reserve	(7.10)	-	-	7.10	-	-	-	-
Add: Addition during the year	-		920.00	-	28.28	-	-	948.28
Balance as at 31 March 2024	2,885.44	768.10	1,345.00	7.10	28.28	-	-	5,033.91

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankit Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Cash Flow Statement for the period ended 30 September, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the period ended 30 September, 2024	For the year ended 31 March, 2024
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	961.53	1,471.95
Adjustments for:		
Interest income on fixed deposit	(26.73)	(46.19)
Interest on lease liabilities	2.00	4.94
Depreciation & amortisation	28.97	51.57
Provision for Standard Assets	-	13.02
Provision written back	(2.22)	-
Fixed assets written off	-	0.03
Share based payments	19.90	28.28
Operating Profit/(Loss) before changes in working capital	983.45	1,523.59
Adjustment for (Increase)/Decrease in Operating Assets		
Loans given	852.61	(4,945.08)
Trade receivables	(62.84)	56.15
Adjustments for other non financial assets	(181.93)	-
Adjustments for other financial assets	(44.81)	(17.72)
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in payables	2.75	1.56
Adjustments for provisions	2.76	5.52
Adjustments for other financial liabilities	571.24	416.87
Adjustments for other non financial liabilities	(324.88)	532.25
Cash flow from operations after changes in working capital	1,798.35	(2,426.87)
Net Direct Taxes (Paid)/Refunded	(55.93)	(703.79)
Net Cash Flow from/(used in) Operating Activities	1,742.42	(3,130.66)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale / (Purchase) of Property plant and equipment and Intangible assets	(53.89)	(68.00)
Net Sale / (Purchase) of investment	(872.50)	(1,023.75)
Net Redemption / (Investment) in fixed deposits	(419.78)	(259.61)
Interest received	26.73	46.19
Net Cash Flow from/(used in) Investing Activities	(1,319.44)	(1,305.17)
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuing shares (including security premium net off issue expense)	-	1,000.00
Proceeds from Debt Securities (including Debenture Premium)	2,544.50	6,858.50
Proceeds from Subordinated Liabilities	-	(7.10)
Proceeds from borrowings	(4,567.61)	(1,844.10)
Payment of lease liabilities	(15.96)	(28.99)
Net Cash Flow from/(used in) Financing Activities	(2,039.08)	5,978.31
Net increase/ (decrease) in cash and cash equivalents	(1,616.10)	1,542.48
Cash & Cash Equivalents at beginning of period (see Note 1)	1,661.13	118.65
Cash and cash equivalents at end of period (see Note 1)	45.03	1,661.13

Notes:

1	**Cash and cash equivalents comprises of:**		
	Cash on hands	0.62	0.77
	Balance with banks	44.41	1,660.36
	Cash and cash equivalents	45.03	1,661.13
	Effect of unrealised foreign exchange (gain)/loss (net)		
	Cash and cash equivalents as restated	45.03	1,661.13
2	Figures of the previous year have been regrouped / reclassified wherever necessary.		
3	The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.		

4 Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Other changes	Closing balance as at 30-09-2024
Borrowings	22,938.23	2,544.50	-	25,482.73

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Other changes	Closing balance as at 31-03-2024
Borrowings	17,923.84	5,014.40	-	22,938.23

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

ACKhandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	Roshan Sancheti	Sonal Gupta	Ankur Agrawal
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN:02699138	DIN:07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025

1.Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India (`the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of Company from a Private Limited to a Public Limited Company to commence/ or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2.Basis of preparation and presentation of financial statements

Statement of Compliance and basis of preparation

The company has prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose financial statements for period ended September 2024 by adopting the date of transition as 1st April, 2021 accordingly these financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for NBFCs in accordance with the RBI notification no. RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Any application guidance/ clarifications / directions issued by RBI or other regulators are implemented as and when they are issued/ applicable

The Special Purpose financial statements are prepared and presented in the format prescribed in the Division III of Schedule III of the Act.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Ind AS and accounting principles generally accepted in India. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

I. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are

managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

II. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

III. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12months after the reporting date.

IV. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 35.

V. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11.

VI. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

VII. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 43.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.Material Accounting Policies

Revenue from Contracts with Customers

i. Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. Net Gain/Loss on fair value changes

Any differences between the fair values of 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 cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under other income and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

iii. Other income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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 the value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Pune-1

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN-U65900PN2017PLC169737

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial Instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial Instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit is [illegible]

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN - U65900PN2017PLC168737 Formerly Known As Prachay Capital Private Limited

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Company records an allowance for the LTECLs.

Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Non-convertible preference shares issued by the company are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

Property, plant and equipment ("PPE)

Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computers & Laptops	3 years
Buildings	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Intangible assets

Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use

Amortisation

Intangible assets are amortised on a written down value basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, Labour welfare fund and employees' provident fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Chaturvedi Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Other long term employee benefits

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions and contingences

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks, short term investments with an original maturity of three months or less.

Bodelwal Jain & Associates Chartered Accountants * Pune-1 *
* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Leases

The Company as lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company's lease liabilities are included in Finance Liabilities (Refer Note 41).

iii) Short-term leases: The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

Share-based payment transactions

The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 32 for further details & information on segment reporting

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.





Note - 4
Cash and Cash Equivalents

Particulars	As at 30 September 2024	As at 31 March 2024
Cash on Hand	0.62	0.77
Balance with Banks		
In Current Account	44.41	1,660.36
Total	45.03	1,661.13

Note - 5
Bank balances other than cash and cash equivalents

Particulars	As at 30 September 2024	As at 31 March 2024
Fixed deposit with remaining maturity for more than three months #	871.02	451.24
Total	871.02	451.24

Fixed deposit of Rs 190 Lakhs is under lien against loan taken from bank. (Previous year : Rs. 190 lakhs)

Note - 6
Trade Receivables

Particulars	As at 30 September 2024	As at 31 March 2024
Unsecured and considered good		
Trade Receivables	62.84	-
Total	62.84	-

As at September 30, 2024

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	62.84	-	62.84
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade Receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

Note - 9
Other Financial assets

Particulars	As at 30 September 2024	As at 31 March 2024
Unsecured and considered good		
Security deposits	47.89	14.64
Interest receivable from AIF	25.04	13.48
Others	2.08	2.08
Total	75.01	30.20

Note - 10
Current tax assets (Net)

Particulars	As at 30 September 2024	As at 31 March 2024
Advance tax (net of provisions)	-	155.82
Total	-	155.82

Note - 11
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 30 September 2024	As at 31 March 2024
Deferred tax Assets	88.23	77.96
Total	88.23	77.96

As at 30 September 2024				
Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive Income	
Deferred tax (liabilities)/ assets in relation to:				
Differrence on account of Disallowance u/s 43B of Income tax Act, 1961	1.39	0.69	-	2.08
Difference between Written down value as per books and as per Income Tax	(3.23)	0.04	-	(3.19)
Lease liability	8.62	(3.51)	-	5.10
Loan assets at amortised cost	87.10	13.55	-	100.64
Right of use assets	(8.06)	2.99	-	(5.07)
Unamortised borrowing cost	(7.85)	(3.48)	-	(11.34)
Total	77.96	10.27	-	88.23

As at 31 March 2024				
Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive Income	
Deferred tax (liabilities)/ assets in relation to:				
Differrence on account of Disallowance u/s 43B of Income tax Act, 1961	-	1.39	-	1.39
Difference between Written down value as per books and as per Income Tax	(2.32)	(0.91)	-	(3.23)
Lease liability	0.54	8.08	-	8.62
Loan assets at amortised cost	24.19	62.91	-	87.10
Subordinated liabilities	1.79	(1.79)	-	-
Right of use assets	(0.48)	(7.58)	-	(8.06)
Unamortised borrowing cost	(12.26)	4.40	-	(7.85)
Total	11.46	66.50	-	77.96

Chordelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 13
Other non-financial assets

Particulars	As at 30 September 2024	As at 31 March 2024
Prepaid Expense	8.19	4.50
Balance with Revenue Authorities	-	-
Advances to Creditors	173.06	0.91
Others	6.09	-
Total	187.33	5.41

Note - 14
Payables

Particulars	As at 30 September 2024	As at 31 March 2024
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	1.15
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.36	0.47
Total	4.36	1.62

As at 30 September 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	4.36	-	-	-	4.36
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	4.36	-	-	-	4.36

As at March 31, 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	1.15	-	-	-	1.15
ii) Others	0.47	-	-	-	0.47
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	1.62	-	-	-	1.62

Note - 15
Debt securities

Particulars	As at 30 September 2024	As at 31 March 2024
Secured		
Non Convertible Debentures 15,03,95,000 (31 March 2024 : 12,49,50,000,) non convertible secured debentures of Rs. 10 each*	15,039.50	12,495.00
Net Amount	15,039.50	12,495.00
Of the Above		
i) Debt securities in India	15,039.50	12,495.00
ii) Debt securities outside India	-	-

Note:
* Non Convertible Secured Debentures, carrying interest rates ranging from 13-15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option"). These Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee way of hypothecation over the Receivables (both present and future) and all right, title, interest and claims of the Company to the Receivables

Terms of repayment of non-convertible debentures (NCDs) as at September 30, 2024

R.O.I	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Grand Total
13.00%	-	-	190.50	545.00	1,190.00	129.50	2,055.00
13.50%	-	-	-	105.00	-	-	105.00
14.00%	385.00	522.50	1,317.50	240.00	975.00	1,300.00	4,740.00
14.50%	-	-	451.00	-	273.50	-	724.50
14.75%	-	-	-	505.00	100.00	65.00	670.00
15.00%	-	165.00	-	-	5,180.00	1,400.00	6,745.00
Total	385.00	687.50	1,959.00	1,395.00	7,718.50	2,894.50	15,039.50

Note - 16
Borrowings (Other than Debt Securities)

Particulars	As at 30 September 2024	As at 31 March 2024
Secured		
Term Loan from Bank *	2,107.07	2,484.60
Dropline overdraft from bank #	2,138.55	580.63
Unsecured		
Inter corporate deposits ^		
- Related Party	35.00	128.00
- Others	1,600.00	7,250.00
Net Amount	5,875.62	10,443.23
Of the Above		
i) Borrowings in India	5,875.62	10,443.23
ii) Borrowings outside India	-	-

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
The Term loan 3 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
The Term loan 4 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.
Additional Dropline Overdraft of Rs 2000 Lakhs is repayable in 30principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.
^ Inter corporate deposits are for a tenure of 2 months to 3 years

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Term Loan 1, Term Loan 2, Term Loan 3 and Term Loan 4 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Director

Dropline Overdraft Limit is secured by:-
1) Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

Note - 17
Lease liabilites

Particulars	As at 30 September 2024	As at 31 March 2024
Lease liabilites	20.27	34.23
Total	**20.27**	**34.23**

Note - 18
Other Financial Liabilities

Particulars	As at 30 September 2024	As at 31 March 2024
Employee benefits payable	13.82	-
Interest Accrued but not due on borrowings	306.24	-
Cash Collateral collected from Borrower	649.80	245.36
Other payables	91.79	212.36
Total	**1,061.65**	**457.72**

Note - 19
Current tax liabilities (Net)

Particulars	As at 30 September 2024	As at 31 March 2024
Provision for income tax (net of Advance tax)	39.83	-
Total	**39.83**	**-**

Note - 20
Provision

Particulars	As at 30 September 2024	As at 31 March 2024
Provision for Gratuity	8.28	5.52
Total	**8.28**	**5.52**

Note - 21
Other Non-Financial Liabilities

Particulars	As at 30 September 2024	As at 31 March 2024
Statutory Dues	50.61	1.20
Interest income received in advance	272.08	646.36
Total	**322.68**	**647.56**

Note - 24
Interest Income

Particulars	For the Period ended 30 September 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest Income - Loan	-	2,102.89	-	2,102.89
Interest on investments - Non convertible debentures	-	475.55	-	475.55
Interest on Alternative Investment Fund	-	105.83	-	105.83
Interest on security deposits	-	2.94	-	2.94
Total	**-**	**2,687.20**	**-**	**2,687.20**

Particulars	For the Year ended 31 March 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest Income - Loan	-	3,415.24	-	3,415.24
Interest on investments - Non convertible debentures	-	746.97	-	746.97
Interest on Inter Corporate Deposit given	-	0.73	-	0.73
Interest on Alternative Investment Fund	-	25.07	-	25.07
Interest on security deposits	-	1.38	-	1.38
Total	**-**	**4,189.39**	**-**	**4,189.39**

Note - 25
Other Income

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Penal charges	45.42	-
Other Income	1.00	0.57
Interest on fixed deposit	26.73	46.19
Total	**73.16**	**46.76**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 26
Finance costs

Particulars	For the Period ended 30 September 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	157.69	-	157.69
Inter corporate deposits	182.14	-	182.14
Debentures	971.62	-	971.62
Cash Collateral	4.38	-	4.38
Lease liability	2.00	-	2.00
Other borrowing costs	27.53	-	27.53
Total	1,345.36	-	1,345.36

Particulars	For the Year ended 31 March 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	341.65	-	341.65
Inter corporate deposits	167.75	-	167.75
Debentures	1,076.08	-	1,076.08
Cash credit	10.61	-	10.61
Loan from Share Holders/Directors	411.69	-	411.69
Subordinated liabilities	0.46	-	0.46
Lease liability	4.94	-	4.94
Other borrowing costs	28.98	-	28.98
Total	2,042.16	-	2,042.16

Note - 27
Impairment on financial instruments

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
a) Impairment loss on Loans		
i) At Amortised cost	0.28	18.39
b) Impairment loss on NCDs		
i) At FVTOCI	(2.50)	(5.38)
Total	(2.22)	13.02

Note - 28
Employee Benefits Expenses

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Salaries and Wages	185.25	272.70
Contribution to provident and other funds	2.02	3.34
Share based payments	19.90	28.28
Staff welfare expenses	6.43	11.31
Total	213.61	315.62

Note - 29
Depreciation and amortisation expense

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Depreciation on property plant and equipment	14.11	24.05
Amortisation of intangible assets	0.05	0.10
Depreciation on of right of use assets	14.81	27.42
Total	28.97	51.57

Note - 30
Other Expenses

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Rent, taxes and energy costs	3.65	3.77
Repairs and maintenance	0.26	2.57
Advertisement and publicity	5.01	6.56
Auditor's Remuneration (Refer note below)	1.75	5.36
Legal and professional charges	165.09	243.05
Insurance	0.10	0.21
CSR expenditures	-	33.18
Other expenditure	37.25	47.14
Total	213.11	341.83

Particulars	For the period/year ended	
	30 September 2024	31 March 2024
(i) Payments to the auditors comprises of		
Statutory audit	1.75	3.50
Incometax audit	-	0.75
Certification	-	0.80
Other services	-	0.31
	1.75	5.36

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Note - 7

Loans

Particulars	As at 30 September 2024			As at 31 March 2024		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans						
Loans to Related Parties	-	-	-	-	-	-
Loans to Other	23,846.06	-	23,846.06	23,741.97	-	23,741.97
Loans and Advances in the form of Unquoted Non convertible Debentures	-	2,850.70	2,850.70	-	3,804.06	3,804.06
Loans to Employees	3.20	-	3.20	6.54		6.54
Total (A) - Gross	23,849.26	2,850.70	26,699.96	23,748.51	3,804.06	27,552.57
Less: Impairment loss allowance	59.90	7.00	66.90	59.63	9.50	69.13
Total (A)- Net	23,789.35	2,843.70	26,633.05	23,688.88	3,794.56	27,483.44
(B) Out of above						
(i) Secured	23,846.06	2,850.70	26,696.76	23,741.97	3,804.06	27,546.02
Less: Impairment loss allowance	59.90	7.00	66.90	59.63	9.50	69.13
Total (i)	23,786.15	2,843.70	26,629.85	23,682.34	3,794.56	27,476.89
(ii) Unsecured	3.20	-	3.20	6.54	-	6.54
Less: Impairment loss allowance	-	-	-	-	-	-
Total (ii)	3.20	-	3.20	6.54	-	6.54
Total (B) = (i) + (ii)	23,789.35	2,843.70	26,633.05	23,688.88	3,794.56	27,483.44
(C) Out of above			-			-
(I) Loans in India			-			-
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	23,849.26	2,850.70	26,699.96	23,748.51	3,804.06	27,552.57
Less: Impairment loss allowance	59.90	7.00	66.90	59.63	9.50	69.13
Subtotal (ii)	23,789.35	2,843.70	26,633.05	23,688.88	3,794.56	27,483.44
Total (I)	23,789.35	2,843.70	26,633.05	23,688.88	3,794.56	27,483.44
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (II)	-	-	-	-	-	-
Total C(I)and C(II)	23,789.35	2,843.70	26,633.05	23,688.88	3,794.56	27,483.44

Note : As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2023, Company has made provisions for Standard Assets.

A. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairmen

Summary of loans by stage distribution

Particulars	As at 30 September 2024				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	23,585.96	3,114.00	-	26,699.96	27,552.57	-	-	27,552.57
Less: Impairment loss allowance	(59.02)	(7.88)	-	(66.90)	(69.13)	-	-	(69.13)
Net carrying amount	23,526.94	3,106.12	-	26,633.05	27,483.44	-	-	27,483.44

B. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 30 September 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 1 April 2024	27,552.57	69.13			-	-	27,552.57	69.13
Transfers during the year								
transfers to stage 1					-	-	-	-
transfers to stage 2	(3,114.00)	(7.88)	3,114.00	7.88	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(12,000.50)	(2.23)	-	-	-	-	(12,000.50)	(2.23)
New credit exposures during the year, net of repayments	11,147.89	-	-	-	-	-	11,147.89	-
Amounts written off during the year							-	-
As at 30 September 2024	**23,585.96**	**59.02**	**3,114.00**	**7.88**	**-**	**-**	**26,699.96**	**66.90**

Particulars	As at 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 1 April 2023	22,607.48	56.11	-	-	-	-	22,607.48	56.11
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(18,648.35)	-	-	-	-	-	(18,648.35)	-
New credit exposures during the year, net of repayments	23,593.44	13.02	-	-	-	-	23,593.44	13.02
Amounts written off during the year							-	-
As at 31 March 2024	**27,552.57**	**69.13**	**-**	**-**	**-**	**-**	**27,552.57**	**69.13**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 8
Investments

Particulars	As at 30 September 2024	As at 31 March 2024
(A) At deemed cost		
(i) In Subsidiary Companies		
10,00,000 (31 March 2024 : 10,00,000) Shares of Prachay Investment Managers Private Limited	100.00	100.00
Investment in Prachay AIF Scheme I - Category II	1,896.25	1,023.75
Total (A)	1,996.25	1,123.75
(B) At Cost		
In Others		
100 (31 March 2024 : 100,) Shares in prachay foundation	0.01	0.01
Total (B)	0.01	0.01
Total (A+B)	1,996.26	1,123.76
Out of above		
Investments outside India	-	-
Investment in India	1,996.26	1,123.76
Total (Gross)	1,996.26	1,123.76
Less: Allowance for impairment	-	-
Total (Net)	1,996.26	1,123.76

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN:- U65900PN 2017PLC 168737

Note - 12

A - Property, plant & equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Furniture and fixtures	5.99	0.87	-	6.86	3.67	0.72	-	4.39	2.47	2.32
Office equipments	10.33	15.48	0.12	25.69	1.94	5.86	0.11	7.69	18.00	8.39
Computers & Laptops	15.36	7.69	0.38	22.67	11.73	4.75	0.36	16.12	6.55	3.62
Land & Building	198.25	-	-	198.25	6.38	9.34	-	15.72	182.53	191.87
Vehicles	13.37	-	-	13.37	2.45	3.38	-	5.83	7.54	10.92
Total	243.29	24.04	0.50	266.84	26.16	24.05	0.47	49.74	217.09	217.13

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right of use assets	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05
Total	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Softwares	-	0.36	-	0.36	-	0.10	-	0.10	0.26	-
Intangible Assets (under development)	-	43.60	-	43.60	-	-	-	-	43.60	-
Total	-	43.96	-	43.96	-	0.10	-	0.10	43.86	-

D. Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	< than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	43.60	-	-	-	43.60
Projects temporarily suspended	-	-	-	-	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Standalone Financial Statements for the period ended 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Furniture and fixtures	6.86	-	-	6.86	4.39	0.32	-	4.71	2.15	2.47
Office equipments	25.69	2.76	-	28.45	7.69	4.37	-	12.06	16.39	18.00
Computers & Laptops	22.67	7.53	-	30.20	16.12	3.79	-	19.91	10.29	6.55
Land & Building	198.25	-	-	198.25	15.72	4.46	-	20.18	178.07	182.53
Vehicles	13.37	-	-	13.37	5.83	1.17	-	7.00	6.37	7.54
Total	266.84	11.29	-	276.13	49.74	14.11	-	63.85	213.28	217.09
Capital Work in Progress	-	27.25	-	27.25	-	-	-	-		-

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Right of use assets	59.26	32.69	-	91.95	25.38	14.81	-	40.19	51.76	33.88
Total	59.26	32.69	-	91.95	25.38	14.81	-	40.19	51.76	33.88

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Softwares	0.36	-	-	0.36	0.10	0.05	-	0.15	0.21	0.26
Intangible Assets (under development)	43.60	16.35	-	59.95	-	-	-	-	59.95	43.60
Total	43.96	16.35	-	60.31	0.10	0.05	-	0.15	60.16	43.86

D. Capital work in progress aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	< than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	27.25	-	-	-	27.25
Projects temporarily suspended	-	-	-	-	-

E. Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	< than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	16.35	43.60	-	-	59.95
Projects temporarily suspended	-	-	-	-	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * Formerly Known As Prachay Capital Private Limited

Note - 22

Equity Share capital

Particulars	As at 30 Spetember 2024	As at 31 March 2024
Authorised		
2,80,00,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,80,00,000 Shares of Rs.10 each)	28,00,00,000	28,00,00,000
20,00,000 Preference Shares of Rs. 10 each (as on 31 March 2024 :- 20,00,000 Shares of Rs.10 each)	2,00,00,000	2,00,00,000
Total	**30,00,00,000**	**30,00,00,000**
Issued, Subscribed and Paid Up		
2,16,50,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,16,50,000 Shares of Rs.10 each)	2,165	2,165
Total	**2,165**	**2,165**

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 30 Spetember 2024		As at 31 March 2024	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	2,16,50,000	2,165	2,08,50,000	2,085
Add:- Shares issued during the year	-	-	8,00,000	80
Shares outstanding at the end of the year	**2,16,50,000**	**2,165**	**2,16,50,000**	**2,165**

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 30 Spetember 2024		As at 31 March 2024	
	Nos.	% of Holding	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	79.26	1,71,59,870	79.26
Rahul Rathi	17,00,000	7.85	17,00,000	7.85
Prachay Advisors Private Limited	14,98,442	6.92	14,98,442	6.92
Total	**2,03,58,312**		**2,03,58,312**	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 30 Spetember 2024		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	79.26%	0.00%

Promoter Name	As at 31 March 2024		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	79.26%	3.04%

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc
The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Note - 23
Other equity

Particulars	As at 30 Septeмber 2024	As at 31 March 2024
(I) Retained Earnings		
Balance at the beginning of the year / period **(a)**	2,885.44	2,014.70
Impact of first time adoption of IND AS	-	-
Profit/(Loss) for the year / period **(b)**	720.23	1,097.30
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	144.05	219.46
Less: Transfer to capital redemption reserve	-	7.10
Total appropriations (c)	144.05	226.56
Balance at the end of the year / period (a+b-c)	3,461.62	2,885.44
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year / period	768.10	548.64
Add: Transferred during the year / period	144.05	219.46
Balance as at the end of the year / period	912.14	768.10
(III) Securities Premium		
Balance as at the beginning of the year / period	1,345.00	425.00
Add: Addition during the year / period	-	920.00
Balance at the end of the year / period	1,345.00	1,345.00
(IV) Capital Redemption Reserve		
Balance as at the beginning of the year / period	7.10	-
Add: Addition during the year / period	-	7.10
Balance at the end of the year / period	7.10	7.10
(V) Employees Stock Options Reserve		
Balance as at the beginning of the year / period	28.28	-
Add: Addition during the year / period	19.90	28.28
Balance at the end of the year / period	48.18	28.28
Total	5,774.04	5,033.91

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly known as Prachay Capital Private Limited

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) Securities Premium

Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) Employees Stock Options Reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.





NOTE - 31

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	30 September 2024	31 March 2024
(A) Net profit attributable to equity shareholders		
Profit after tax but before amortisation of ESOP cost	740	1,126
Less: Amortisation of ESOP cost	20	28
Total	**720**	**1,097**
(B) Weighted average number of equity shares	2,16,50,000	2,13,96,448
Add:- Potential equity shares on account conversion of ESOP	-	-
(C) Weighted average number of equity shares outstanding during the period*	2,16,50,000	2,13,96,448
Basic earning price per share (Rs) (A/C)	3.33	5.13
Diluted earning price per share (Rs) (A/C)	Refer Note	Refer Note

* Note: Due to unavailability of FMV as on 30 September 24, The managament has not calculated weighted average number of equity shares and diluted EPS.

NOTE - 32

Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024

NOTE - 33

Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities for the period ended 30 September 2024, 31 March 2024

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for are Rs. 108.88 lakhs (Previous year : Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for are Rs. 25.00 lakhs

c) Company had provided total capital commitment to Prachay-AIF scheme I of Rs 4625 lakhs out of which Rs 1896.25 lakhs have been invested and balance of Rs 2728.75 lakhs remains to be invested.

NOTE - 34

Income tax expense

(a) Income tax expense is as follows:

Particulars	For the year / period ended	
	30 September 2024	31 March 2024
Current tax		
Current tax on profits for the year	251.58	443.49
Prior year Income tax	-	(2.33)
Total Current tax expense	**251.58**	**441.15**
Deferred tax	(10.27)	(66.50)
Total Deferred tax expense/(benefit)	**(10.27)**	**(66.50)**
Total income tax expense	**241.30**	**374.65**

(b) Reconciliation of tax expense and the accounting profit computed by applying the income tax rate

Particulars	For the year / period ended	
	30 September 2024	31 March 2024
Profit / (Loss) before income tax expense	961.53	1,471.95
	961.53	**1,471.95**
Tax at the Indian tax rate of 25.168%	240.30	370.46
Add/(less) effect of :		
Effect of expenses/(income) that are not deductible in determining taxable profit	1.39	4.17
Income tax expense	**241.30**	**374.65**

Mandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 35
Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below :

Particulars	As at	
	30 September 2024	31 March 2024
Defined benefit obligation as at the opening of the year	5.52	-
Current service cost	2.76	5.52
Past service cost	-	-
Interest on defined benefit obligation	-	-
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	-	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	8.28	5.52

Reconciliation of net liability/asset

Particulars	As at	
	30 September 2024	31 March 2024
Net defined benefit liability/(asset) as at the beginning of the year	5.52	-
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	2.76	5.52
Amount recognised in other comprehensive income	-	-
Contributions Paid	-	-
Net defined benefit liability/(asset) as at the end of the year	8.28	5.52

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	30 September 2024	31 March 2024
Current service Cost	2.76	5.52
Net Interest Cost	-	-
Total	2.76	5.52





(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 35

Employee benefits plan

Amount recognised in Balance Sheet

Particulars	As At	
	30 September 2024	31 March 2024
Present value of defined benefit obligation	8.28	5.52
Fair value of plan assets	-	-
Net obligation	8.28	5.52
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	8.28	5.52

Key actuarial assumptions

Particulars	As At	
	30 September 2024	31 March 2024
Discount rate (p.a.)	N.A.	7.20%
Salary escalation rate (p.a.)	N.A.	7%

Expected Payout:

Year	30 September 2024	31 March 2024
	PVO Payout	PVO Payout
Expected Outgo First	N.A.	0
Expected Outgo Second	N.A.	0
Expected Outgo Third	N.A.	0
Expected Outgo Fourth	N.A.	0
Expected Outgo Fifth	N.A.	2
Expected Outgo Sixth to Tenth Years	N.A.	21

Sensitivity analysis for significant assumptions is as shown below

Particulars	30 September 2024	31 March 2024
Impact of increase in 100 bps on discount rate	N.A.	(0.44)
Impact of decrease in 100 bps on discount rate	N.A.	0.51
Impact of increase in 100 bps on salary escalation rate	N.A.	(0.40)
Impact of decrease in 100 bps on salary escalation rate	N.A.	0.45
Impact of increase in 100 bps on withdrawal rate	N.A.	(0.01)
Impact of decrease in 100 bps on withdrawal rate	N.A.	0.01

Valuation Results:

The assumptions and methodology used in compiling this Report are consistent with the requirements of Indian Accounting Standard (Ind AS) 19

The results are particularly sensitive to some assumptions, such as the discount rate, level of salary inflation & level of assumed mortality.

The value of discontinuance liability (if all The accrued benefits were to settle immediately on the valuation date) as at 31-03-2024 is INR 6 Lakh





Note - 36
Related Parties Disclosure

36.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No. Name of Related Party and their relationship

(A) Subsidiary Company
Prachay Investment Managers Private Limited
Prachay AIF Scheme I - Category II

(B) Key Management Personnel
Girish Lakhotiya - Managing Director
Roshan Sancheti - Director
Divya Raizada** - Director
Pooja Porwal* - Company secretary
Sonal Gupta*** - Company secretary
Ankur Agrawal - Chief Financial Officer

(C) Independent Directors
Nilesh Saboo
Archna Rastogi

(D) Relatives of Directors & Key Management Personnel (KMP)
Sneha Dhoot
Anita Mohta
Roshan Sancheti HUF
Rajendra Sancheti HUF
Preeti Raizada
Dharamveer Raizada
Vinay Raizada
Pramila Raizada
Meena Agrawal

(E) Entities in which KMPs are having significant influence
Prachay Foundation
Prachay Holding Private Limited
Prachay Advisors Private Limited

* Pooja Porwal has resigned from the post of Company Secretary with effect from 30th March 2024.
** Directorship of Divya Raizada Started from 31st January 2024.
*** Sonal Gupta has been appointed as the Whole-Time Company Secretary with effect from 1st April 2024.

36.2 Transactions with Related Parties

Particulars	30 September 2024	31 March 2024
Loans taken from:		
Girish Lakhotiya	-	247.00
Roshan Sancheti	-	81.00
Repayment of loans:		
Girish Lakhotiya	-	248.00
Roshan Sancheti	-	82.00
Inter- corporate deposits received:		
Prachay Holding Private Limited	-	55.00
Prachay Investment Managers Pvt Ltd	-	75.00
Prachay Advisors Private Limited	60.00	50.00
Inter- corporate deposits repaid:		
Prachay Holding Private Limited	28.00	27.00
Prachay Investment Managers Pvt Ltd	15.00	25.00
Prachay Advisors Private Limited	110.00	-
Inter- corporate deposits given :		
Prachay Investment Managers Pvt Ltd	-	3.00
Repayment of Inter - corporate deposit given:		
Prachay Investment Managers Pvt Ltd	-	42.50
Interest income on ICD given:		
Prachay Investment Managers Pvt Ltd	-	0.73
Interest income on investments in units of AIF		
Prachay AIF Scheme I - Category II	105.83	25.07

Prachay Capital Ltd. * (Formerly Known As Prachay Capital Private Limited) * CIN- U65900PN2017PLC168737

Singh Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Particulars	30 September 2024	31 March 2024
Investments in units of AIF:		
Prachay AIF Scheme I - Category II	975.00	1,023.75
Sale of Investments in units of AIF:	102.50	-
Sale of Investment in AIF		
Investments received on Secured Non convertible debentures:		
Anita Mohta (25,000 debentures of Rs 10/- each)	-	2.50
Roshan Rajendra Sancheti HUF (2,80,000 debentures of Rs 10/- each)	-	28.00
Rajendra Sancheti HUF (2,50,000 debentures of Rs 10/- each)	-	25.00
Transfer of Non Convertible Debentures from:		
Roshan Rajendra Sancheti HUF	10.00	5.00
Rajendra Sancheti HUF	25.00	-
Pooja Porwal	-	7.50
Transfer of Non Convertible Debentures to:		
Divya Raizada (50,000 debentures of Rs 10/- each)	5.00	-
Vinay Raizada (50,000 debentures of Rs 10/- each)	5.00	-
Pramila Raizada (50,000 debentures of Rs 10/- each)	5.00	-
Sitting fees :		
Nilesh Saboo	0.31	-
Archna Rastogi	0.81	-
Interest paid on Unsecured Loans & Inter Corporate Deposits:		
Girish Lakhotiya	-	2.86
Roshan Sancheti	-	1.53
Prachay Advisors Private Limited	5.03	3.39
Prachay Holding Private Limited	0.50	3.00
Prachay Investment Managers Pvt Ltd	3.52	3.85
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.49	0.69
Roshan Rajendra Sancheti HUF	1.81	1.70
Rajendra Sancheti HUF	1.44	1.42
Divya Raizada	1.48	0.54
Preeti Raizada	1.03	0.46
Vinay Raizada	0.18	0.09
Dharamveer Raizada	0.18	0.09
Pooja Porwal	-	0.05
Pramila Raizada	0.01	-
Meena Agrawal	0.65	
Remuneration to director / KMP:		
Girish Lakhotiya	1.50	3.00
Roshan Sancheti	24.00	49.00
Divya Raizada	17.89	4.96
Pooja Porwal	-	11.64
Ankur Agrawal	4.20	-
Sonal Gupta	4.58	-
Professional fees / Royalty:		
Girish Lakhotiya	38.00	36.00
Sneha Dhoot	36.00	48.00
Redemption of Preference Shares:	-	
Girish Lakhotiya		0.60
Payment of Dividend on Preference Shares:	-	
Girish Lakhotiya		0.04

Chandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

36.3 Outstanding balances:

Particulars	30 September 2024	31 March 2024
Non Convertible Debentures:		
Anita Mohata	7.50	7.50
Divya Raizada	25.00	20.00
Roshan Rajendra Sancheti HUF	18.00	28.00
Rajendra Sancheti HUF	-	25.00
Preeti Raizada	15.00	15.00
Vinay Raizada	7.50	2.50
Dharamveer Raizada	2.50	2.50
Pramila Raizada	5.00	-
Meena Agrawal	10.00	-
Inter- corporate deposits Taken:		
Prachay Holding Private Limited	-	28.00
Prachay Investment Managers Pvt Ltd	35.00	50.00
Prachay Advisors Private Limited	-	50.00
Investment in Units of AIF:		
Prachay AIF Scheme I	1,896.25	1,023.75
Investments in Equity Shares:		
Prachay Foundation	0.01	0.01
Prachay Investment Managers Pvt Ltd	100.00	100.00
Interest on Investments Receivable :	25.04	0.38
Prachay AIF Scheme I		





Note - 37
Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 30 September 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	1,996.26	1,996.26	-	-	1,996.26	1,996.26
Cash and cash equivalents	-	-	45.03	45.03	45.03	-	-	45.03
Bank balances other than Cash and cash equivalents	-	-	871.02	871.02	871.02	-	-	871.02
Trade receivables	-	-	62.84	62.84	-	-	62.84	62.84
Loans*	2,843.70	-	23,789.35	26,633.05	-	-	26,633.05	26,633.05
Other financial assets	-	-	75.01	75.01	-	-	75.01	75.01
Total	**2,843.70**	**-**	**26,839.52**	**29,683.22**	**916.06**	**-**	**28,767.17**	**29,683.22**
Financial Liabilities								
Debt Securities	-	-	15,039.50	15,039.50	-	-	15,039.50	15,039.50
Borrowings	-	-	-	-	-	-	-	-
Other payables	-	-	4.36	4.36	-	-	4.36	4.36
Lease liabilities	-	-	20.27	20.27	-	-	20.27	20.27
Other financial liabilities	-	-	1,061.65	1,061.65	-	-	1,061.65	1,061.65
Total	**-**	**-**	**16,126.78**	**16,126.78**	**-**	**-**	**16,126.78**	**16,126.78**

*Includes investment in unquoted debenture

Financial Assets and Liabilities as at 31 March 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	1,123.76	1,123.76	-	-	1,123.76	1,123.76
Cash and cash equivalents	-	-	1,661.13	1,661.13	1,661.13	-	-	1,661.13
Bank balances other than Cash and cash equivalents	-	-	451.24	451.24	451.24	-	-	451.24
Loans*	3,797.73	-	23,685.71	27,483.44	-	-	27,483.44	27,483.44
Other financial assets	-	-	30.20	30.20	-	-	30.20	30.20
Total	**3,797.73**	**-**	**26,952.04**	**30,749.77**	**2,112.37**	**-**	**28,637.40**	**30,749.77**
Financial Liabilities								
Debt Securities	-	-	12,495.00	12,495.00	-	-	12,495.00	12,495.00
Borrowings	-	-	10,443.23	10,443.23	-	-	10,443.23	10,443.23
Other payables	-	-	1.62	1.62	-	-	1.62	1.62
Lease liabilities	-	-	34.23	34.23	-	-	34.23	34.23
Other financial liabilities	-	-	457.72	457.72	-	-	457.72	457.72
Total	**-**	**-**	**23,431.81**	**23,431.81**	**-**	**-**	**23,431.81**	**23,431.81**

*Includes investment in unquoted debenture

Nandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 38
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Note - 39
Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

Shah Khandelwal & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

ii) Provision for expected credit losses
The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.
Loss Given Default (LGD)
LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.
Exposure at default (EAD)
Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at September 30, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	15,039.50	**15,039.50**	385.00	687.50	1,959.00	12,008.00	-
Borrowings	5,875.62	**5,875.62**	1,497.50	1,862.50	1,358.33	1,157.29	-
Lease Liabilities	20.27	**20.27**	13.47	3.28	3.52	-	-
Other payables	4.36	**4.36**	4.36	-	-	-	-
Other financial Liabilities	1,061.65	**1,061.65**	1,061.65	-	-	-	-
Total	**22,001.40**	**22,001.40**	**2,961.98**	**2,553.28**	**3,320.86**	**13,165.29**	**-**

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	12,495.00	**12,495.00**	-	610.00	737.50	11,147.50	-
Borrowings	10,443.23	**10,443.23**	3,683.43	3,584.50	709.81	2,465.50	-
Lease Liabilities	34.23	**34.24**	17.19	13.36	3.68	-	-
Other payables	1.62	**1.62**	1.62	-	-	-	-
Other financial Liabilities	457.72	**457.72**	457.72	-	-	-	-
Total	**23,431.81**	**23,431.81**	**4,159.95**	**4,207.86**	**1,450.99**	**13,613.00**	**-**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors performance of the investee companies &creviews the same.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk.

iii) Interest rate risk

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

(Amount in Lakhs)

Particulars	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024	As at 31 March 2024
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of Interest	6.21	4.65	14.78	11.06

Note: Interest rate sensitivity for the period ending on September 30, 2024 is not annualised.

Note - 40

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at 30 September 2024			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	45.03	-	45.03	1,661.13	-	1,661.13
Bank Balance other than cash and cash equivalents	265.14	605.88	871.02	89.87	361.37	451.24
Receivables					-	-
(I) Trade Receivables	62.84	-	62.84		-	-
Loans	14,902.86	11,730.20	26,633.05	4,792.05	22,691.39	27,483.44
Investments	-	1,996.26	1,996.26	-	1,123.76	1,123.76
Other Financial assets	26.95	48.06	75.01	15.56	14.64	30.20
	15,302.83	14,380.39	29,683.22	6,558.61	24,191.16	30,749.77
Non-financial Assets						
Current tax assets (Net)	-	-	-	155.82	-	155.82
Deferred tax Assets (Net)	-	88.23	88.23	-	77.96	77.96
Property, Plant and Equipment	-	213.28	213.28	-	217.09	217.09
Capital work inprogress	-	27.25	27.25	-	-	-
Right of use assets	-	51.76	51.76	-	33.88	33.88
Intangible assets under development	-	59.95	59.95	-	43.60	43.60
Other Intangible assets	-	0.21	0.21	-	0.26	0.26
Other non-financial assets	14.28	173.06	187.33	5.41	-	5.41
	14.28	613.73	628.01	161.23	372.79	534.02
Total Assets	15,317.11	14,994.12	30,311.23	6,719.84	24,563.95	31,283.79
LIABILITIES						
Financial Liabilities						
Payables						
Other Payables						
(I) total outstanding dues of micro enterprises and small enterprises	-	-	-	1.15	-	1.15
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.36	-	4.36	0.47	-	0.47
Debt Securities	1,072.50	13,967.00	15,039.50	610.00	11,885.00	12,495.00
Borrowings (Other than Debt Securities)	3,360.00	2,515.62	5,875.62	1,084.57	9,358.67	10,443.23
Subordinated Liabilities	-	-	-	-	-	-
Lease Liabilities	6.80	13.47	20.27	30.55	3.68	34.23
Other financial liabilities	485.84	575.81	1,061.65	286.35	171.37	457.72
	4,929.51	17,071.90	22,001.40	2,013.09	21,418.71	23,431.81
Non-Financial Liabilities						
Current tax liabilities (Net)	39.83	-	39.83		-	-
Provisions	0.01	8.27	8.28	0.01	5.51	5.52
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	322.68	-	322.68	647.56	-	647.56
	362.52	8.27	370.78	647.57	5.51	653.08
Total Liabilities	5,292.02	17,080.16	22,372.19	2,660.66	21,424.22	24,084.88
Net Assets / (Liabilities)	10,025.08	(2,086.04)	7,939.04	4,059.18	3,139.73	7,198.91





Note - 41
Leases

The Company has entered into leases for its offices.
The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.
Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	30 September 2024	31 March 2024
Opening Balance	34.23	2.14
Additions	-	56.14
Accretion of interest	2.00	4.94
Payments/Adjustments	(15.96)	(28.99)
Closing Balance	20.27	34.23

a) The maturity analysis of lease liabilities are disclosed in note 40
b) The Company has entered in to lease agreement which will commence in November 2024 having lease period of 60 months.

Note - 42
Additional Regulatory Information

(i) The Title Deeds of all immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-use assets) during the year.

(iii) The Company has not revalued any of its Intangible assets during the year.

(iv) During the period ended 30 September 2024, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(vi) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security
No difference observed in quarterly returns or the statements filed by company with such Banks.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(ix) The company has already processed with filing the registration or satisfaction of charges.

(x) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

(xii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiii) a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;

b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.





Note - 43
Employee Stock Options

The Board in its meeting held on 01 April 2023 has resolved to issue to Employees under ESOP 2023, Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company (i.e. 10,42,500 Equity Shares), each Share of face value Rs. 10 each of the Company, with each such Option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such grant/s.

The shareholders of the Company, in their extraordinary general meeting held on 11 April 2023 have approved the Grant of Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company, each Share of face value INR 10 each of the Company, under Employee Stock Option Plan 2023 to the Employees.

The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

(a) Summary of ESOP

Particulars	Options	Weighted Average Exercise Price (In INR)
Options outstanding as at 01 April 2023	Nil	N.A
Options granted during the year	3,69,635	125
Options canceled / forfeited / expired during the year	21,820	125
Options exercised during the year	Nil	N.A
Options outstanding as at 31 March 2024	3,47,815	125
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	-	-
Options exercised during the period	-	-
Options outstanding as at 30 September 2024	3,47,815	125
Options exercisable at the end of the year	Nil	N.A
Range of exercise price of options outstanding at the end of the year (IN INR)	125	
Average share price during the year (IN INR)	125	
Weighted average contractual life of options outstanding at the end of the year	4.79 Years	
Weighted average fair value of option as on date of grant (granted during the year) (IN INR)	42.06	

(b) Fair Value of Options granted during the year:

Particulars	Fair Value 30 September 2024 (IN INR)	Amount 30 September 2024	Fair Value 31 March 2024 (IN INR)	Amount 31 March 2024
Option Grant on 15th July 2023				
- 1st Vesting	42.08	4	42.04	5.20
- 2nd Vesting	42.08	5	42.04	6.94
- 3rd Vesting	42.08	5	42.04	7.81
- 4th Vesting	42.08	6	42.08	8.33
Total Employee Compensation Cost		**20**		**28.28**

(c) **Method used for calculating fair value of Option – Black Scholes Option Valuation Model.**

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below:

Particulars	Fair Value
Stock Price (IN INR)	125
Standard Deviation (Volatility)	Nil *
Risk Free Rate	7.1%
Exercise Price (IN INR)	125
Time to Maturity	6
Dividend Yield	Nil

* Since the company is closely held and management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known as Prachay Capital Private Limited)

Note - 44

Corporate Social Responsibility (CSR)	30 September 2024	31 March 2024
(a) Amount required to be spent by the company during the year	-	19.73
(b) Amount of expenditure incurred	-	33.18
(c) Shortfall at the end of the year	-	(13.45)
(d) Total of previous years shortfall Paid	-	13.45
(e) reason for shortfall	-	-
(f) nature of CSR activities	Education & Schedule VII fund	Education & Schedule VII fund

Note - 45 Additional NBFC disclosures

Schedule to the Balance Sheet as on March 31, 2024

[as prescribed under Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023]

Sr No	Particulars	(Amount in Lakhs) 30 September 2024		(Amount in Lakhs) 31 March 2024	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :				
1	**Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	15,345.74	-	12,495.00	
	: Unsecured (other than falling within the meaning of public deposits)	-	-		
	(b) Deferred Credits	-	-	-	
	(c) Term Loans	4,240.62	-	3,065.23	
	(d) Inter-corporate loans and borrowings	-	-	-	
	(e) Commercial Paper	-	-	-	
	(f) Public Deposits	-	-	-	
	(g) Other Loans - Inter Corporate Deposits	1,600.00	-	7,250.00	
	(h) Other Loans - Inter Corporate Deposits from related parties	35.00	-	128.00	
	(i) Other Loans - Loans from share holders/directors		-	-	
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	-	-		
	Asset Side:				
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a) Secured ^	26,629.85		27,476.89	
	(b) Unsecured ^^	3.20		6.54	
	^ **Note 1:** Loans and Advances include Unquoted Non Convertible Debentures classified as Loans				
	^^ **Note 2:** Unsecured Loans and Advances include Loans to Employees				
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**				
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease	-	-	-	
	(b) Operating lease	-	-	-	
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on Hire	-	-	-	
	(b) Repossessed Assets	-	-	-	
	(a) Loans where assets have been repossessed	-	-	-	
	(b) Loans other than (a) above	-	-	-	
	Total	-	26,633.05		27,483.44
5	**Break-up of Investments**				
	Current Investments				
	1. Quoted				
	(i) Shares				
	(a) Equity	-	-	-	
	(b) Preference	-	-	-	
	(ii) Debentures and Bonds	-	-	-	
	(iii) Units of mutual funds	-	-	-	
	(iv) Government Securities	-	-	-	
	(v) Others (please specify)	-	-	-	
	2. Unquoted				
	(i) Shares				
	(a) Equity	-	-	-	
	(b) Preference	-	-	-	
	(ii) Debentures and Bonds	-	-	-	
	(iii) Units of mutual funds	-	-	-	
	(iv) Government Securities	-	-	-	
	(v) Others - Fixed Deposit		265.14		75.12

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 45 Additional NBFC disclosures (continued)

	Particulars	(Amount in Lakhs) 30 September 2024	(Amount in Lakhs) 31 March 2024
	Long Term Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares		
	(a) Equity	100.01	100.01
	(b) Preference	-	-
	(ii) Debentures and Bonds **	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others - Fixed Deposit	605.88	376.12
	(v) Others - AIF Units	1,896.25	1,023.75

** Note: Investment in Bonds and Debentures are classified under Loans and Advances

6	Borrower group-wise classification of assets financed as in (3) and (4) above:						
	Please see Note 2 below						
	Category	Amount as on September 30, 2024			Amount as on March 31, 2024		
		Secured	Unsecured	Total	Secured	Unsecured	Total
i.	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
ii.	Other than related parties	26,629.85	3.20	26,633.05	27,476.89	6.54	27,483.44
	Total	**26,629.85**	**3.20**	**26,633.05**	**27,476.89**	**6.54**	**27,483.44**

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
	Category	Amount as on September 30, 2024		Amount as on March 31, 2024	
		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)
	1. Related Party				
	(a) Subsidiaries	1,996.25	1,996.25	1,123.75	1,123.75
	(b) Companies in the same group	0.01	0.01	0.01	0.01
	(c) Other related parties	-	-	-	-
	2. Other than related Party	-	-	-	-
	Total	**1,996.26**	**1,996.26**	**1,123.76**	**1,123.76**

8	Other Information		
	Particulars	**Amount as on September 30, 2024**	**Amount as on March 31, 2024**
	(i) Gross Non-performing assets (a) Related Parties (b) Other than related parties	------ Nil ------	------ Nil ------
	(ii) Net Non-performing assets (a) Related Parties (b) Other than related parties	------ Nil ------	------ Nil ------
	(iii) Assets acquired in satisfaction of debt	------ Nil ------	------ Nil ------

Notes:
1. As defined in paragraph 5.1.26 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
2. Provisioning norms shall be applicable as prescribed Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2
3. All notified Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital (India) Limited)

Note - 46 Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 30 September 2024

Number of Significant Counterparties #	Amount (₹ Crores)	% of Total deposits	% of Total Liabilities *
8	24.19	Not Applicable	10.79%

As at 31 March 2024

Number of Significant Counterparties#	Amount (₹ Crores)	% of Total deposits	% of Total Liabilities *
11	97.92	Not Applicable	40.65%

Significant counterparty: A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 10% of the NBFC's total liabilities.

* Total liabilities are arrived as Total liabilities less Equity share capital and Reserves and Surplus. (Ignoring IndAS impact)

(ii) Top 20 large deposits (amount in ₹ Crores and percent of total deposits)

The Company being a Non Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Crores and percent of total borrowings)

Particulars	30 September 2024
Amount in Crores	86.50
% of total borrowings	41.36%

(iv) Funding Concentration based on significant instrument/product

Particulars	30 September 2024	
Name of the instrument/product	Amount (₹ Crores)	% of Total Liabilities *
Non convertible debentures	150	67.23%
Inter Corporate Deposits	16	7.31%
Term loan from Banks	42	18.95%

* Total liabilities are arrived as Total liabilities less Shareholders Fund (Ignoring IndAS impact)

(v) Stock Ratios:

Particulars	As at 30th Sept 2024	As at 31st Mar 2024
Commercial Papers to Total Public Funds	-	-
Commercial Papers to Total Liabilities	-	-
Commercial Papers to Total Assets	-	-
NCDs (Original Maturity < 1 yrs.) to Total Public Funds	-	-
NCDs (Original Maturity < 1 yrs.) to Total Liabilities	-	-
NCDs (Original Maturity < 1 yrs.) to Total Assets	-	-
Other Short Term Liabilities* to Total Public Funds	-	-
Other Short Term Liabilities to Total Liabilities**	19.56%	11.50%
Other Short Term Liabilities to Total Asset	18.20%	10.94%
	13.27%	8.36%

* Other Short Term Liabilities represents Total current liabilities (Ignoring IndAS impact)

** Total liabilities are arrived as Total liabilities less Shareholders Fund. (Ignoring IndAS impact)

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee, Risk Management Committee, and Investment Committee. The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company. The Company manages liquidity risk by maintaining sufficient cash/treasury surpluses.

Note - 47 Disclosure pursuant to Reserve Bank of India Master Direction - Reserve Bank of India (Non banking Finance Company - Scale based regulation) directions, 2023.

Comparision between Ind AS 109 provisions and IRACP norms

As at 30 September 2024

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	26,699.96	66.90	26,633.05	66.90	-
Standard	Stage 2	-	-	-	-	-
Subtotal		26,699.96	66.90	26,633.05	66.90	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	26,699.96	66.90	26,633.05	66.90	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Chandelwal Jain & Associates Chartered Accountants Pune

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

As at 31 March 2024

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	27,552.57	69.13	27,483.44	69.13	-
Standard	Stage 2	-	-	-	-	-
Subtotal		27,552.57	69.13	27,483.44	69.13	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	27,552.57	69.13	27,483.44	69.13	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Note - 48 Analytical ratios

Ratio	Formula	30 September 2024	31 March 2024
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	27.32%	24.87%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	27.09%	24.62%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	0.23%	0.24%
Liquidity Coverage Ratio	High Quality Liquid Assets/ Net cash outflow for 30 days	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III	

Note - 49 Credit Rating

Instrument	Credit rating agency	Face value rated Amount in crores	As on September 30, 2024
Bank loans	Infomerics Valuation and Rating Pvt Ltd	75.00	IMD STABLE
Bank loans	Crisil Ratings Limited	50.00	BBB- STABLE

Note - 50 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course or business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

Note - 51 The Company has not accepted deposits within the meaning of 'Public Deposits' as defined in the prudential norms issued by the RBI. The Board of Directors of the Company has passed a resolution in its meeting held on April 01, 2023 for non-acceptance of public deposits.

Note - 52 Company has not incurred any Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters.

Note - 53 There has been no change in the controlling stake of the Company during the period.

Note - 54 RBI and other regulators has not imposed any penalty on the Company.

Note - 55 Other requirements of Schedule III of the Companies Act, 2013 not specifically disclosed are either Nil or not applicable to the Company.

Note - 56 Previous year figures have been regrouped/reclassified wherever necessary to conform to this year's / periods classification.

Note - 57 Absolute amounts less than INR 100,000 are appearing in the financial statements as "0" due to presentation in lakhs.

Note - 58 The Company's exposure of Unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil).

Note - 59 The Company has not participated in any Credit Default Swaps (CDS) Contracts in the reporting period or previous periods.

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

For and on behalf of the Board of Directors
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Director
DIN: 02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN: 07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankit Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Shah Khandelwal Jain & Associates
Chartered Accountants

T | + 91. 20. 6721 5500
www.skjca.com

Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India

Independent Auditors' Special Purpose Audit Report on the Consolidated Financial Statement of Assets and liabilities as at September 30, 2024, Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the period ended September 30, 2024, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Consolidated financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited the accompanying financial statements of Prachay Capital Limited (the "Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at September 30, 2024, and the consolidated statement of profit and loss, and Consolidated statement of changes in equity and consolidated cash flow statement for the period then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated Ind AS Financial Statements are prepared in all material aspects and in terms of compliance with (**SEBI NCS Regulations**) and in accordance with the basis set out in Note No 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Consolidated Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Consolidated Ind AS Financial Statements.

Chartered Accountants
Pune-1

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position , consolidated results of operations , consolidated changes of equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Ind AS 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 Special Purpose Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special Purpose Ind AS financial statements, the respective Board of the Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Ind AS Financial Statements 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 Special Purpose Consolidated Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Consolidated Ind AS Financial Statements of which we are the independent auditors.

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.

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Consolidated Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No:142740W



AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMHYPJ4599

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Balance sheet as at 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 30 September 2024	As at 31 March 2024
ASSETS			
1. Financial assets			
Cash and cash equivalents	4	114.75	1,732.08
Bank balances other than cash and cash equivalents	5	879.10	459.19
Receivables			
(i) Trade Receivables	6	63.18	0.29
Loans	7	28,647.85	28,498.80
Investments	8	0.01	0.01
Other Financial assets	9	50.07	16.82
	-	**29,754.96**	**30,707.18**
2. Non-financial assets			
Current tax assets (net)	10	6.91	162.09
Deferred tax Assets (net)	11	88.76	78.46
Property, plant and equipment	12	214.18	218.31
Capital work inprogress	12	27.25	-
Right of use assets	12	51.76	33.88
Intangible assets under development	12	59.95	43.60
Other Intangible assets	12	0.21	0.26
Goodwill on consolidation		70.70	70.70
Other non-financial assets	13	187.34	5.41
		707.06	**612.71**
Total Assets		**30,462.01**	**31,319.89**
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Payables	14		
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	1.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8.74	1.56
Debt securities	15	15,039.50	12,495.00
Borrowings (other than debt securities)	16	5,840.62	10,393.23
Lease Liabilities	17	20.27	34.23
Other financial liabilities	18	1,061.65	457.72
		21,970.78	**23,382.93**
2. Non-financial liabilities			
Current tax liabilities (net)	19	39.83	-
Provisions	20	8.28	5.52
Other non-financial liabilities	21	327.02	649.52
		375.12	**655.04**
EQUITY			
Equity share capital	22	2,165.00	2,165.00
Other equity	23	5,847.68	5,116.92
		8,012.68	**7,281.92**
Equity attributable to non-controlling interests	23	**103.43**	-
Total Liabilities and Equity		**30,462.01**	**31,319.89**

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

A C Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly known as Prachay Capital Private Limited)

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonali Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of Profit and Loss Account for the period ended 30 September, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Revenue from operations			
Interest Income	24	2,690.98	4,189.48
Fees and commission Income	25	10.00	16.00
Total revenue from operations		2,700.98	4,205.48
Other Income	26	73.39	48.31
Total income		2,774.37	4,253.79
Expenses			
Finance costs	27	1,341.84	2,038.30
Impairment on financial instruments	28	(2.22)	13.02
Employee benefits expenses	29	213.61	315.83
Depreciation, amortisation and impairment	30	29.29	52.97
Others expenses	31	236.50	353.87
Total expenses		1,819.01	2,773.99
Profit before tax		955.36	1,479.80
Tax Expense:			
Current Tax		253.77	446.47
Deferred Tax		(10.30)	(66.63)
Prior year Income tax		-	(2.33)
Profit for the period / year		711.89	1,102.30
Other Comprehensive Income		-	-
Total Comprehensive Income for the period / year		711.89	1,102.30
Total Comprehensive Income for the year attributable to:			
Owners of the Company		710.85	1,102.30
Non-controlling interests		1.04	-
Earnings per equity share (for continuing operations)	32		
Basic (Rs.10)		3.29	5.15
Diluted (Rs.10)		Refer Note	Refer Note

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
As per our report of even date attached

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of changes in equity for the period ended 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 30 September 2024	As at 31st March 2024
Balance at the beginning of the current reporting period/year	2,165.00	2,085.00
Changes in equity share capital during the current period/ year	-	80.00
Balance at the end of the current reporting period	2,165.00	2,165.00

B) Other equity

For the Period ended 30 September 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital redemption reserve	Employees Stock Options Outstanding	Total other equity attributable to the owners of the parent	Non-controlling interest
Balance as at 31 March 2024	2,959.47	777.08	1,345.00	7.10	28.28	5,116.92	-
Profit after tax	710.85	-	-	-	-	710.85	1.04
Other comprehensive income	-	-	-	-	-	-	-
	3,670.32	777.08	1,345.00	7.10	28.28	5,827.78	1.04
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(185.42)	185.42	-	-	-	-	-
Transfer to capital redemption reserve	-	-	-	-	-	-	-
Less: Dividend on preference share relating to current financial year	-	-	-	-	-	-	-
Add: Addition during the year / period	-	-	-	-	19.90	19.90	102.80
Balance as at 30 September 2024	3,484.90	962.50	1,345.00	7.10	48.18	5,847.68	103.43

For the year ended 31 March 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital redemption reserve	Employees Stock Options Outstanding	Total other equity attributable to the owners of the parent	Non-controlling interest
Balance as at 31 March 2023	2,092.71	548.64	425.00	-	-	3,066.35	-
Profit after tax	1,102.80	-	-	-	-	1,102.30	-
Other comprehensive income	-	-	-	-	-	-	-
	3,195.01	548.64	425.00	-	-	4,168.65	-
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(228.44)	228.44	-	-	-	-	-
Transfer to capital redemption reserve	(7.10)	-	-	7.10	-	-	-
Less: Dividend on preference share relating to current financial year	-	-	-	-	-	-	-
Add: Addition during the year	-	-	920.00	-	28.28	948.28	-
Balance as at 31 March 2024	2,959.47	777.08	1,345.00	7.10	28.28	5,116.92	-

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.: 142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date: 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Dalbhoiya
Managing Director
DIN 02693138
Place: Pune
Date: 30-01-2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date: 30-01-2025

Sonal Gupta
Company Secretary
Mem No: A69843
Place: Pune
Date: 30-01-2025

Ankur Agrawal
CFO
Place: Pune
Date: 30-01-2025

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Cash Flow Statement for the period ended 30 September, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the period ended 30 September, 2024	For the year ended 31 March, 2024
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	955.36	1,479.80
Adjustments for:		
Interest income on fixed deposit	(26.96)	(46.49)
Interest on lease liabilities	2.00	4.94
Depreciation & Amortisation	29.29	52.97
Provision for standard assets	-	13.02
Provision written back	(2.22)	-
Fixed assets written off	-	0.03
Share based payments	19.90	28.28
Operating Profit/(Loss) before changes in working capital	**977.36**	**1,532.54**
Adjustment for (Increase)/Decrease in Operating Assets		
Loans given	(146.83)	(5,999.94)
Adjustments for other non financial assets	(181.93)	56.15
Adjustments for other financial assets	(33.25)	12.34
Adjustments for trade receivables	(62.89)	132.31
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in payables	6.00	(6.67)
Adjustments for provisions	2.76	5.52
Adjustments for other financial liabilities	571.24	415.11
Adjustments for other non financial liabilities	(322.50)	500.22
Cash flow from operations after changes in working capital	809.96	(3,352.42)
Net Direct Taxes (Paid)/Refunded	(58.77)	(682.80)
Net Cash Flow from/(used in) Operating Activities	**751.19**	**(4,035.23)**
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale / (Purchase) of Property plant and equipment and intangible assets	(53.89)	(67.00)
Net Redemption / (Investment) in fixed deposits	(419.91)	(264.64)
Interest received	26.96	46.49
Net Cash Flow from/(used in) Investing Activities	**(446.84)**	**(286.14)**
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuing shares (including security premium net off issue expense)	-	1,000.00
Proceeds from Debt Securities (including Debenture Premium)	2,544.50	6,858.50
Payment of Subordinated Liabilities	-	(7.10)
Proceeds from borrowings	(4,552.61)	(1,897.70)
Changes in Non-controlling interst	102.40	-
Payment of lease liabilities	(15.96)	(28.99)
Net Cash Flow from/(used in) Financing Activities	**(1,921.68)**	**5,924.71**
Net Increase/ (decrease) in cash and cash equivalents	**(1,617.33)**	**1,603.34**
Cash & Cash Equivalents at beginning of period (see Note 1)	1,732.08	128.74
Cash and cash equivalents at end of period (see Note 1)	**114.75**	**1,732.08**

Notes:

	Particulars	For the period ended 30 September, 2024	For the year ended 31 March, 2024
1	**Cash and cash equivalents comprises of:**		
	Cash on hands	2.56	2.70
	Balance with banks	112.19	1,729.37
	Cash and cash equivalents	**114.75**	**1,732.08**
	Cash and cash equivalents as restated	**114.75**	**1,732.08**
2	Figures of the previous year have been regrouped / reclassified wherever necessary.		
3	The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.		
4	**Changes in liabilities arising from financing activities**		

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Closing balance as at 30-09-2024
Borrowings	22,888.23	(2,008.11)	20,880.12

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Closing balance as at 31-03-2024
Borrowings	17,927.44	4,960.80	22,888.23

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	Roshan Sancheti	Sonal Gupta	Ankur Agrawal
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN:02699138	DIN:07707109	Mem No : A69043	Place: Pune
Place: Pune	Place: Pune	Place: Pune	Date : 30-01-2025
Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025	

1. Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of our Company from a Private Limited to a Public Limited Company to commence or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2. Basis of preparation and presentation of financial statements

(a) Statement of Compliance & Basis of preparation

The company has prepared consolidated financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose consolidated financial statements for period ended 30 September 2024 by adopting the date of transition as 1st April, 2022 accordingly these financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101

Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 with the circular No. RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 Dated October 19, 2023 and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI. (Previously Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.) The Group uses accrual basis of accounting except in case of significant uncertainties [Refer note 2.04 (A),(C),(D),(E)]. Accounting policies have been consistently applied to all periods presented unless otherwise stated Any application of guidance / clarification / directions issued by RBI / NHB or other regulations are implemented prospectively when they become applicable.

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

(b) Principles of Consolidation

The consolidated financial statements relate to the Company, and its two Subsidiaries (the holding and subsidiaries together referred to as "The Group"). The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement" of the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the subsidiary companies are consolidated on a line-by-line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany balances and transactions including unrealized gain/loss on such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at that group.

The list of entities included in consolidation and Company's holding therein are as under:

Name of companies	Relationship	Country of Incorporation	% of Ultimate Holding 30 September 2024	% of Ultimate Holding 31 March 2024	% of Ultimate Holding 31 March 2023
Prachay Investment Managers Private Limited (Effective from September 9, 2022)	Subsidiary	India	100%	100%	100%
Prachay AIF Scheme I - Category II	Subsidiary	India	95%	100%	-

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(d) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how the Group's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

ii. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

iii. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

iv. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 36.

Chartered Accountants Pune-1
Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly Known As Prachay Capital Private Limited

v. **Recognition of deferred tax assets / liabilities**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11.

vi. **Recognition and measurement of provision and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

vii. **Fair valuation of employee share options**

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 44.

(f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Material accounting policies

(a) Revenue from contracts with customers

i. **Recognition of interest income on loans**

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. **Net Gain/Loss on fair value changes**

Any differences between the fair values of 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 cases there is a net gain in the 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.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

iii. **Other income**

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

Chartered Accountants Pune-1
Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

(b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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 the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Group classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:
- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Group has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Chartered Accountants Pune-1
Prachay Capital LLP CIN: U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:
Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Group records an allowance for the LTECLs.

(c) Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.
Non-convertible preference shares issued by the Group are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

(d) Property, plant and equipment ("PPE)

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computers & Laptops	3 years
Building	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)
Chartered Accountants Pune-1

(e) Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use.

iii. Amortisation

Intangible assets are amortised on a written down value method over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

(f) Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

(g) Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, Labour welfare fund and employees' provident fund. The Group's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Pradeep Capital Ltd. CIN U65900PN 2017PLC 168737 Formerly known as Pradeep Capital Private Limited
Chartered Accountants Pune-1

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Other long term employee benefits

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Group measures the expected cost of compensated absence as the amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

(h) Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

(i) Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:
- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Group does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(j) Provisions and contingences

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timings of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measures reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

Rajhans Capital Ltd. CIN-U65900PN2017PLC168737
Chartered Accountants Pune-1

(l) Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

iii) Short-term leases: The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

(m) Share-based payment transactions

i. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.
ii. That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
iii. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.
iv. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 33 for further details & information on segment reporting.

(p) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 4

Cash and cash equivalents

Particulars	As at 30 September 2024	As at 31 March 2024
Cash on hand	2.56	2.70
Balance with banks		
In Current Account	112.19	1,729.37
In Fixed Deposit having maturity of less than 3 months (including interest accrued theron)	-	-
Total	114.75	1,732.08

Note - 5

Bank balances other than cash and cash equivalents

Particulars	As at 30 September 2024	As at 31 March 2024
Fixed deposit with remaining maturity for more than three months #	879.10	459.19
Total	879.10	459.19

Fixed deposit of Rs 150 Lakhs is under lien against loan taken bank. (Previous year : Rs. 150 lakhs)

Note - 6

Trade receivables

Particulars	As at 30 September 2024	As at 31 March 2024
Unsecured and considered good		
Trade Receivables	63.18	0.29
Total	63.18	0.29

As at September 30, 2024

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	63.18	-	63.18
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

As at 31 March 2024

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	0.29	-	0.29
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade Receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

Note - 8

Investments

Particulars	As at 30 September 2024	As at 31 March 2024
At cost		
In Others		
100 (31 March 2024 : 100) Shares in prachay foundation	0.01	0.01
Total	0.01	0.01
Out of above		
Investments outside India	-	-
Investment in India	0.01	0.01
Total (Gross)	0.01	0.01
Less: Allowance for impairment	-	-
Total (Net)	0.01	0.01

Note - 9

Other financial assets

Particulars	As at 30 September 2024	As at 31 March 2024
Unsecured and considered good		
Security deposits	47.98	14.74
Others	2.08	2.08
Total	50.07	16.82

Note - 10

Current tax assets (net)

Particulars	As at 30 September 2024	As at 31 March 2024
Advance tax (net of provision for tax)	6.91	162.09
Total	6.91	162.09

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 11
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 30 September 2024	As at 31 March 2024
Deferred tax Assets	88.76	78.46
Total	88.76	78.46

As at 30 September 2024				
Particulars	Opening Balance	[Expense]/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive Income	
Deferred tax (liabilities)/ assets in relation to:				
Difference on account of Disallowance u/s 43B of Income tax Act, 1961	1.39	0.69	-	2.08
Difference between Written down value as per books and as per Income Tax	(2.85)	0.07	-	(2.78)
Preliminary expenses	0.11	-	-	0.11
Lease liability	8.62	(3.51)	-	5.10
Loan assets at amortised cost	87.10	13.55	-	100.64
Right of use assets	(8.06)	2.99	-	(5.07)
Unamortised borrowing cost	(7.85)	(3.48)	-	(11.34)
Total	78.46	10.30	-	88.76

As at 31 March 2024				
Particulars	Opening Balance	[Expense]/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive Income	
Deferred tax (liabilities)/ assets in relation to:				
Difference on account of Disallowance u/s 43B of Income tax Act, 1961	-	1.39	-	1.39
Difference between Written down value as per books and as per Income Tax	(2.17)	(0.68)	-	(2.85)
Preliminary expenses	0.23	(0.11)	-	0.11
Lease liability	0.54	8.08	-	8.62
Loan assets at amortised cost	24.19	62.91	-	87.10
Subordinated liabilities	1.79	(1.79)	-	-
Right of use assets	(0.48)	(7.58)	-	(8.06)
Unamortised borrowing cost	(12.26)	4.40	-	(7.85)
Total	11.83	66.63	-	78.46

Note - 13
Other non-financial assets

Particulars	As at 30 September 2024	As at 31 March 2024
Prepaid expense	8.19	4.50
Balance with revenue authorities	-	-
Advances to creditors	173.06	0.91
Others	6.09	0.00
Total	187.34	5.41

Note - 14
Payables

Particulars	As at 30 September 2024	As at 31 March 2024
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	1.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.74	1.56
Total	8.74	2.74

As at 30 September 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	8.74	-	-	-	8.74
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	8.74	-	-	-	8.74

As at March 31, 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	1.19	-	-	-	1.19
ii) Others	1.56	-	-	-	1.56
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	2.74	-	-	-	2.74

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * Formerly Known As Prachay Capital Private Limited

Note - 15
Debt securities

Particulars	As at 30 September 2024	As at 31 March 2024
Secured		
Non Convertible Debentures	15,039.50	12,455.00
15,03,95,000 (31 March 2024 : 12,49,50,000) non convertible secured debentures of Rs. 10 each*		
Net Amount	15,039.50	12,495.00
Of the Above		
i) Debt securities in India	15,039.50	12,455.00
ii) Debt securities outside India	-	-

Note:
* Non Convertible Secured Debentures, carrying interest rates ranging from 13-15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option"). These Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee way of hypothecation over the Receivables (both present and future) and all right, title, interest and claims of the Company to the Receivables.

Terms of repayment of non-convertible debentures (NCDs) as at September 30, 2024

R.O.I	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Grand Total
13.00%	-	-	190.50	545.00	1,190.00	129.50	2,055.00
13.50%	-	-	-	105.00	-	-	105.00
14.00%	385.00	522.50	1,817.50	240.00	975.00	1,300.00	4,740.00
14.50%	-	-	451.00	-	273.50	-	724.50
14.75%	-	-	-	505.00	100.00	65.00	670.00
15.00%	-	165.00	-	-	5,180.00	1,400.00	6,745.00
Total	**385.00**	**687.50**	**1,959.00**	**1,395.00**	**7,718.50**	**2,894.50**	**15,039.50**

Note - 16
Borrowings (Other than Debt Securities)

Particulars	As at 30 September 2024	As at 31 March 2024
Secured		
Term Loan from Bank*	2,102.07	2,484.60
Dropline overdraft from bank#	2,138.55	580.63
Unsecured		
Inter corporate deposits^		
- Related Party	-	78.00
- Others	1,600.00	7,250.00
Net Amount	5,840.62	10,393.23
Of the Above		
i) Borrowings in India	5,841	10,393
ii) Borrowings outside India	-	-

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
The Term loan 3 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
The Term loan 4 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
#Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.
Additional Dropline Overdraft of Rs 2000 Lakhs is repayable in 30principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

Term Loan 1, Term Loan 2, Term Loan 3 and Term Loan 4 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Director

Dropline Overdraft Limit is secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

^ Inter corporate deposits are for a tenure of 2 months to 3 years

Shah Nandedwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 17
Lease liabilities

Particulars	As at 30 September 2024	As at 31 March 2024
Lease liabilities	20.27	34.23
Total	20.27	34.23

Note - 18
Other Financial Liabilities

Particulars	As at 30 September 2024	As at 31 March 2024
Employee benefits payable	13.82	-
Interest accrued and due on borrowings	-	-
Interest Accrued but not due on borrowings	306.24	-
Cash collateral collected from borrower	649.80	245.36
Other payables	91.79	212.36
Total	1,061.65	457.72

Note - 19
Current tax liabilities (Net)

Particulars	As at 30 September 2024	As at 31 March 2024
Provision for tax net of Advance tax	39.83	-
Total	39.83	-

Note - 20
Provision

Particulars	As at 30 September 2024	As at 31 March 2024
Provision for gratuity	8.28	5.52
Total	8.28	5.52

Note - 21
Other Non-Financial Liabilities

Particulars	As at 30 September 2024	As at 31 March 2024
Statutory Dues	54.94	3.16
Interest income received in advance	272.08	646.36
Total	327.02	649.52

Note - 24
Interest income

Particulars	For the Period ended 30 September 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	2,102.89	-	2,102.89
Interest on investments - Non convertible debentures	-	585.15	-	585.15
Interest on security deposits	-	2.94	-	2.94
Total	-	2,690.98	-	2,690.98

Particulars	For the Year ended 31 March 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,415.41	-	3,415.41
Interest on investments - Non convertible debentures	-	772.69	-	772.69
Interest on security deposits	-	1.38	-	1.38
Total	-	4,189.48	-	4,189.48

Note - 25
Fees and commission income

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Trade Finance		
Fees and other charges	10.00	16.00
Total	10.00	16.00

Note - 26
Other Income

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Penal charges	45.42	-
Other Income	1.00	1.82
Interest on fixed deposit	26.96	46.49
Total	73.39	48.31

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 27
Finance costs

Particulars	For the Period ended 30 September 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	157.69	-	157.69
Inter corporate deposits	178.62	-	178.62
Debentures	971.62	-	971.62
Cash collateral	4.38	-	4.38
Lease liability	2.00	-	2.00
Other borrowing costs	27.53	-	27.53
Total	1,341.84	-	1,341.84

Particulars	For the Year ended 31 March 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	341.65	-	341.65
Inter corporate deposits	169.89	-	169.89
Debentures	1,076.08	-	1,076.08
Cash credit	10.61	-	10.61
Loan from Shareholders/directors	411.69	-	411.69
Subordinated liabilities	0.46	-	0.46
Lease liability	4.94	-	4.94
Other borrowing costs	28.98	-	28.98
Total	2,038.30	-	2,038.30

Note - 28
Impairment on financial instruments

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
a) Impairment loss on Loans		
i) At Amortised cost	0.28	18.39
b) Impairment loss on NCDs		
i) At FVTOCI	(2.50)	(5.38)
Total	(2.22)	13.02

Note - 29
Employee Benefits Expenses

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Salaries and wages	185.25	272.95
Contribution to provident and other funds	2.02	3.34
Gratuity expenses	-	-
Remuneration to director	-	-
Share based payments	19.90	28.28
Staff welfare expenses	6.43	11.27
Total	213.61	315.83

Note - 30
Depreciation and amortisation expense

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Depreciation on property plant and equipment	14.42	25.45
Amortization of intangible assets	0.05	0.10
Depreciation of right of use assets	14.81	27.42
Total	29.29	52.97

Note - 31
Other Expenses

Particulars	For the Period ended 30 September 2024	For the Year ended 31 March 2024
Rent, taxes and energy costs	3.72	6.83
Repairs and maintenance	0.26	2.37
Advertisement and publicity	5.01	6.56
Auditor's Remuneration (Refer note below)	2.30	6.46
Legal and professional charges	183.45	246.67
Insurance	0.10	0.21
HMC	-	33.18
Miscellaneous expenses	41.66	51.40
Total	236.50	353.87

Particulars	For the year ended	
	30 September 2024	31st March 2024
(i) Payments to the auditors comprises of		
Statutory audit	2.30	4.60
Incometax audit	-	0.75
Certification	-	0.80
Other services	-	0.31
Total	2.30	6.46

Chaturvedi Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 7

Loans

Particulars	As at 30 September 2024			As at 31 March 2024		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans						
Loans to Other	23,846.06	-	23,846.06	23,741.97	-	23,741.97
Loans and Advances in the form of Unquoted Non convertible Debentures *	-	4,865.50	4,865.50	-	4,819.42	4,819.42
Inter Corporate Deposits	-	-	-	-	-	-
Loans to Employees	3.20	-	3.20	6.54	-	6.54
Total (A) - Gross	**23,849.26**	**4,865.50**	**28,714.75**	**23,748.51**	**4,819.42**	**28,567.93**
Less: Impairment loss allowance	59.90	7.00	66.90	59.63	9.50	69.13
Total (A)- Net	**23,789.35**	**4,858.50**	**28,647.85**	**23,688.88**	**4,809.92**	**28,498.80**
(B) Out of above						
(i) Secured	23,846.06	4,865.50	28,711.55	23,741.97	4,819.42	28,561.38
Less: Impairment loss allowance	59.90	7.00	66.90	59.63	9.50	69.13
Total (i)	**23,786.15**	**4,858.50**	**28,644.65**	**23,682.34**	**4,809.92**	**28,492.25**
(ii) Unsecured	3.20	-	3.20	6.54	-	6.54
Less: Impairment loss allowance	-	-	-	-	-	-
Total (ii)	**3.20**	**-**	**3.20**	**6.54**	**-**	**6.54**
Total (B) = (i) + (ii)	**23,789.35**	**4,858.50**	**28,647.85**	**23,688.88**	**4,809.92**	**28,498.80**
(C) Out of above						
(I) Loans in India			-			-
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	23,849.26	4,865.50	**28,714.75**	23,748.51	4,819.42	**28,567.93**
Less: Impairment loss allowance	59.90	7.00	**66.90**	59.63	9.50	**69.13**
Subtotal (ii)	**23,789.35**	**4,858.50**	**28,647.85**	**23,688.88**	**4,809.92**	**28,498.80**
Total (I)	**23,789.35**	**4,858.50**	**28,647.85**	**23,688.88**	**4,809.92**	**28,498.80**
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (II)	-	-	-	-	-	-
Total C(I)and C(II)	**23,789.35**	**4,858.50**	**28,647.85**	**23,688.88**	**4,809.92**	**28,498.80**

Note 1 : As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2023, Company has made provisions for Standard Assets.
Note 2 :* Loans and advances includeds investment in Unqouted Non Convertible Debentures by Alternate investment fund classified as loans & advances.

A. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Summary of loans by stage distribution

Particulars	As at 30 September 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	25,600.75	3,114.00	-	28,714.75
Less: Impairment loss allowance	(59.02)	(7.88)	-	(66.90)
Net carrying amount	**25,541.73**	**3,106.12**	**-**	**28,647.85**

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	28,567.93	-	-	28,567.93
Less: Impairment loss allowance	(69.13)	-	-	(69.13)
Net carrying amount	**28,498.80**	**-**	**-**	**28,498.80**

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Note - 7

Loans

B. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 30 September 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2024	28,567.93	69.13	-	-	-	-	28,567.93	69.13
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(3,114.00)	(7.88)	3,114.00	7.88	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(11,001.06)	(2.22)	-	-	-	-	(11,001.06)	(2.22)
New credit exposures during the year, net of repayments	11,147.89	-	-	-	-	-	11,147.89	-
Amounts written off during the year							-	-
As at 30 September 2024	**25,600.75**	**59.02**	**3,114.00**	**7.88**	**-**	**-**	**28,714.75**	**66.90**

Particulars	As at 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2023	22,567.98	56.11	-	-	-	-	22,567.98	56.11
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(17,593.49)	-	-	-	-	-	(17,593.49)	-
New credit exposures during the year, net of repayments	23,593.44	13.02	-	-	-	-	23,593.44	13.02
Amounts written off during the year							-	-
As at 31 March 2024	**28,567.93**	**69.13**	**-**	**-**	**-**	**-**	**28,567.93**	**69.13**

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 12

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Furniture and fixtures	6.46	0.87	-	7.33	3.77	0.89	-	4.66	2.67	2.68
Office equipments	13.35	15.48	0.12	28.71	2.70	7.10	0.11	9.69	19.02	10.65
Computers & Laptops	15.36	7.69	0.38	22.67	11.73	4.75	0.36	16.12	6.55	3.62
Building	198.25	-	-	198.25	6.38	9.34	-	15.72	182.53	191.87
Vehicles	13.37	-	-	13.37	2.45	3.38	-	5.83	7.54	10.92
Total	246.78	24.04	0.50	270.33	27.03	25.45	0.47	52.02	218.31	219.75

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right of use assets	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05
Total	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Softwares	-	0.36	-	0.36	-	0.10	-	0.10	0.26	-
c. Intangible Assets (under development) :-	-	43.60	-	43.60	-	-	-	-	43.60	-
Total	-	43.96	-	43.96	-	0.10	-	0.10	43.86	-





Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Consolidated Financial Statements for the period ended 30 September 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 12

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Furniture and fixtures	7.33	-	-	7.33	4.66	0.59	-	5.25	2.08	2.67
Office equipments	28.71	2.76	-	31.47	9.69	4.42	-	14.11	17.36	19.02
Computers & Laptops	22.67	7.53	-	30.20	16.12	3.79	-	19.91	10.29	6.55
Building	198.25	-	-	198.25	15.72	4.46	-	20.18	178.07	182.53
Vehicles	13.37	-	-	13.37	5.83	1.17	-	7.00	6.37	7.54
Total	**270.33**	**10.29**	**-**	**280.62**	**52.02**	**14.42**	**-**	**66.44**	**214.18**	**218.31**

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Right of use assets	59.26	32.69	-	91.95	25.38	14.81	-	40.19	51.76	33.88
Total	**59.26**	**32.69**	**-**	**91.95**	**25.38**	**14.81**	**-**	**40.19**	**51.76**	**33.88**

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01 April 2024	Additions	Deletions/ Adjustments	As at 30 September 2024	As at 01 April 2024	For the period	Deductions/ Adjustments	As at 30 September 2024	As at 30 September 2024	As at 31 March 2024
Softwares	0.36	-	-	0.36	0.10	0.05	-	0.15	0.21	0.26
Intangible Assets (under development)	43.60	16.35	-	59.95	-	-	-	-	59.95	43.60
Total	**43.96**	**16.35**	**-**	**60.31**	**0.10**	**0.05**	**-**	**0.15**	**60.16**	**43.86**

D - Capital Work in Progress	-	27.25	-	27.25	-	-	-	-	27.25	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Note - 22

Equity share capital

Particulars	As at 30 September 2024	As at 31 March 2024
Authorised		
2,80,00,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,80,00,000 Shares of Rs.10 each)	2,800	2,800
20,00,000 Preference Shares of Rs. 10 each (as on 31 March 2024 :- 20,00,000 Shares of Rs.10 each)	200	200
Total	3,000	3,000
Issued, Subscribed and Paid Up		
2,16,50,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,16,50,000 Shares of Rs.10 each)	2,165	2,165
Total	2,165	2,165

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 30 September 2024		As at 31 March 2024	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	2,16,50,000	2,165	2,08,50,000	2,085
Add:- Shares issued during the year	-	-	8,00,000	80
Shares outstanding at the end of the year	2,16,50,000	2,165	2,16,50,000	2,165

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 30 September 2024		As at 31 March 2024	
	Nos.	% of Holding	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	79.26	1,71,59,870	79.26
Rahul Rathi	17,00,000	7.85	17,00,000	7.85
Prachay Advisors Private Limited	14,98,442	6.92	14,98,442	6.92
Total	2,03,58,312		2,03,58,312	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 30 September 2024		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	79.26%	0.00%

Promoter Name	As at 31 March 2024		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	79.26%	3.04%

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc

The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly known as Prachay Capital Private Limited)

Note - 23
Other equity

Particulars	As at 30 September 2024	As at 31 March 2024
(I) Retained Earnings		
Balance at the beginning of the year / period (a)	2,959.47	2,092.71
Impact of first time adoption of IND AS	-	-
Profit/(Loss) for the year / period (b)	710.85	1,102.30
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	185.42	228.44
Less: Transfer to capital redemption reserve	-	7.10
Total appropriations (c)	185.42	235.54
Balance at the end of the year (a+b-c)	3,484.90	2,959.47
Other Reserves		
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year / period	777.08	548.64
Add: Transferred during the year / period	185.42	228.44
Balance as at the end of the year / period	962.50	777.08
(III) Securities Premium		
Balance as at the beginning of the year / period	1,345.00	425.00
Add: Addition during the year / period	-	920.00
Balance at the end of the year / period	1,345.00	1,345.00
(IV) Capital Redemption Reserve		
Balance as at the beginning of the year / period	7.10	-
Add: Addition during the year / period	-	7.10
Balance at the end of the year / period	7.10	7.10
(V) Employees Stock Options Reserve		
Balance as at the beginning of the year / period	28.28	-
Add: Addition during the year / period	19.90	28.28
Balance at the end of the year / period	48.18	28.28
(VI) Non-controlling Interest		
Balance as at the beginning of the year / period	-	-
Add: Profit during the period	1.04	
Add: Addition during the year / period	102.40	-
Balance at the end of the year / period	103.43	-
Total	5,951.11	5,116.92

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) Securities Premium

Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) Employees Stock Options Reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 * (Formerly Known As Prachay Capital Private Limited)

NOTE - 32
Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the period ended	
	30 September 2024	31 March 2024
(A) Net profit attributable to equity shareholders		
Profit after tax but before amortisation of ESOP cost	731.79	1,130.57
Less: Amortisation of ESOP cost	19.90	28.28
Total	**711.89**	**1,102.30**
(B) Weighted average number of equity shares for at the beginning of the year	2,16,50,000.00	2,13,96,448.09
Effective shares issued during the year	3,47,815.00	-
(C) Weighted average number of equity shares outstanding during the period*	2,19,97,815.00	2,13,96,448.09
Basic earning price per share (Rs) (A/C)	3.29	5.15
Diluted earning price per share (Rs) (A/C)	Refer Note	Refer Note

* Note: Due to unavailability of FMV as on 30 September 24, the Managemant has not calculated weighted average number of equity shares and diluted EPS.

NOTE - 33
Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 30 September 2024 and 31 March 2024

NOTE - 34
Commitments and Contingent Liabilities

There are no contingent liabilities for the period ended 30 September 2024 and 31 March 2024.

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for are Rs. 108.88 lakhs (Previous year : Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for are Rs. 25.00 lakhs

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 35

Income tax expense

Particulars	For the year ended	
	30 September 2024	31 March 2024
(a) Income tax expense is as follows:		
Current tax		
Current tax on profits for the year	253.77	446.47
Prior year Income tax	-	(2.33)
Total Current tax expense	**253.77**	**444.14**
Deferred tax	(10.30)	(66.63)
Total Deferred tax expense/(benefit)	**(10.30)**	**(66.63)**
Total Income tax expense	**243.47**	**377.51**

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the period ended	
	30 September 2024	31 March 2024
Profit / (Loss) before income tax expense	955.36	1,479.80
	955.36	**1,479.80**
Tax at the Indian tax rate of 25.168%	240.44	372.44
Add/(less) effect of :		
Effect of expenses/(income) that are not deductible in determining taxable profit	3.03	5.07
Income tax expense	**243.47**	**377.51**

NOTE - 36
Employee benefits plan
Defined benefit plans
(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below :

Particulars	As at	
	30 Sept 2024	31 March 2024
Defined benefit obligation as at the opening of the year	5.52	-
Current service cost	2.76	5.52
Past service cost	-	-
Interest on defined benefit obligation	-	-
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	-	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	**8.28**	**5.52**

Movement in Plan Assets

Particulars	As at	
	30 Sept 2024	31 March 2024
Fair value of plan asset as at the beginning of the year	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	-	-
Benefits paid	-	-
Fair value of plan asset as at the end of the year	-	-

Reconciliation of net liability/asset

Particulars	As at	
	30 Sept 2024	31 March 2024
Net defined benefit liability/(asset) as at the beginning of the year	5.52	-
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	2.76	5.52
Amount recognised in other comprehensive income	-	-
Contributions Paid	-	-
Net defined benefit liability/(asset) as at the end of the year	8.28	5.52

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	30 Sept 2024	31 March 2024
Current service Cost	2.76	5.52
Net Interest Cost	-	-
Total	**2.76**	**5.52**





NOTE - 36

Employee benefits plan

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	30 Sept 2024	31 March 2024
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	-	
Changes in demographic assumptions	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

Amount recognised in Balance Sheet

Particulars	As At	
	30 Sept 2024	31 March 2024
Present value of defined benefit obligation	8.28	5.52
Fair value of plan assets	-	-
Net obligation	8.28	5.52
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	8.28	5.52

Key actuarial assumptions

Particulars	As At	
	30 Sept 2024	31 March 2024
Discount rate (p.a.)	N.A.	7.20%
Salary escalation rate (p.a.)	N.A.	7%

Expected Payout:

Year	30 Sept 2024	31 March 2024
	PVO Payout	PVO Payout
Expected Outgo First	N.A.	0
Expected Outgo Second	N.A.	0
Expected Outgo Third	N.A.	0
Expected Outgo Fourth	N.A.	0
Expected Outgo Fifth	N.A.	2.00
Expected Outgo Sixth to Tenth Years	N.A.	21.19

Sensitivity analysis for significant assumptions is as shown below

Particulars	30 Sept 2024	31 March 2024
Impact of increase in 100 bps on discount rate	N.A.	(0.44)
Impact of decrease in 100 bps on discount rate	N.A.	0.51
Impact of increase in 100 bps on salary escalation rate	N.A.	(0.40)
Impact of decrease in 100 bps on salary escalation rate	N.A.	0.45
Impact of increase in 100 bps on withdrawal rate	N.A.	(0.01)
Impact of decrease in 100 bps on withdrawal rate	N.A.	0.01

Valuation Results:

The assumptions and methodology used in compiling this Report are consistent with the requirements of Indian Accounting Standard (Ind AS) 19

The results are particularly sensitive to some assumptions, such as the discount rate, level of salary inflation & level of assumed mortality.

Shah Khandelwal Jain & Associates Chartered Accountants Pune

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 37

Related Parties Disclosure

37.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No.	Name of Related Party and their relationship
(A)	**Key Management Personnel**
	Girish Lakhotiya - Managing Director
	Roshan Sancheti - Director
	Divya Raizada** - Director
	Pooja Porwal* - Company secretary
	Sonal Gupta*** - Company secretary
	Ankur Agrawal - Chief Financial Officer
(B)	**Independent Directors**
	Nilesh Saboo
	Archna Rastogi
(C)	**Relatives of Directors & Key Management Personnel (KMP)**
	Sneha Dhoot
	Anita Mohta
	Roshan Sancheti HUF
	Rajendra Sancheti HUF
	Preeti Raizada
	Dharamveer Raizada
	Vinay Raizada
	Pramila Raizada
	Meena Agrawal
(D)	**Entities in which KMPs are having significant influence**
	Prachay Foundation
	Prachay Holding Private Limited
	Prachay Advisors Private Limited

* Pooja Porwal has resigned from the post of Company Secretary with effect from 30th March 2024
** Directorship of Divya Raizada Started from 31st January 2024
*** Sonal Gupta has been appointed as the Whole-Time Company Secretary with effect from 1st April 2024





37.2 Transactions with Related Parties

Particulars	30 September 2024	31 March 2024
Loans taken from:		
Girish Lakhotiya		247.00
Roshan Sancheti		81.00
Repayment of loans:		
Girish Lakhotiya		248.00
Roshan Sancheti		82.00
Inter- corporate deposits received:		
Prachay Holding Private Limited	-	55.00
Prachay Advisors Private Limited	60.00	50.00
Inter- corporate deposits repaid:		
Prachay Holding Private Limited	28.00	27.00
Prachay Advisors Private Limited	110.00	-
Investments received on Secured Non convertible debentures:		
Anita Mohta	-	2.50
25,000 debentures of Rs 10/- each		
Roshan Rajendra Sancheti HUF	-	28.00
2,80,000 debentures of Rs 10/- each		
Rajendra Sancheti HUF	-	25.00
2,50,000 debentures of Rs 10/- each		
Transfer of Non Convertible Debentures from:		
Roshan Rajendra Sancheti HUF	10.00	5.00
Rajendra Sancheti HUF	25.00	-
Pooja Porwal	-	7.50
Transfer of Non Convertible Debentures to:		
Divya Raizada	5.00	-
50,000 debentures of Rs 10/- each		
Vinay Raizada	5.00	-
50,000 debentures of Rs 10/- each		
Pramila Raizada	5.00	-
50,000 debentures of Rs 10/- each		
Sitting fees :		
Nilesh Saboo	0.31	-
Archna Rastogi	0.81	-
Interest paid on Unsecured Loans & Inter Corporate Deposits:		
Girish Lakhotiya	-	2.86
Roshan Sancheti	-	1.53
Prachay Advisors Private Limited	5.03	3.39
Prachay Holding Private Limited	0.50	3.00
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.49	0.69
Roshan Rajendra Sancheti HUF	1.81	1.70
Rajendra Sancheti HUF	1.44	1.42
Divya Raizada	1.48	0.54
Preeti Raizada	1.03	0.46
Vinay Raizada	0.18	0.09
Dharamveer Raizada	0.18	0.09
Pooja Porwal	-	0.05
Pramila Raizada	0.01	-
Meena Agrawal	0.65	

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Particulars	30 September 2024	31 March 2024
Remuneration to director / KMP:		
Girish Lakhotiya	1.50	3.00
Roshan Sancheti	24.00	49.00
Divya Raizada	17.89	4.96
Pooja Porwal	-	11.64
Ankur Agrawal	4.20	-
Sonal Gupta	4.58	-
Professional fees / Royalty:		
Girish Lakhotiya	38.00	36.00
Sneha Dhoot	36.00	48.00
Redemption of Preference Shares:		
Girish Lakhotiya	-	0.60
Payment of Dividend on Preference Shares:		
Girish Lakhotiya	-	0.04

Outstanding balances:

Particulars	30 September 2024	31 March 2024
Non Convertible Debentures:		
Anita Mohata	7.50	7.50
Divya Raizada	25.00	20.00
Roshan Rajendra Sancheti HUF	18.00	28.00
Rajendra Sancheti HUF	-	25.00
Preeti Raizada	15.00	15.00
Vinay Raizada	7.50	2.50
Dharamveer Raizada	2.50	2.50
Pramila Raizada	5.00	-
Meena Agrawal	10.00	
Inter- corporate deposits Taken:		
Prachay Holding Private Limited	-	28.00
Prachay Advisors Private Limited	-	50.00
Investments in Equity Shares:		
Prachay Foundation	0.01	0.01

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 38
Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 30 September 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01	-	-	0.01	0.01
Trade receivables	-	-	63.18	63.18	-	-	63.18	63.18
Cash and cash equivalents	-	-	114.75	114.75	114.75	-	-	114.75
Bank balances other than cash and cash equivalents	-	-	879.10	879.10	879.10	-	-	879.10
Loans	4,858.50	-	23,789.35	28,647.85	-	-	28,647.85	28,647.85
Other financial assets	-	-	50.07	50.07	-	-	50.07	50.07
Total	**4,858.50**	**-**	**24,896.46**	**29,754.96**	**993.85**	**-**	**28,761.11**	**29,754.96**
Financial Liabilities								
Debt Securities	-	-	15,039.50	15,039.50	-	-	15,039.50	15,039.50
Borrowings	-	-	5,840.62	5,840.62	-	-	5,840.62	5,840.62
Other payables	-	-	8.74	8.74	-	-	8.74	8.74
Lease liabiities	-	-	20.27	20.27	-	-	20.27	20.27
Other financial liabilities	-	-	1,061.65	1,061.65	-	-	1,061.65	1,061.65
Total	**-**	**-**	**21,970.78**	**21,970.78**	**-**	**-**	**21,970.78**	**21,970.78**

Financial Assets and Liabilities as at 31 March 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01	-	-	0.01	0.01
Cash and cash equivalents	-	-	1,732.08	1,732.08	1,732.08	-	-	1,732.08
Bank balances other than cash and cash equivalents	-	-	459.19	459.19	459.19	-	-	459.19
Trade receivables	-	-	0.29	0.29	-	-	0.29	0.29
Loans	4,809.92	-	23,688.88	28,498.80	-	-	28,498.80	28,498.80
Other financial assets	-	-	16.82	16.82	-	-	16.82	16.82
Total	**4,809.92**	**-**	**25,897.27**	**30,707.18**	**2,191.27**	**-**	**28,515.92**	**30,707.18**
Financial Liabilities								
Debt Securities	-	-	12,495.00	12,495.00	-	-	12,495.00	12,495.00
Borrowings	-	-	10,393.23	10,393.23	-	-	10,393.23	10,393.23
Other payables	-	-	2.74	2.74	-	-	2.74	2.74
Lease liabiities	-	-	34.23	34.23	-	-	34.23	34.23
Other financial liabilities	-	-	457.72	457.72	-	-	457.72	457.72
Total	**-**	**-**	**23,382.93**	**23,382.93**	**-**	**-**	**23,382.93**	**23,382.93**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Note - 39
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.
The Company has complied in full with the capital requirements prescribed by RBI over the reported period. Refer Note 51 for disclosure of capital adequacy as per applicable RBI regulations.

Note - 40
Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

ii) Provision for expected credit losses

The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *
* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)
LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)
Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.
The Company does not have any historical loss experience, it has created standard loss provision as per RBI regulations on the loans given and the loans given has sufficient security cover, the Company has not created any further provision for ECL.

b) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at September 30, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	15,039.50	**15,039.50**	385.00	687.50	1,959.00	12,008.00	-
Borrowings	5,840.62	**5,840.62**	1,462.50	1,862.50	1,358.33	1,157.29	-
Lease Liabilities	20.27	**20.27**	13.47	3.28	3.52	-	-
Other payables	8.74	**8.74**	8.74	-	-	-	-
Other financial Liabilities	1,061.65	**1,061.65**	1,061.65	-	-	-	-
Total	**21,970.78**	**21,970.78**	**2,931.36**	**2,553.28**	**3,320.86**	**13,165.29**	-

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	12,495.00	**12,495.00**	-	610.00	**737.50**	11,147.50	-
Borrowings	10,393.23	**10,393.23**	3,633.43	3,584.50	709.81	2,465.50	-
Lease Liabilities	34.23	**34.27**	17.22	13.36	3.68	-	-
Other payables	2.74	**2.74**	2.74	-	-	-	-
Other financial Liabilities	457.72	**457.72**	457.72	-	-	-	-
Total	**23,382.93**	**23,382.97**	**4,111.11**	**4,207.86**	**1,450.99**	**13,613.00**	-

c. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee companies and reviews the same.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
The Company is not exposed to currency risk.

iii) Interest rate risk

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.
The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

Particulars	As at 30 Sept 2024	As at 30 Sept 2024	As at 31 March 2024	As at 31 March 2024
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) ,5% change in rate of Interest	6.21	4.65	14.78	11.06

Note : Interest rate sensitivity for the period ending on September 30, 2024 is not annualised.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 41

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at 30 September 2024			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	114.75	-	114.75	1,732.08	-	1,732.08
Bank balances other than cash and cash equivalents	273.18	605.92	879.10	97.82	361.37	459.19
Receivables						
Trade Receivables	63.18	-	63.18	0.29	-	0.29
Loans	14,902.86	13,744.99	28,647.85	4,807.41	23,691.39	28,498.80
Investments	-	0.01	0.01	-	0.01	0.01
Other Financial assets	16.81	33.26	50.07	16.81	-	16.82
	15,370.77	**14,384.18**	**29,754.96**	**6,654.40**	**24,052.77**	**30,707.18**
Non-financial Assets						
Current tax assets (Net)	6.91	-	6.91	162.09	-	162.09
Deferred tax Assets (Net)	-	88.76	88.76	-	78.46	78.46
Property, Plant and Equipment	-	214.18	214.18	-	218.31	218.31
Capital work inprogress	-	27.25	27.25			
Right of use assets	-	51.76	51.76	-	33.88	33.88
Intangible assets under development	-	59.95	59.95		43.60	43.60
Other Intangible assets	-	0.21	0.21	-	0.26	0.26
Goodwill on consolidation	-	70.70	70.70	-	70.70	70.70
Other non-financial assets	14.28	173.06	187.34	5.41	-	5.41
	21.20	**685.86**	**707.06**	**167.51**	**445.20**	**612.71**
Total Assets	**15,391.97**	**15,070.04**	**30,462.01**	**6,821.91**	**24,497.97**	**31,319.89**
LIABILITIES						
Financial Liabilities						
Payables						
Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	1.19	-	1.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.74	0.00	8.74	1.56	-	1.56
Debt Securities	1,072.50	13,967.00	15,039.50	610.00	11,885.00	12,495.00
Borrowings (Other than Debt Securities)	3,325.00	2,515.62	5,840.62	1,034.57	9,358.67	10,393.23
Subordinated Liabilities	-	-	-	-	-	-
Lease Liabilities	6.80	13.47	20.27	30.59	3.65	34.23
Other financial liabilities	485.84	575.81	1,061.65	287.48	170.24	457.72
	4,898.88	**17,071.90**	**21,970.78**	**1,965.38**	**21,417.56**	**23,382.93**
Non-Financial Liabilities						
Current tax liabilities (Net)	39.83	-	39.83		-	-
Provisions	8.28	-	8.28	5.52	(0.00)	5.52
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	327.02	-	327.02	649.52	-	649.52
	375.12	-	**375.12**	**655.04**	**(0.00)**	**655.04**
Total Liabilities	**5,274.00**	**17,071.90**	**22,345.90**	**2,620.42**	**21,417.55**	**24,037.97**
Net Assets / (Liabilities)	**10,117.97**	**(2,001.86)**	**8,116.11**	**4,201.49**	**3,080.42**	**7,281.92**





Note-42 Leases

The Company has entered into leases for its offices.

The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.
Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	30 September 2024	31 March 2024
Opening Balance	34.23	2.14
Additions	-	56.14
Accretion of interest	2.00	4.94
Payments/Adjustments	(14.96)	(28.99)
Closing Balance	20.27	34.23

a) The maturity analysis of lease liabilities are disclosed in note 41.
b) The Company has entered in to lease agreement which will commence in November 2024 having lease period of 60 months.

Note-43 Additional Regulatory Information

(i) The Title Deeds of all immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(iii) The Company has not revalued any of its intangible assets during the year.

(iv) During the period ended 30 September 2024, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) Capital work in progress includes Intangible under development i.e. ERP Software which amounts to Rs. 59.95 Lacs

(vi) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(vii) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security
No difference observed in quarterly returns or the statements filed by company with such Banks.

(viii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(ix) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(x) The company has already processed with filing the registration or satisfaction of charges.

(xi) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xii) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

(xiii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiv) a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;
b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

Note-44 Employee Stock Options

The Board in its meeting held on 01 April 2023 has resolved to issue to Employees under ESOP 2023, Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company (i.e. 10,42,500 Equity Shares), each Share of face value Rs. 10 each of the Company, with each such Option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such grant/s.

The shareholders of the Company, in their extraordinary general meeting held on 11 April 2023 have approved the Grant of Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company, each Share of face value INR 10 each of the Company, under Employee Stock Option Plan 2023 to the Employees.

The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 * (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(a) Summary of ESOP

Particulars	Options	Weighted Average Exercise Price (IN INR)
Options outstanding as at 01 April 2023	Nil	N.A
Options granted during the year	3,69,635	125
Options canceled / forfeited / expired during the year	21,820	125
Options exercised during the year	Nil	N.A
Options outstanding as at 31 March 2024	3,47,815	125
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	-	-
Options exercised during the period	-	-
Options outstanding as at 30 September 2024	3,47,815	125
Options exercisable at the end of the year	Nil	N.A
Range of exercise price of options outstanding at the end of the year	125	
Average share price during the year	125	
Weighted average contractual life of options outstanding at the end of the year	4.79 Years	
Weighted average fair value of option as on date of grant (granted during the year)	42.06	

(b) Fair Value of Options granted during the year:

Particulars	Fair Value 30 September 2024 (IN INR)	Amount 30 September 2024	Fair Value 31 March 2024 (IN INR)	Amount 31 March 2024
Option Grant on 15th July 2023				
- 1st Vesting	42.08	3.66	42.04	5.20
- 2nd Vesting	42.08	4.88	42.04	6.94
- 3rd Vesting	42.08	5.49	42.04	7.81
- 4th Vesting	42.08	5.86	42.08	8.33
Total Employee Compensation Cost		19.90		28.28

(c) Method used for calculating fair value of Option – Black Scholes Option Valuation Model.

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below:

Particulars	Fair Value
Stock Price (IN INR)	125
Standard Deviation (Volatility)	Nil *
Risk Free Rate	0
Exercise Price (IN INR)	125
Time to Maturity	6 Years
Dividend Yield	Nil

* Since the company is closely held and management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil.

Note - 45 Additional Disclosure

Particulars	Parent	Wholly owned subsidiaries		Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay AIF Scheme I - Category II	
Net Assets (Total assets minus total liabilities)				
As a % of consolidated net assets	85.08%	0.49%	14.44%	100%
Amount	5,920.96	32.07	2,059.65	8,012.68
Share in consolidated profit or (loss)				
As a % of consolidated profit or (loss)	97.59%	0.21%	2.19%	100%
Amount	617.92	(12.01)	105.97	711.89
Share in Consolidated other comprehensive income				
As a % of consolidated Other comprehensive income	0%	0.00%	0.00%	100%
Amount	-	-	-	-
Share in consolidated total comprehensive income				
As a % of consolidated total comprehensive income	97.59%	0.21%	2.19%	100%
Amount	617.92	(12.01)	105.97	711.89

*As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date: 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	Roshan Sancheti	Sonal Gupta	Ankur Agrawal
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN:02699138	DIN:07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: 30-01-2025	Date: 30-01-2025	Date: 30-01-2025	Date: 30-01-2025

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Shah Khandelwal Jain & Associates
Chartered Accountants

T I +91 20 6721 5500
www.skjican.com

Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India

Independent Auditors' Special Purpose Audit Report on the Standalone Financial Statement of Assets and liabilities as at March 31, 2024, Standalone Statement of Profit and Loss and Standalone Cash Flows Statement for the year ended March 31, 2024, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Standalone financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited accompanying financial statements of Prachay Capital Limited (the " Company"), which comprises the standalone balance sheet as at March 31, 2024, the standalone statement of profit and loss, Standalone statement of changes in equity and standalone cash flow statement for the year ended March 31, 2024, and a summary of Material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Standalone Ind As Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Ind AS Financial Statement are prepared in all material aspects and in terms of compliance with SEBI NCS Regulations and in accordance with the basis set out in Note No. 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Standalone Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements section of our report. We are independent of the company in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Standalone Ind AS Financial Statements.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Standalone Ind AS Financial Statements that give a true and fair view of the Standalone financial position, Standalone results of operations, Standalone changes of equity and Standalone 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 Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Company are responsible for 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 Special Purpose Standalone Ind AS 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 Special Purpose Standalone Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special purpose Ind AS financial statements, the respective Board of the Directors of the Companies are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing the financial reporting process of the Company.



Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Ind AS Financial Statements 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 Special Purpose Standalone Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

Chartered Accountants

f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Special Purpose Standalone Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Standalone Ind AS Financial Statements of which we are the independent auditors

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

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Standalone Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No: 142740W

A C Khandelwal



Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMHYPF8191

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Balance sheet as at 31 March 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
1. Financial assets			
Cash and cash equivalents	4	1,661.13	118.65
Bank Balance other than cash and cash equivalents	5	451.24	191.63
Loans	6	27,483.44	22,551.37
Investments	7	1,123.76	100.01
Other Financial assets	8	30.20	12.48
		30,749.77	**22,974.14**
2. Non-financial assets			
Current tax assets (net)	9	155.82	-
Deferred tax assets (net)	10	77.96	11.46
Property, plant and equipment	11	217.09	217.13
Right of use assets	11	33.88	2.05
Intangible assets under development	11	43.60	-
Other Intangible assets	11	0.26	-
Other non-financial assets	12	5.41	61.56
		534.02	**292.19**
Total Assets		**31,283.79**	**23,266.33**
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Payables	13		
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.15	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.47	0.05
Debt securities	14	12,495.00	5,636.50
Borrowings (other than debt securities)	15	10,443.23	12,287.34
Subordinated liabilities	16	-	7.10
Lease liabilities	17	34.23	2.14
Other financial liabilities	18	457.72	37.74
		23,431.81	**17,970.87**
2. Non-Financial liabilities			
Current tax liabilities (Net)	19	-	106.81
Provisions	20	5.52	-
Other non-financial liabilities	21	647.56	115.31
		653.08	**222.12**
EQUITY			
Equity share capital	22	2,165.00	2,085.00
Other equity	23	5,033.91	2,988.34
		7,198.91	**5,073.34**
Total Liabilities and Equity		**31,283.79**	**23,266.33**

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

ACKhandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of Profit and Loss Account for the period ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from operations			
Interest Income	24	4,189.39	3,348.08
Total revenue from operations		**4,189.39**	**3,348.08**
Other income	25	46.76	21.71
Total income		**4,236.14**	**3,369.79**
Expenses			
Finance costs	26	2,042.16	1,647.33
Impairment on financial instruments	27	13.02	22.42
Employee benefits expenses	28	315.62	16.76
Depreciation, amortisation and impairment	29	51.57	20.29
Others expenses	30	341.83	368.33
Total expenses		**2,764.20**	**2,075.13**
Profit before tax		**1,471.95**	**1,294.67**
Tax expense:			
Current tax		443.49	294.51
Deferred tax		(66.50)	46.32
Prior year Income tax		(2.33)	
Profit for the period / year		**1,097.30**	**953.83**
Other comprehensive income		-	-
Total comprehensive income for the period / year		**1,097.30**	**953.83**
Earnings per equity share (for continuing operations)	31		
Basic (Rs.10)		5.13	4.67
Diluted (Rs.10)		Refer Note	4.67

Material accounting policies **1-3**

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date :30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Pracnay Capital Private Limited)

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date :30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date :30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date :30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date :30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Cash Flow Statement for the period ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,471.95	1,294.67
Adjustments for:		
Interest income on fixed deposit	(46.19)	(17.92)
Interest on lease liabilities	4.94	0.75
Depreciation & amortisation	51.57	20.29
Provision for Standard Assets	13.02	22.42
Fixed assets written off	0.03	0.04
Share based payments	28.28	-
Operating Profit/(Loss) before changes in working capital	**1,523.59**	**1,320.25**
Adjustment for (Increase)/Decrease in Operating Assets		
Loans given	(4,945.08)	(9,315.55)
Adjustments for other non financial assets	56.15	251.38
Adjustments for other financial assets	(17.72)	(9.95)
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in payables	1.56	(0.39)
Adjustments for provisions	5.52	-
Adjustments for other financial liabilities	416.87	(66.37)
Adjustments for other non financial liabilities	532.25	74.52
Cash flow from operations after changes in working capital	(2,426.87)	(7,746.11)
Net Direct Taxes (Paid)/Refunded	(703.79)	(148.41)
Net Cash Flow from/(used in) Operating Activities	**(3,130.66)**	**(7,894.53)**
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale / (Purchase) of Property plant and equipment and Intangible assets	(68.00)	(224.75)
Net Sale / (Purchase) of investment	(1,023.75)	(100.00)
Net Redemption / (Investment) in fixed deposits	(259.61)	115.65
Interest received	46.19	17.92
Net Cash Flow from/(used in) Investing Activities	**(1,305.17)**	**(191.18)**
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuing shares (Including security premium net off issue expense)	1,000.00	510.00
Proceeds from Debt Securities (Including Debenture Premium)	6,858.50	1,895.00
Proceeds from Subordinated Liabilities	(7.10)	1.30
Proceeds from borrowings	(1,844.10)	5,780.03
Payment of lease liabilities	(28.99)	(6.60)
Net Cash Flow from/(used in) Financing Activities	**5,978.31**	**8,179.73**
Net Increase/ (decrease) in cash and cash equivalents	**1,542.48**	**94.02**
Cash & Cash Equivalents at beginning of period (see Note 1)	118.65	24.62
Cash and cash equivalents at end of period (see Note 1)	**1,661.13**	**118.65**





Notes:

1 Cash and cash equivalents comprises of:		
Cash on hands	0.77	2.67
Balance with banks	1,660.36	20.98
Fixed Deposit having maturity of less than 3 months	-	95.00
Cash and cash equivalents	**1,661.13**	**118.65**
Effect of unrealised foreign exchange (gain)/loss (net)		
Cash and cash equivalents as restated	**1,661.13**	**118.65**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

4 Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Closing balance as at 31-03-2024
Borrowings	17,923.84	5,014.40	22,938.23

Particulars	Opening balance as at 1 April 2022	Cash flows (net)	Closing balance as at 31-03-2023
Borrowings	10,248.81	7,675.03	17,923.84

As per our report of even date

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of changes in equity for the period ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the current reporting period	2,085	2,000
Changes in equity share capital during the current period/year	80	85
Balance at the end of the current reporting period	**2,165**	**2,085**

B) For the year ended 31 March 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31 March 2023	2,014.70	548.64	425.00	-	-	-	-	2,988.34
Profit after tax	1,097.30	-	-	-	-	-	-	1,097.30
Other comprehensive income	-	-	-	-	-	-	-	-
	3,112.00	**548.64**	**425.00**	**-**		-	-	**4,085.64**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(219.46)	219.46	-	-	-	-	-	-
Transfer to capital redemption reserve	(7.10)	-	-	7.10	-	-	-	-
Add: Addition during the year	-		920.00	-	28.28	-	-	948.28
Balance as at 31 March 2024	**2,885.44**	**768.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,033.91**

For the year ended 31 March 2023

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 01 April 2022	**1,251.64**	**357.87**	-	-	-	-	-	**1,609.51**
Profit after tax	953.83	-	-	-	-	-	-	953.83
Other comprehensive income	-	-	-	-	-	-	-	-
	2,205.47	**357.87**	-	-	-	-	-	**2,563.34**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(190.77)	190.77	-	-	-	-	-	-
Add: Addition during the year	-	-	425.00	-	-	-	-	425.00
Balance as at 31 March 2023	**2,014.70**	**548.64**	**425.00**	-	-	-	-	**2,988.34**

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly known as Prachay Capital Private Limited)

1.Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of Company from a Private Limited to a Public Limited Company to commence/ or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2.Basis of preparation and presentation of financial statements

Statement of Compliance and basis of preparation

The company has prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose financial statements for year ended 31 March , 2024 by adopting the date of transition as 1st April, 2021 accordingly these financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for NBFCs in accordance with the RBI notification no. RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Any application guidance/ clarifications / directions issued by RBI or other regulators are implemented as and when they are issued/ applicable

The Special Purpose financial statements are prepared and presented in the format prescribed in the Division III of Schedule III of the Act.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Ind AS and accounting principles generally accepted in India. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

I. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are

managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

II. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

III. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12months after the reporting date.

IV. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 35.

V. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 10.

VI. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

VII. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 43.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Jain & Associates Chartered Accountants
Prachay Capital Ltd. (Formerly Known as ... Capital Private Limited) CIN-U65900PN2017PLC168737

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.Material Accounting Policies

Revenue from Contracts with Customers

i. Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. Net Gain/Loss on fair value changes

Any differences between the fair values of 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 cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under other income and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

iii. Other income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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 the value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Pradnya Kanwar & Associates Chartered Accountants
Pradhan Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Pradhan Capital Private Limited

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out

Chartered Accountants Pune-1
Prachay Capital Ltd CIN: U65990PN 2017PLC 158737 (Formerly Known As Prachay Capital Private Limited)

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Company records an allowance for the LTECLs.

Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Non-convertible preference shares issued by the company are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

Property, plant and equipment ("PPE)

Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computers & Laptops	3 years
Buildings	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Intangible assets

Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Associates Chartered Accountants

Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use

Amortisation

Intangible assets are amortised on a written down value basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, Labour welfare fund and employees' provident fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.**Defined benefit plans**

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Agrawal Jain & Associates Chartered Accountants

Prachay Capital Ltd. CIN- U65900PN 2017PLC 183737 Formerly Known As Prachay Capital Private Limited

Other long term employee benefits

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions and contingences

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

Prachay Capital Ltd. CIN-U85900PN2017PLC168737 (Formerly Known as Prachay Capital Private Limited)
Khandelwal Jain & Associates Chartered Accountants Pune-1

Leases

The Company as lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company's lease liabilities are included in Finance Liabilities (Refer Note 41).

iii) Short-term leases: The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

Share-based payment transactions

The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 32 for further details & information on segment reporting

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.





Note - 4
Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on Hand	0.77	2.67
Balance with Banks		
In Current Account	1,660.36	20.98
In Fixed Deposit having maturity of less than 3 months (including interest accrued theron)	-	95.00
Total	1,661.13	118.65

Note - 5
Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposit with remaining maturity for more than three months #	451.24	191.63
Total	451.24	191.63

Fixed deposit of Rs 190 Lakhs is under lien against loan taken from bank. (Previous year : Rs. 190 lakhs)

Note - 8
Other Financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
Security deposits	14.64	2.88
Interest receivable from AIF	13.46	-
Others	2.08	9.60
Total	30.20	12.48

Note - 9
Current tax assets (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provisions)	155.82	-
Total	155.82	-

Note - 10
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax Assets	77.96	11.46
Total	77.96	11.46

As at 31 March 2024

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Differrence on account of Disallowance u/s 43B of Income tax Act, 1961	-	1.39	-	1.39
Difference between Written down value as per books and as per Income Tax	(2.32)	(0.91)	-	(3.23)
Provision for Standard Assets	-	-	-	-
Lease liability	0.54	8.08	-	8.62
Loan assets at amortised cost	24.19	62.91	-	87.10
Subordinated liabilities	1.79	(1.79)	-	-
Right of use assets	(0.48)	(7.58)	-	(8.06)
Unamortised borrowing cost	(12.26)	4.40	-	(7.85)
Total	11.46	66.50	-	77.96

31 March 2023

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.85	(3.17)	-	(2.32)
Provision for Standard Assets	8.48	(8.48)	-	-
Lease liability	2.01	(1.47)	-	0.54
Loan assets at amortised cost	51.91	(27.72)	-	24.19
Subordinated liabilities	1.46	0.33	-	1.79
Right of use assets	(1.94)	1.46	-	(0.48)
Unamortised borrowing cost	(4.99)	(7.26)	-	(12.26)
Total	57.78	(46.32)	-	11.46

Note - 12
Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expense	4.50	25.43
Balance with Revenue Authorities	-	2.25
Advances to Creditors	0.91	-
Others	-	33.89
Total	5.41	61.56

Note - 13
Payables

Particulars	As at 31 March 2024	As at 31 March 2023
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1.15	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.47	0.05
Total	1.62	0.06

As at March 31, 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	1.15	-	-	-	1.15
ii) Others	0.47	-	-	-	0.47
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	1.62	-	-	-	1.62

As at March 31, 2023	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	0.01	-	-	-	0.01
ii) Others	0.05	-	-	-	0.05
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	0.06	-	-	-	0.06

Mandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.		
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :		
Principal	1.15	0.01
Interest	-	-
2.The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3.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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
4.The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5.The amount of further interest remaining due and payable even in the succeeding years, 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 Micro Small and Medium Enterprise Development Act, 2006	-	-

Note - 14
Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Non Convertible Debentures		
12,49,50,000 (31 March 2023 : 5,63,65,000) non convertible secured debentures of Rs. 10 each*	12,495.00	5,636.50
Net Amount	**12,495.00**	**5,636.50**
Of the Above		
(i) Debt securities in India	12,495.00	5,636.50
(ii) Debt securities outside India	-	-

Note:

* Non Convertible Secured Debentures, carrying interest rates ranging from 13-15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option"). These Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee way of hypothecation over the Receivables (both present and future) and all right, title, interest and claims of the Company to the Receivables.

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2024

R.O.I	2024-25	2025-26	2026-27	2027-28	2028-29	Grand Total
13.00%	-	-	190.50	595.00	1,190.00	1,975.50
13.50%	-	-	-	105.00	-	105.00
14.00%	610.00	572.50	1,317.50	240.00	1,000.00	3,740.00
14.50%	-	-	451.00	-	273.50	724.50
14.75%	-	-	-	505.00	100.00	605.00
15.00%	-	165.00	-	-	5,180.00	5,345.00
Total	**610.00**	**737.50**	**1,959.00**	**1,445.00**	**7,743.50**	**12,495.00**

Note - 15
Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term Loan from Bank *	2,484.60	1,633.25
Dropline overdraft from bank #	580.63	989.14
Cash Credits from Bank	-	1,185.73
Unsecured		
Inter corporate deposits ^		
- Related Party	178.00	-
- Others	7,250.00	-
Loan from Realated Party	-	2.00
Loan from Members	-	8,477.21
Net Amount	**10,443.23**	**12,287.34**
Of the Above		
(i) Borrowings in India	10,443.23	12,287.34
(ii) Borrowings outside India	-	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
The Term loan 3 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
The Term loan 4 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.

^ Inter corporate deposits are for a tenure of 2 months to 3 years

Term Loan 1, Term Loan 2, Term Loan 3 and Term Loan 4 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Director

Dropline Overdraft Limit is secured by:-
1) Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

Note - 16
Subordinated Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
At Amortised Cost		
Nil (31 March 2023 : 71,000) Non convertible Non cumulative 8% Preference shares	-	7.10
Total	-	7.10
Of the Above		
i) Borrowings in India	-	7.10
ii) Borrowings outside India	-	-

Note - 17
Lease liabilites

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilites	34.23	2.14
Total	34.23	2.14

Note - 18
Other Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employee benefits payable	-	0.39
Interest accrued and due on borrowings	-	13.67
Interest Accrued but not due on borrowings	-	7.06
Cash Collateral collected from Borrower	245.36	-
Other payables	212.36	16.62
Total	457.72	37.74

Note - 19
Current tax liabilities (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of Advance tax)	-	106.81
Total	-	106.81

Note - 20
Provision

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Gratuity	5.52	-
Total	5.52	-

Note - 21
Other Non-Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory Dues	1.20	-
Interest income received in advance	646.36	135.31
Total	647.56	135.31

Note - 24
Interest Income

Particulars	For the Year ended 31 March 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,415.24	-	3,415.24
Interest on investments - Non convertible debentures	-	746.97	-	746.97
Interest on Inter Corporate Deposit given	-	0.73	-	0.73
Interest on Alternative Investment Fund	-	25.07	-	25.07
Interest on security deposits	-	1.38	-	1.38
Total	-	4,189.39	-	4,189.39

Particulars	For the Year ended 31 March 2023			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,296.57	-	3,296.57
Interest on investments - Non convertible debentures	-	45.34	-	45.34
Interest on Inter Corporate Deposit given	-	5.82	-	5.82
Interest on security deposits	-	0.35	-	0.35
Total	-	3,348.08	-	3,348.08

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Note - 25
Other Income

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Other Income	0.57	3.79
Interest on fixed deposit	46.19	17.92
Total	**46.76**	**21.71**

Note - 26
Finance costs

Particulars	For the Year ended 31 March 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	341.65	-	341.65
Inter corporate deposits	167.75	-	167.75
Debentures	1,076.08	-	1,076.08
Cash credit	10.61	-	10.61
Loan from Share Holders/Directors	411.69	-	411.69
Subordinated liabilities	0.46	-	0.46
Lease liability	4.94	-	4.94
Other borrowing costs	28.98	-	28.98
Total	**2,042.16**	**-**	**2,042.16**

Particulars	For the Year ended 31 March 2023		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	219.65	-	219.65
Inter corporate deposits	59.04	-	59.04
Debentures	670.13	-	670.13
Cash credit / Overdraft	60.18	-	60.18
Interest on loan from Share Holders/Directors	629.13	-	629.13
Subordinated liabilities	0.56	-	0.56
Lease liability	0.75	-	0.75
Other borrowing costs	7.89	-	7.89
Total	**1,647.33**	**-**	**1,647.33**

Note - 27
Impairment on financial instruments

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
a) Impairment loss on Loans		
i) At Amortised cost	18.39	7.54
b) Impairment loss on NCDs		
i) At FVTOCI	(5.38)	14.88
Total	**13.02**	**22.42**

Note - 28
Employee Benefits Expenses

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries and Wages	272.70	15.20
Contribution to provident and other funds	3.34	-
Share based payments	28.28	-
Staff welfare expenses	11.31	1.56
Total	**315.62**	**16.76**

Note - 29
Depreciation and amortisation expense

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Depreciation on property plant and equipment	24.05	14.15
Amortisation of intangible assets	0.10	-
Depreciation on of right of use assets	27.42	6.14
Total	**51.57**	**20.29**

Note - 30
Other Expenses

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Rent, taxes and energy costs	3.77	1.19
Repairs and maintenance	2.57	1.14
Advertisement and publicity	6.56	8.08
Auditor's Remuneration (Refer note below)	5.36	3.48
Legal and professional charges	243.05	330.44
Insurance	0.21	3.05
CSR expenditures	33.18	11.39
Other expenditure	47.14	9.57
Total	**341.83**	**368.33**

Particulars	For the period/year ended	
	31 March 2024	31 Maech 2023
(i) Payments to the auditors comprises of:		
Statutory audit	3.50	2.50
Incometax audit	0.75	-
Certification	0.80	0.25
Other services	0.31	0.73
Total	**5.36**	**3.48**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 6

Loans

Particulars	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans						
Loans to Related Parties	-	-	-	39.50	-	39.50
Loans to Other	23,741.97	-	23,741.97	16,587.12	-	16,587.12
Loans and Advances in the form of Unquoted Non convertible Debentures	-	3,804.06	3,804.06	-	5,980.86	5,980.86
Loans to Employees	6.54		6.54	-	-	-
Total (A) - Gross	**23,748.51**	**3,804.06**	**27,552.57**	**16,626.62**	**5,980.86**	**22,607.48**
Less: Impairment loss allowance	59.63	9.50	69.13	41.24	14.88	56.11
Total (A)- Net	**23,688.88**	**3,794.56**	**27,483.44**	**16,585.38**	**5,965.99**	**22,551.37**
(B) Out of above						
(i) Secured	23,741.97	3,804.06	27,546.02	16,587.12	5,980.86	22,567.98
Less: Impairment loss allowance	59.63	9.50	69.13	41.24	14.88	56.11
Total (i)	**23,682.34**	**3,794.56**	**27,476.89**	**16,545.88**	**5,965.99**	**22,511.87**
(ii) Unsecured	6.54	-	6.54	39.50	-	39.50
Less: Impairment loss allowance	-	-	-	-	-	-
Total (ii)	**6.54**	-	**6.54**	**39.50**	-	**39.50**
Total (B) = (i) + (ii)	**23,688.88**	**3,794.56**	**27,483.44**	**16,585.38**	**5,965.99**	**22,551.37**
(C) Out of above			-			-
(I) Loans in India			-			-
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	23,748.51	3,804.06	**27,552.57**	16,626.62	5,980.86	**22,607.48**
Less: Impairment loss allowance	59.63	9.50	**69.13**	41.24	14.88	**56.11**
Subtotal (ii)	**23,688.88**	**3,794.56**	**27,483.44**	**16,585.38**	**5,965.99**	**22,551.37**
Total (i)	**23,688.88**	**3,794.56**	**27,483.44**	**16,585.38**	**5,965.99**	**22,551.37**
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (II)	-	-	-	-	-	-
Total C(I)and C(II)	**23,688.88**	**3,794.56**	**27,483.44**	**16,585.38**	**5,965.99**	**22,551.37**

Note : Company has made provisions for Standard Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2023

A. Loan given to related party

Type of Borrower	31 March 2023	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Party	39.50	0.24

B. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Summary of loans by stage distribution

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	27,552.57	-	-	27,552.57	22,607.48	-	-	22,607.48
Less: Impairment loss allowance	(69.13)	-	-	(69.13)	(56.11)	-	-	(56.11)
Net carrying amount	**27,483.44**	-	-	**27,483.44**	**22,551.37**	-	-	**22,551.37**





C. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 1 April 2023	22,607.48	56.11	-	-	-	-	22,607.48	56.11
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(18,648.35)	-	-	-	-	-	(18,648.35)	-
New credit exposures during the year, net of repayments	23,593.44	13.02	-	-	-	-	23,593.44	13.02
Amounts written off during the year							-	-
As at 31 March 2024	**27,552.57**	**69.13**	**-**	**-**	**-**	**-**	**27,552.57**	**69.13**

C. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows (Continue...)

Particulars	As at 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2022	13,291.94	33.70	-	-	-	-	13,291.94	33.70
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(9,749.00)	-	-	-	-	-	(9,749.00)	-
New credit exposures during the year, net of repayments	19,064.55	22.42	-	-	-	-	19,064.55	22.42
Amounts written off during the year							-	-
As at 31 March 2023	**22,607.48**	**56.11**	**-**	**-**	**-**	**-**	**22,607.48**	**56.11**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Note - 7

Investments

Particulars	As at 31 March 2024	As at 31 March 2023
(A) At deemed cost		
(i) In Subsidiary Companies		
10,00,000 (31 March 2023 : 10,00,000) Shares of Prachay Investment Managers Private Limited	100.00	100.00
Investment in Prachay AIF Scheme I - Category II	1,023.75	-
Total (A)	1,123.75	100.00
(B) At Cost		
In Others		
100 (Previous year ended 31 March 2023 : 100) Shares in prachay foundation	0.01	0.01
Total (B)	0.01	0.01
Total (A+B)	1,123.76	100.01

Out of above		
Investments outside India	-	-
Investment in India	1,123.76	100.01
Total (Gross)	1,123.76	100.01
Less: Allowance for impairment	-	-
Total (Net)	1,123.76	100.01





Note - 11

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment										
Furniture and fixtures	5.70	0.28	-	5.99	2.88	0.79	-	3.67	2.32	2.82
Office equipments	1.91	8.46	0.04	10.33	0.95	1.03	0.04	1.94	8.39	0.96
Computers & Laptops	11.61	4.39	0.64	15.36	8.82	3.51	0.60	11.73	3.62	2.78
Land & Building	-	198.25	-	198.25	-	6.38	-	6.38	191.87	-
Vehicles	-	13.37	-	13.37	-	2.45	-	2.45	10.92	-
Total	**19.22**	**224.75**	**0.68**	**243.29**	**12.65**	**14.15**	**0.64**	**26.16**	**217.13**	**6.57**

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right of use assets	12.28	-	-	12.28	4.09	6.14	-	10.23	2.05	8.19
c. Intangible Assets (under development) :-	-	-	-	-	-	-	-	-	-	-
Total	**12.28**	-	-	**12.28**	**4.09**	**6.14**	-	**10.23**	**2.05**	**8.19**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

A - Property, plant & equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Furniture and fixtures	5.99	0.87	-	6.86	3.67	0.72	-	4.39	2.47	2.32
Office equipments	10.33	15.48	0.12	25.69	1.94	5.86	0.11	7.69	18.00	8.39
Computers & Laptops	15.36	7.69	0.38	22.67	11.73	4.75	0.36	16.12	6.55	3.62
Land & Building	198.25	-	-	198.25	6.38	9.34	-	15.72	182.53	191.87
Vehicles	13.37	-	-	13.37	2.45	3.38	-	5.83	7.54	10.92
Total	**243.29**	**24.04**	**0.50**	**266.84**	**26.16**	**24.05**	**0.47**	**49.74**	**217.09**	**217.13**

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right of use assets	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05
Total	**12.28**	**59.26**	**12.28**	**59.26**	**10.23**	**27.42**	**12.28**	**25.38**	**33.88**	**2.05**

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Softwares	-	0.36	-	0.36	-	0.10	-	0.10	0.26	-
Intangible Assets (under development)	-	43.60	-	43.60	-	-	-	-	43.60	-
Total	**-**	**43.96**	**-**	**43.96**	**-**	**0.10**	**-**	**0.10**	**43.86**	**-**
Total	**243.29**	**68.00**	**0.50**	**310.79**	**26.16**	**24.15**	**0.47**	**49.85**	**260.95**	**217.13**

D. Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	< than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	43.60	-	-	-	43.60
Projects temporarily suspended	-	-	-	-	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * Formerly Known As Prachay Capital Private Limited *

Note - 22

Equity Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
2,80,00,000 Equity Shares of Rs. 10 each (as on 31 March 2023 :- 2,80,00,000 Shares of Rs.10 each)	2,800	2,800
20,00,000 Preference Shares of Rs. 10 each (as on 31 March 2023 :- 20,00,000 Shares of Rs.10 each)	200	200
Total	**3,000**	**3,000**
Issued, Subscribed and Paid Up		
2,16,50,000 Equity Shares of Rs. 10 each (as on 31 March 2023 :- 2,08,50,000 Shares of Rs.10 each)	2,165	2,085
Total	**2,165**	**2,085**

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	2,08,50,000	2,085	2,00,00,000	2,000
Add:- Shares issued during the year	8,00,000	80	8,50,000	85
Shares outstanding at the end of the year	**2,16,50,000**	**2,165**	2,08,50,000	2,085

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% of Holding	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	79.26	1,71,59,870	82.30
Rahul Rathi	17,00,000	7.85	17,00,000	8.15
Prachay Advisors Private Limited	14,98,442	6.92	14,98,442	7.19
Total	**2,03,58,312**		**2,03,58,312**	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 31 March 2024			As at 31 March 2023		
	Nos.	% of Holding	% Change during the	Nos.	% of Holding	% Change during the
Girish Lakhotiya	1,71,59,870	79.26%	3.04%	1,71,59,870	82.30%	8.35%

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc

The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known as Prachay Capital Private Limited)

Note - 23
Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Retained Earnings		
Balance at the beginning of the year **(a)**	**2,014.70**	**1,251.64**
Impact of first time adoption of IND AS	-	-
Profit/(Loss) for the year **(b)**	1,097.30	953.83
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	219.46	190.77
Less: Transfer to capital redemption reserve	7.10	-
Total appropriations (c)	**226.56**	**190.77**
Balance at the end of the year (a+b-c)	**2,885.44**	**2,014.70**
Other Reserves		
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	548.64	357.87
Add: Transferred during the year	219.46	190.77
Balance as at the end of the year	**768.10**	**548.64**
(III) Securities Premium		
Balance as at the beginning of the year	425.00	-
Add: Addition during the year	920.00	425.00
Balance at the end of the year	**1,345.00**	**425.00**
(IV) Capital Redemption Reserve		
Balance as at the beginning of the year	-	-
Add: Addition during the year	7.10	-
Balance at the end of the year	**7.10**	**-**
(V) Employees Stock Options Reserve		
Balance as at the beginning of the year	-	-
Add: Addition during the year	28.28	-
Balance at the end of the year	**28.28**	**-**
Total	**5,033.91**	**2,988.34**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *
Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) Securities Premium

Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) Employees Stock Options Reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.





Note - 31
Earnings per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31 March 2024	31 March 2023
(A) Net profit attributable to equity shareholders		
Profit after tax but before amortisation of ESOP cost	1,126	953
Less: Amortisation of ESOP cost	28	-
Total	**1,097**	**953**
(B) Weighted average number of equity shares	2,13,96,448	2,04,09,863
Add:- Potential equity shares on account conversion of ESOP	-	-
(C) Weighted average number of equity shares outstanding during the period*	2,13,96,448	2,04,09,863
Basic earning price per share (Rs) (A/C)	5.13	4.67
Diluted earning price per share (Rs) (A/C)	Refer Note	4.67

* Due to unavailibility of FMV as on 31st March 24,the management has not calculated weighted average number of equity shares and diluted EPS.

Note - 32
Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024

Note - 33
Contingent Liabilities and Commitments

Contingent liabilities
There are no contingent liabilities for the year ended March 2024

Note - 34
Income tax expense

(a) Income tax expense is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
Current tax		
Current tax on profits for the year	443.49	294.51
Prior year Income tax	(2.33)	-
Total Current tax expense	**441.15**	**294.51**
Deferred tax	(66.50)	46.32
Total Deferred tax expense/(benefit)	**(66.50)**	**46.32**
Total Income tax expense	**374.65**	**340.84**

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit / (Loss) before income tax expense	1,471.95	1,294.67
	1,471.95	**1,294.67**
Tax at the Indian tax rate of 25.168%	370.46	325.84
Add/(less) effect of :		
Effect of expenses/(income) that are not deductible in determining taxable profit	4.17	15.02
Income tax expense	**374.65**	**340.84**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited) *

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 35
Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below :

Particulars	As at	
	31 March 2024	31 March 2023
Defined benefit obligation as at the opening of the year	-	-
Current service cost	5.52	-
Past service cost	-	-
Interest on defined benefit obligation	-	-
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	-	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	5.52	-

Movement in Plan Assets

Particulars	As at	
	31 March 2024	31 March 2023
Fair value of plan asset as at the beginning of the year	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	-	-
Benefits paid	-	-
Fair value of plan asset as at the end of the year	-	-

Reconciliation of net liability/asset

Particulars	As at	
	31 March 2024	31 March 2023
Net defined benefit liability/(asset) as at the beginning of the year	-	-
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	5.52	-
Amount recognised in other comprehensive income	-	-
Contributions Paid	-	-
Net defined benefit liability/(asset) as at the end of the year	5.52	-

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31 March 2024	31 March 2023
Current service Cost	6	-
Net Interest Cost	-	-
Total	6	-

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Limited) CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 35
Employee benefits plan
Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31 March 2024	31 March 2023
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	-	
Changes in demographic assumptions	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

Amount recognised in Balance Sheet

Particulars	As At	
	31 March 2024	31 March 2023
Present value of defined benefit obligation	5.52	-
Fair value of plan assets	-	-
Net obligation	5.52	-
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	**5.52**	-

Key actuarial assumptions

Particulars	As At	
	31 March 2024	31 March 2023
Discount rate (p.a.)	7.20%	N.A.
Salary escalation rate (p.a.)	7%	N.A.

Expected Payout:

Year	31 March 2024	31 March 2023
	PVO Payout	PVO Payout
Expected Outgo First	0	N.A.
Expected Outgo Second	0	N.A.
Expected Outgo Third	0	N.A.
Expected Outgo Fourth	0	N.A.
Expected Outgo Fifth	2	N.A.
Expected Outgo Sixth to Tenth Years	21	N.A.

Sensitivity analysis for significant assumptions is as shown below

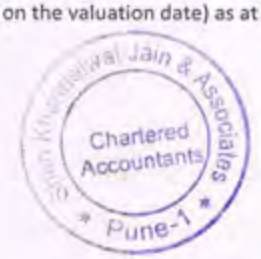
Particulars	31 March 2024	31 March 2023
Impact of increase in 100 bps on discount rate	(0.44)	N.A.
Impact of decrease in 100 bps on discount rate	0.51	N.A.
Impact of increase in 100 bps on salary escalation rate	(0.40)	N.A.
Impact of decrease in 100 bps on salary escalation rate	0.45	N.A.
Impact of increase in 100 bps on withdrawal rate	(0.01)	N.A.
Impact of decrease in 100 bps on withdrawal rate	0.01	N.A.

Valuation Results:

The assumptions and methodology used in compiling this Report are consistent with the requirements of Indian Accounting Standard (Ind AS) 19

The results are particularly sensitive to some assumptions, such as the discount rate, level of salary inflation & level of assumed mortality.

The value of discontinuance liability (if all The accrued benefits were to settle immediately on the valuation date) as at 31-03-2024 is INR 6 Lakh





Note - 36
Related Parties Disclosure

36.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No. Name of Related Party and their relationship

(A) Subsidiary Company
Prachay Investment Managers Private Limited
Prachay AIF Scheme I - Category II

(B) Key Management Personnel
Girish Lakhotiya - Director
Roshan Sancheti - Director
Divya Raizada** - Additional Director
Pooja Porwal* - Company secretary
Sonal Gupta ***

(D) Relatives of Directors & Key Management Personnel (KMP)
Sneha Dhoot
Anita Mohta
Roshan Sancheti HUF
Rajendra Sancheti HUF
Preeti Raizada
Dharamveer Raizada
Vinay Raizada

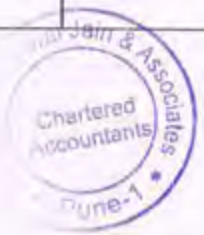
(E) Entities in which KMPs are having significant influence
Prachay Foundation
Prachay Holding Private Limited
Prachay Advisors Private Limited

* Pooja Porwal has resigned from the post of Company Secretary with effect from 30th March 2024.
** Directorship of Divya Raizada Started from 31st January 2024.
*** Sonal Gupta has been appointed as the whole-time company secretary with effect from 1st April 2024

36.2 Transactions with Related Parties

Particulars	31 March 2024	31 March 2023
Loans taken from:		
Girish Lakhotiya	247.00	111.00
Roshan Sancheti	81.00	25.00
Repayment of loans:		
Girish Lakhotiya	248.00	111.00
Roshan Sancheti	82.00	25.00
Inter- corporate deposits received:		
Prachay Holding Private Limited	55.00	-
Prachay Investment Managers Pvt Ltd	75.00	15.00
Prachay Advisors Private Limited	50.00	-
Inter- corporate deposits repaid:		
Prachay Holding Private Limited	27.00	-
Prachay Investment Managers Pvt Ltd	25.00	15.00

Particulars	31 March 2024	31 March 2023
Inter- corporate deposits given :		
Prachay Investment Managers Pvt Ltd	3.00	148.75
Repayment of Inter - corporate deposit given:		
Prachay Investment Managers Pvt Ltd	42.50	109.25
Interest income on ICD given:		
Prachay Investment Managers Pvt Ltd	0.73	5.82
Interest income on Investments in units of AIF		
Prachay AIF Scheme I - Category II	25.07	-
Purchase of Equity Shares of Prachay Investment Managers Pvt Ltd:		
Prachay Holding Pvt Ltd	-	100.00
Investments in units of AIF:		
Prachay AIF Scheme I - Category II	1,023.75	-
Investments received on Secured Non convertible debentures:		
Anita Mohta (25,000 debentures of Rs 10/- each)	2.50	-
Roshan Rajendra Sancheti HUF (2,80,000 debentures of Rs 10/- each)	28.00	5.00
Rajendra Sancheti HUF (2,50,000 debentures of Rs 10/- each)	25.00	-
Transfer of Non Convertible Debentures from:		
Roshan Rajendra Sancheti HUF	5.00	-
Pooja Porwal	7.50	-
Property Purchase:		
Girish Lakhotiya	-	185.00
Interest paid on Unsecured Loans & Inter Corporate Deposits:		
Girish Lakhotiya	2.86	1.64
Roshan Sancheti	1.53	1.06
Prachay Advisors Private Limited	3.39	-
Prachay Holding Private Limited	3.00	-
Prachay Investment Managers Pvt Ltd	3.85	0.17
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.69	0.65
Roshan Rajendra Sancheti HUF	1.70	0.46
Rajendra Sancheti HUF	1.42	-
Divya Raizada	0.54	-
Preeti Raizada	0.46	-
Vinay Raizada	0.09	-
Dharamveer Raizada	0.09	-
Pooja Porwal	0.05	1.03
Remuneration to director / KMP:		
Girish Lakhotiya	3.00	3.00
Roshan Sancheti	49.00	-
Divya Raizada	4.96	-
Pooja Porwal	11.64	-





Particulars	31 March 2024	31 March 2023
Professional fees / Royalty:		
Girish Lakhotiya	36.00	-
Sneha Dhoot	48.00	-
Redemption of Preference Shares:		
Girish Lakhotiya	0.60	-
Payment of Dividend on Preference Shares:		
Girish Lakhotiya	0.04	-

Outstanding balances:

Particulars	31 March 2024	31 March 2023
Loans payable:		
Girish Lakhotiya	-	1.00
Roshan Sancheti	-	1.00
Non Convertible Debentures:		
Anita Mohata	7.50	5.00
Divya Raizada	20.00	15.00
Roshan Rajendra Sancheti HUF	28.00	5.00
Rajendra Sancheti HUF	25.00	-
Preeti Raizada	15.00	10.00
Vinay Raizada	2.50	2.50
Dharamveer Raizada	2.50	2.50
Pooja Porwal	-	7.50
Inter- corporate deposits Taken:		
Prachay Holding Private Limited	28.00	-
Prachay Investment Managers Pvt Ltd	50.00	-
Prachay Advisors Private Limited	50.00	-
Inter- corporate deposits Given:		
Prachay Investment Managers Pvt Ltd	-	39.50
Investment in Units of AIF:		
Prachay AIF Scheme I	1,023.75	-
Investments in Equity Shares:		
Prachay Foundation	0.01	0.01
Prachay Investment Managers Pvt Ltd	100.00	100.00
Interest on Investments Receivable :		
Prachay AIF Scheme I	0.38	-





Note - 37
Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 31 March 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)		-	1,123.76	1,123.76	-	-	1,123.76	1,123.76
Cash and cash equivalents	-	-	1,661.13	1,661.13	1,661.13	-	-	1,661.13
Bank balances other than Cash and cash equivalents	-	-	451.24	451.24	451.24	-	-	451.24
Loans*	3,794.56	-	23,688.88	27,483.44	-	-	27,483.44	27,483.44
Other financial assets	-	-	30.20	30.20	-	-	30.20	30.20
Total	**3,794.56**	**-**	**26,955.21**	**30,749.77**	**2,112.37**	**-**	**28,637.40**	**30,749.77**
Financial Liabilities								
Debt Securities	-	-	12,495.00	12,495.00	-	-	12,495.00	12,495.00
Borrowings	-	-	10,443.23	10,443.23	-	-	10,443.23	10,443.23
Other payables	-	-	1.62	1.62	-	-	1.62	1.62
Lease liabilities	-	-	34.23	34.23	-	-	34.23	34.23
Other financial liabilities	-	-	457.72	457.72	-	-	457.72	457.72
Total	**-**	**-**	**23,431.81**	**23,431.81**	**-**	**-**	**23,431.81**	**23,431.81**

*includes investment in unquoted debenture

Financial Assets and Liabilities as at 31 March 2023	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	100.01	100.01			100.01	100.01
Cash and cash equivalents	-	-	118.65	118.65	118.65	-	-	118.65
Bank balances other than Cash and cash equivalents	-	-	191.63	191.63	191.63	-	-	191.63
Loans*	5,965.99	-	16,585.38	22,551.37	-	-	22,551.37	22,551.37
Other financial assets	-	-	12.48	12.48	-	-	12.48	12.48
Total	**5,965.99**	**-**	**17,008.15**	**22,974.14**	**310.28**	**-**	**22,663.86**	**22,974.14**
Financial Liabilities								
Debt securities	-	-	5,636.50	5,636.50	-	-	5,636.50	5,636.50
Borrowings	-	-	12,287.34	12,287.34	-	-	12,287.34	12,287.34
Other payables	-	-	0.06	0.06	-	-	0.06	0.06
Subordinated Liabilities	-	-	7.10	7.10	-	-	7.10	7.10
Lease Liabilities	-	-	2.14	2.14	-	-	2.14	2.14
Other financial liabilities	-	-	37.74	37.74	-	-	37.74	37.74
Total	**-**	**-**	**17,970.87**	**17,970.87**	**-**	**-**	**17,970.87**	**17,970.87**

*includes investment in unquoted debenture





Note - 38
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Note - 39
Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management
The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.
Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.





ii) Provision for expected credit losses
The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)
Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	12,495.00	**12,495.00**	-	610.00	737.50	11,147.50	-
Borrowings	10,443.23	**10,443.23**	3,683.43	3,584.50	709.81	2,465.50	-
Lease Liabilities	34.23	**34.24**	17.19	13.36	3.68	-	-
Other payables	1.62	**1.62**	1.62	-	-	-	-
Other financial Liabilities	457.72	**457.72**	457.72	-	-	-	-
Total	**23,431.81**	**23,431.81**	**4,159.95**	**4,207.86**	**1,450.99**	**13,613.00**	**-**

As at March 31, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	5,636.50	**5,636.50**	-	-	610.00	5,026.50	-
Borrowings	12,287.34	**12,287.34**	10,199.97	562.37	725.00	800.00	-
Subordinated Liabilities	7.10	**7.10**	-	7.10	-	-	-
Lease Liabilities	2.14	**2.14**	2.14	-	-	-	-
Other payables	0.06	**0.06**	0.06	-	-	-	-
Other financial Liabilities	37.74	**37.74**	37.74	-	-	-	-
Total	**17,970.87**	**17,970.87**	**10,239.90**	**569.47**	**1,335.00**	**5,826.50**	**-**

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors performance of the investee companies &creviews the same.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk.

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

(Amount in Lakhs)

Particulars	As at 31 March 2024 Effect on profit	As at 31 March 2024 Effect on Equity	As at 31 March 2023 Effect on profit	As at 31 March 2023 Effect on Equity
Impact in INR on +/(-) .5% change in rate of Interest	14.78	11.06	11.33	8.47

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited) CIN-U65900PN2017PLC168737

Note - 40

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	Note No.	As at 31 March 2024			As at 31 March 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	4	1,661.13	-	1,661.13	118.65	-	118.65
Bank Balance other than cash and cash equivalents	5	89.87	361.37	451.24	1.63	190.00	191.63
Loans	6	4,792.05	22,691.39	27,483.44	7,508.02	15,043.34	22,551.37
Investments	7	-	1,123.76	1,123.76	-	100.01	100.01
Other Financial assets	8	15.56	14.64	30.20	9.60	2.88	12.48
		6,558.61	**24,191.16**	**30,749.77**	**7,637.90**	**15,336.23**	**22,974.14**
Non-financial Assets							
Current tax assets (Net)	9	155.82	-	155.82	-	-	-
Deferred tax Assets (Net)	10	-	77.96	77.96	-	11.46	11.46
Property, Plant and Equipment	11	-	217.09	217.09	-	217.13	217.13
Right of use assets	11	-	33.88	33.88	-	2.05	2.05
Intangible assets under development	11	-	43.60	43.60	-	-	-
Other Intangible assets	11	-	0.26	0.26	-	-	-
Other non-financial assets	12	5.41	-	5.41	48.00	13.56	61.56
		161.23	**372.79**	**534.02**	**48.00**	**244.19**	**292.19**
Total Assets		**6,719.84**	**24,563.95**	**31,283.79**	**7,685.91**	**15,580.42**	**23,266.33**
LIABILITIES							
Financial Liabilities							
Payables	13						
Other Payables							
(i) total outstanding dues of micro enterprises and small enterprises		1.15	-	1.15	0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.47	-	0.47	0.05	-	0.05
Debt Securities	14	610.00	11,885.00	12,495.00	-	5,636.50	5,636.50
Borrowings (Other than Debt Securities)	15	1,084.57	9,358.67	10,443.23	1,100.00	11,187.34	12,287.34
Subordinated Liabilities	16	-	-	-	7.10	-	7.10
Lease Liabilities	17	30.55	3.68	34.23	2.14	-	2.14
Other financial liabilities	18	286.35	171.37	457.72	24.17	13.56	37.74
		2,013.09	**21,418.71**	**23,431.81**	**1,133.47**	**16,837.40**	**17,970.87**
Non-Financial Liabilities							
Current tax liabilities (Net)	19		-	-	106.81	-	106.81
Provisions	20	0.01	5.51	5.52	-	-	-
Other non-financial liabilities	21	647.56	-	647.56	115.31	-	115.31
		647.57	**5.51**	**653.08**	**222.12**	**-**	**222.12**
Total Liabilities		**2,660.66**	**21,424.22**	**24,084.88**	**1,355.59**	**16,837.40**	**18,192.99**
Net Assets / (Liabilities)		**4,059.18**	**3,139.73**	**7,198.91**	**6,330.31**	**(1,256.98)**	**5,073.34**

Shah Dhandewal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 41
Leases

The Company has entered into leases for its offices.
The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.
Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2024	31 March 2023
Opening Balance	**2.14**	**2.05**
Additions	56.15	5.94
Accretion of interest	4.94	0.75
Payments/Adjustments	(28.99)	(6.60)
Closing Balance	**34.23**	**2.14**

The maturity analysis of lease liabilities are disclosed in note 40

Note - 42
Additional Regulatory Information

(i) The Title Deeds of all immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-use assets) during the year.

(iii) The Company has not revalued any of its Intangible assets during the year.

(iv) During the period ended 31 March 2024, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(vi) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security

No difference observed in quarterly returns or the statements filed by company with such Banks.

Quarter	Particulars	Balance reported in statements	Balance as per books	Difference *
1	Receivables	19,893	20,892	(999.08)
2	Receivables	13,469	13,469	-
3	Receivables	13,585	13,585	-
4	Receivables	23,851	23,851	-

* Reason for Deviation : Quarter 1, The differrence is on account of Investment in NCD's which were to be transferred and hence excluded from statement of receivables given to bank.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(ix) The company has already processed with filing the registration or satisfaction of charges.

(x) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

(xii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiii) a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;

b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

(xv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Chandabhoiwal Jain & Associates Chartered Accountants Pune-1

Note - 43

Employee Stock Options

The Board in its meeting held on 01 April 2023 has resolved to issue to Employees under ESOP 2023, Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company (i.e. 10,42,500 Equity Shares), each Share of face value Rs. 10 each of the Company, with each such Option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such grant/s.

The shareholders of the Company, in their extraordinary general meeting held on 11 April 2023 have approved the Grant of Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company, each Share of face value INR 10 each of the Company, under Employee Stock Option Plan 2023 to the Employees.

The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

(a) Summary of ESOP

Particulars	Options	Weighted Average Exercise Price (In INR)
Options outstanding as at 01 April 2023	Nil	N.A
Options granted during the year	3,69,635	125
Options canceled / forfeited / expired during the year	21,820	125
Options exercised during the year	Nil	N.A
Options outstanding as at 31 March 2024	3,47,815	125
Range of exercise price of options outstanding at the end of the year (IN INR)	125	
Average share price during the year (IN INR)	125	
Weighted average contractual life of options outstanding at the end of the year	4.79 Years	
Weighted average fair value of option as on date of grant (granted during the year) (IN INR)	42.06	

(b) Fair Value of Options granted during the year:

Particulars	Fair Value 31 March 2024 (IN INR)	Amount 31 March 2024
Option Grant on 15th July 2023		
- 1st Vesting	42.04	5.20
- 2nd Vesting	42.04	6.94
- 3rd Vesting	42.04	7.81
- 4th Vesting	42.08	8.33
Total Employee Compensation Cost		**28.28**

(c) Method used for calculating fair value of Option – Black Scholes Option Valuation Model.

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below:

Particulars	Fair Value
Stock Price (IN INR)	125
Standard Deviation (Volatility)	Nil *
Risk Free Rate	7.1%
Exercise Price (IN INR)	125
Time to Maturity	6 Years
Dividend Yield	Nil

* Since the company is closely held and management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil.

Agarwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 44 Corporate Social Responsibility (CSR)

	March 31, 2024	March 31, 2023
(a) Amount required to be spent by the company during the year	19.73	14.95
(b) Amount of expenditure incurred	33.18	1.50
(c) Shortfall at the end of the year	(13.45)	13.45
(d) Total of previous years shortfall Paid	13.45	-
(e) reason for shortfall	NA	*
* The company could not find appropriate project for spending the CSR funds. Hence the funds are transferred to a separate CSR account.		
(f) nature of CSR activities	Education & Schedule VII fund	Education

Note - 45 Additional NBFC disclosures

Schedule to the Balance Sheet as on March 31, 2024

[as prescribed under Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023]

(Amount in Lakhs)

	Particulars	March 31, 2024		March 31, 2023	
	Liabilities side :				
1	**Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:**	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(a) Debentures : Secured	12,495.00	-	5,636.50	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	3,065.23		3,828.85	-
	(d) Inter-corporate loans and borrowings	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans - Inter Corporate Deposits	7,250	-	-	-
	(h) Other Loans - Inter Corporate Deposits-Related party	128.00		-	-
	(i) Other Loans - Loans from share holders/directors	-	-	8,479.21	
2	**Break-up of 1(f) above (Outstanding public Deposits inclusive of interest accrued thereon but not paid)*:**				
		March 31, 2024		March 31, 2023	
	(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		-		-
	Asset Side:				
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	March 31, 2024		March 31, 2023	
	(a) Secured ^		27,476.89		22,511.87
	(b) Unsecured ^^		6.54		39.50
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:				
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease		-		-
	(b) Operating lease		-		-
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on Hire		-		-
	(b) Repossessed Assets		-		-
	(iii) Other loans counting towards AFC activities:				
	(a) Loans where assets have been repossessed		-		-
	(b) Loans other than (a) above		-		-
	Total		27,483.44		22,551.37

^ **Note 1:** Loans and Advances include Unquoted Non Convertible Debentures classified as Loans

^^ **Note 2:** Unsecured Loans and Advances include Loans to Employees and Advances to Creditors

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 45 Additional NBFC disclosures (continued)

(Amount in Lakhs)

5	Break-up of Investments		
	Current Investments	March 31, 2024	March 31, 2023
	1. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others - Fixed Deposit	75.12	95.00
	Long Term Investments	March 31, 2024	March 31, 2023
	1. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares		
	(a) Equity	100.01	100.01
	(b) Preference	-	-
	(ii) Debentures and Bonds **	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others - Fixed Deposit	376.12	191.63
	(v) Others - AIF Units	1,023.75	-

** **Note:** Investment in Bonds and Debentures are classified under Loans and Advances





Note - 45 Additional NBFC disclosures (continued)

6	Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 2 below						
	Category	Amount as on March 31, 2024			Amount as on March 31, 2023		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	39.50	39.50
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	27,476.89	6.54	27,483.44	22,511.87	-	22,511.87
	Total	27,476.89	6.54	27,483.44	22,511.87	39.50	22,551.37

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
	Category	Amount as on March 31, 2024		Amount as on March 31, 2023	
		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)
	1. Related Party				
	(a) Subsidiaries	1,123.75	1,123.75	100.00	100.00
	(b) Companies in the same group	0.01	0.01	0.01	0.01
	(c) Other related parties	-	-	-	-
	2. Other than related Party	-	-	-	-
	Total	1,123.76	1,123.76	100.01	100.01
8	Other Information				
	Particulars	Amount as on March 31, 2024		Amount as on March 31, 2023	
	(i) Gross Non-performing assets (a) Related Parties (b) Other than related parties	------- Nil -------		------- Nil -------	
	(ii) Net Non-performing assets (a) Related Parties (b) Other than related parties	------- Nil -------		------- Nil -------	
	(iii) Assets acquired in satisfaction of debt	------- Nil -------		------- Nil -------	
	Notes: 1. As defined in paragraph 5.1.26 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 2. Provisioning norms shall be applicable as prescribed Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023				

Note - 46 Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount (₹ Crores)	% of Total deposits	% of Total Liabilities *
11	97.92	Not Applicable	40.65%

* Total liabilities are arrived as Total liabilities as per balancesheet less Equity share capital and Reserves and Surplus (Ignoring IndAS impact)

(ii) Top 20 large deposits (amount in ₹ Crores and percent of total deposits)

The Company being a Non Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Crores and percent of total borrowings)

Amount in Crores	122.35
% of total borrowings	53.27%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	Amount (₹ Crores)	% of Total Liabilities *
Non convertible debentures	124.95	51.73%
Inter Corporate Deposits	73.78	30.55%
Term loan from Banks	30.96	12.82%

* Total liabilities are arrived as Total liabilities as per balancesheet less Shareholders Fund (Ignoring IndAS impact)

(v) Stock Ratios:

Particulars	As at 31st Mar 24
Commercial Papers to Total Public Funds	-
Commercial Papers to Total Liabilities	-
Commercial Papers to Total Assets	-
NCDs (Original Maturity < 1 yrs.) to Total Public Funds	-
NCDs (Original Maturity < 1 yrs.) to Total Liabilities	-
NCDs (Original Maturity < 1 yrs.) to Total Assets	-
Other Short Term Liabilities* to Total Public Funds	11.50%
Other Short Term Liabilities to Total Liabilities**	10.94%
Other Short Term Liabilities to Total Asset***	8.36%

* Other Short Term Liabilities represents Total currrent liabilities as per Balancesheet. (Ignoring IndAS impact)
** Total liabilities are arrived as Total liabilities as per balancesheet less Shareholders Fund. (Ignoring IndAS impact)
*** Total assets are arrived as Total assets as per balancesheet (Ignoring IndAS impact)

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee, Risk Management Committee, and Investment Committee. The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company. The Company manages liquidity risk by maintaining sufficient cash/treasury surpluses.

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Chartered Accountants Pune-1

Note - 47 Disclosure pursuant to Reserve Bank of India Master Direction - Reserve Bank of India (Non banking Finance Company - Scale based regulation) directions, 2023.

Comparision between Ind AS 109 provisions and IRACP norms
As at 31 March 2024

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	27,552.57	69.13	27,483.44	69.13	-
Standard	Stage 2	-	-	-	-	-
Subtotal		**27,552.57**	**69.13**	**27,483.44**	**69.13**	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful • up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**27,552.57**	**69.13**	**27,483.44**	**69.13**	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-





As at 31 March 2023

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	22,607.48	56.11	22,551.37	56.11	-
Standard	Stage 2	-	-	-	-	-
Subtotal		**22,607.48**	**56.11**	**22,551.37**	**56.11**	**-**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**22,607.48**	**56.11**	**22,551.37**	**56.11**	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Note - 48 Analytical ratios

Ratio	Formula	As at 31 March 2024	As at 31 March 2023
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	24.87%	22.33%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	24.62%	22.06%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	0.24%	0.28%
Liquidity Coverage Ratio	High Quality Liquid Assets/ Net cash outflow for 30 days	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III	

Note - 49 Credit Rating

Instrument	Credit rating agency	Face value rated Amount in crores	As on March 31, 2024
Bank loans	Infomerics Valuation and Rating Private Limited	75.00	BBB- POSITIVE

Note - 50 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course or business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

Note - 51 The Company has not accepted deposits within the meaning of 'Public Deposits' as defined in the prudential norms issued by the RBI. The Board of Directors of the Company has passed a resolution in its meeting held on April 01, 2023 for non-acceptance of public deposits.

Note - 52 Company has not incurred any Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters.

Note - 53 RBI and other regulators has not imposed any penalty on the Company.

Note - 54 Other requirements of Schedule III of the Companies Act, 2013 not specifically disclosed are either Nil or not applicable to the Company.

Note - 55 Previous year figures have been regrouped/reclassified wherever necessary to conform to this year's classification.

Note - 56 Absolute amounts less than INR 100,000 are appearing in the financial statements as "0" due to presentation in lakhs.

Note - 57 The Company's exposure of Unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil).

Note - 58 The Company has not participated in any Credit Default Swaps (CDS) Contracts in the reporting period or previous periods.

As per our report of even date

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Shah Khandelwal Jain & Associates
Chartered Accountants

T | +91 20 6721 5200
www.skjican.com

Level 3, Riverside Business Bay
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India

Independent Auditors' Special Purpose Audit Report on the Consolidated Financial Statement of Assets and liabilities as at March 31, 2024, Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year ended March 31, 2024, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Consolidated financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited the accompanying financial statements of Prachay Capital Limited (the "Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss, and Consolidated statement of changes in equity and consolidated cash flow statement for the period then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated Ind AS Financial Statements are prepared in all material aspects and in terms of compliance with **(SEBI NCS Regulations)** and in accordance with the basis set out in Note No 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Consolidated Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Consolidated Ind AS Financial Statements.

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position , consolidated results of operations , consolidated changes of equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Ind AS 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 Special Purpose Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special Purpose Ind AS financial statements, the respective Board of the Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Ind AS Financial Statements 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 Special Purpose Consolidated Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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



f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Consolidated Ind AS Financial Statements of which we are the independent auditors.

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.

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Consolidated Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No:142740W



AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMHYPI1944

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Balance sheet as at 31 March 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
1. Financial assets			
Cash and cash equivalents	4	1,732.08	128.74
Bank balances other than cash and cash equivalents	5	459.19	194.55
Receivables			
(i) Trade Receivables	6	0.29	132.59
Loans	7	28,498.80	22,511.87
Investments	8	0.01	0.01
Other Financial assets	9	16.82	29.16
		30,707.18	22,996.92
2. Non-financial assets			
Current tax assets (net)	10	162.09	30.23
Deferred tax Assets (net)	11	78.46	11.83
Property, plant and equipment	12	218.31	219.75
Right of use assets	12	33.88	2.05
Intangible assets under development	12	43.60	-
Other Intangible assets	12	0.26	-
Goodwill on consolidation		70.70	70.70
Other non-financial assets	13	5.41	61.56
		612.71	396.12
Total Assets		31,319.89	23,393.04
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Payables	14		
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprise		1.19	0.01
(ii) total outstanding dues of creditors other than microenterprises and small enterprises		1.56	9.40
Debt securities	15	12,495.00	5,636.50
Borrowings (other than debt securities)	16	10,393.23	12,290.94
Subordinated liabilities	17	-	7.10
Lease Liabilities	18	34.23	2.14
Other financial liabilities	19	457.72	39.49
		23,382.93	17,985.58
2. Non-financial liabilities			
Current tax liabilities (net)	20	-	106.81
Provisions	21	5.52	-
Other non-financial liabilities	22	649.52	149.30
		655.04	256.11
EQUITY			
Equity share capital	23	2,165.00	2,085.00
Other equity	24	5,116.92	3,066.35
		7,281.92	5,151.35
Equity attributable to non-controlling interests	24	-	-
Total Liabilities and Equity		31,319.89	23,393.04

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lathiotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankit Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of Profit and Loss Account for the year ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from operations			
Interest Income	25	4,189.48	3,342.26
Fees and commission Income	26	16.00	310.00
Total revenue from operations		**4,205.48**	**3,652.26**
Other Income	27	48.31	21.91
Total income		**4,253.79**	**3,674.17**
Expenses			
Finance costs	28	2,038.30	1,647.33
Impairment on financial instruments	29	13.02	22.42
Employee benefits expenses	30	315.83	47.48
Depreciation, amortisation and impairment	31	52.97	21.16
Others expenses	32	353.87	559.52
Total expenses		**2,773.99**	**2,297.91**
Profit before tax		**1,479.80**	**1,376.26**
Tax Expense:			
Current Tax		446.47	298.12
Deferred Tax		(66.63)	46.29
Prior year income tax		(2.33)	-
Profit for the period / year		**1,102.30**	**1,031.84**
Other Comprehensive Income		-	-
Total Comprehensive Income for the period / year		**1,102.30**	**1,031.84**
Total Comprehensive Income for the year attributable to:			
Owners of the Company		1,102.30	1,031.84
Non-controlling interests		-	-
Earnings per equity share (for continuing operations)	33		
Basic (Rs.10)		5.15	5.06
Diluted (Rs.10)		Refer Note	5.06

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

A C Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date :30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly Known As Prachay Capital Private Limited

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date :30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date :30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Cash Flow Statement for the year ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended 31 March, 2024
[A] CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(Loss) before tax	1,479.80
Adjustments for:	
Interest income on fixed deposit	(46.49)
Interest on lease liabilities	4.94
Depreciation & Amortisation	52.97
Provision for standard assets	13.02
Provision written back	-
Fixed assets written off	0.03
Share based payments	28.28
Operating Profit/(Loss) before changes in working capital	**1,532.54**
Adjustment for (Increase)/Decrease in Operating Assets	
Loans given	(5,999.94)
Adjustments for other non financial assets	56.15
Adjustments for other financial assets	12.34
Adjustments for trade receivables	132.31
Adjustment for Increase/(Decrease) in Operating liabilities	
Adjustments for increase (decrease) in payables	(6.67)
Adjustments for provisions	5.52
Adjustments for other financial liabilities	415.11
Adjustments for other non financial liabilities	500.22
Cash flow from operations after changes in working capital	(3,352.42)
Net Direct Taxes (Paid)/Refunded	(682.80)
Net Cash Flow from/(used in) Operating Activities	**(4,035.23)**
[B] CASH FLOW FROM INVESTING ACTIVITIES	
Net Sale / (Purchase) of Property plant and equipment and intangible assets	(67.00)
Net Redemption / (investment) in fixed deposits	(264.64)
Interest received	46.49
Net Cash Flow from/(used in) Investing Activities	**(286.14)**
[C] CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issuing shares (including security premium net off issue expense)	1,000.00
Proceeds from Debt Securities (Including Debenture Premium)	6,858.50
Payment of Subordinated Liabilities	(7.10)
Proceeds from borrowings	(1,897.70)
Changes in Non-controlling interst	-
Payment of lease liabilities	(28.99)
Net Cash Flow from/(used in) Financing Activities	**5,924.71**
Net Increase/ (decrease) in cash and cash equivalents	**1,603.34**
Cash & Cash Equivalents at beginning of period (see Note 1)	128.74
Cash and cash equivalents at end of period (see Note 1)	**1,732.08**

Notes:

	Particulars	For the year ended 31 March, 2024
1	**Cash and cash equivalents comprises of:**	
	Cash on hands	2.70
	Balance with banks	1,729.37
	Cash and cash equivalents	**1,732.08**
	Cash and cash equivalents as restated	**1,732.08**
2	Figures of the previous year have been regrouped / reclassified wherever necessary.	
3	The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.	
4	**Changes in liabilities arising from financing activities**	

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Closing balance as at 31-03-2024
Borrowings	17,927.44	4,960.80	22,888.23

As per our report of even date
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	Roshan Sancheti	Sonal Gupta	Ankur Agrawal
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN:02699138	DIN:07707109	Mem No : A69043	Place: Pune
Place: Pune	Place: Pune	Place: Pune	Date : 30-01-2025
Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025	

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of changes in equity for the period ended 31 March 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Balance at the beginning of the current reporting period/year	2,085.00	2,000.00
Changes in equity share capital during the current period/ year	80.00	85.00
Balance at the end of the current reporting period	2,165.00	2,085.00

B) Other equity

For the year ended 31 March 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital redemption reserve	Employees Stock Options Outstanding	Total other equity attributable to the owners of the parent
Balance as at 31 March 2023	2,092.71	548.64	425.00	-	-	3,066.35
Profit after tax	1,102.30	-	-	-	-	1,102.30
Other comprehensive income	-	-	-	-	-	-
	3,195.01	548.64	425.00	-		4,168.65
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(228.44)	228.44	-	-	-	-
Transfer to capital redemption reserve	(7.10)	-	-	7.10	-	-
Less: Dividend on preference share relating to current financial year	-	-	-	-	-	-
Add: Addition during the year	-	-	920.00	-	28.28	948.28
Balance as at 31 March 2024	2,959.47	777.08	1,345.00	7.10	28.28	5,116.92

For the year ended 31 March 2023

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital redemption reserve	Employees Stock Options Outstanding	Total other equity
Balance as at 01 April 2022	1,251.64	357.87	-	-	-	1,609.51
Profit after tax	1,031.84	-	-	-	-	1,031.84
Other comprehensive income	-	-	-	-	-	-
	2,283.48	357.87	-	-	-	2,641.35
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(190.77)	190.77	-	-	-	-
Add: Addition during the year	-	-	425.00	-	-	425.00
Balance as at 31 March 2023	2,092.71	548.64	425.00	-	-	3,066.35

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date: 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699188
Place: Pune
Date: 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date: 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date: 30-01-2025

Amit Agrawal
CFO
Place: Pune
Date: 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

1. Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of our Company from a Private Limited to a Public Limited Company to commence or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2. Basis of preparation and presentation of financial statements

(a) Statement of Compliance & Basis of preparation

The company has prepared consolidated financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose consolidated financial statements for the year ended 31 March 2024.by adopting the date of transition as 1st April, 2022

These financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101

Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 with the circular No. RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 Dated October 19, 2023 and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI. (Previously Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.) The Group uses accrual basis of accounting except in case of significant uncertainties [Refer note 2.04 (A),(C),(D),(E)]. Accounting policies have been consistently applied to all periods presented unless otherwise stated Any application of guidance / clarification / directions issued by RBI / NHB or other regulations are implemented prospectively when they become applicable.

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

(b) Principles of Consolidation

The consolidated financial statements relate to the Company, and its two Subsidiaries (the holding and subsidiaries together referred to as "The Group"). The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement" of the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the subsidiary companies are consolidated on a line-by-line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany balances and transactions including unrealized gain/loss on such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at that group.

The list of entities included in consolidation and Company's holding therein are as under:

Name of companies	Relationship	Country of Incorporation	% of Ultimate Holding 30 September 2024	% of Ultimate Holding 31 March 2024	% of Ultimate Holding 31 March 2023
Prachay Investment Managers Private Limited (Effective from September 9, 2022)	Subsidiary	India	100%	100%	100%
Prachay AIF Scheme I - Category II	Subsidiary	India	95%	100%	-

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

(d) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how the Group's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

ii. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

iii. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

iv. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 37.

Prachay Capital LLP * CIN- U65900PN2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)
Chartered Accountants Associates Pune-1

v. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11.

vi. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

vii. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are discussed in note 45.

(f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Material accounting policies

(a) Revenue from contracts with customers

i. Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. Net Gain/Loss on fair value changes

Any differences between the fair values of 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 cases there is a net gain in the 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.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

iii. Other Income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

(b) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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 the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Group classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:
- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Group has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:
Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Group records an allowance for the LTECLs.

(c) Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.
Non-convertible preference shares issued by the Group are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

(d) Property, plant and equipment ("PPE)

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Asset	Estimated useful life
Computers & Laptops	3 years
Building	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

(e) Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

iii. Amortisation

Intangible assets are amortised on a written down value method over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

(f) Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

(g) Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Group has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, labour welfare fund and employees' provident fund. The Group's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Shah Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168707

Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Other long term employee benefits

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Group measures the expected cost of compensated absence as the amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

(h) Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

(i) Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:
- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Group does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(j) Provisions and contingences

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737
Shah Ingawale & Associates Chartered Accountants Pune-1

money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

(l) Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

iii) Short-term leases: The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

(m) Share-based payment transactions

i. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.
ii. That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
iii. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.
iv. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 34 for further details & information on segment reporting.

(p) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Chartered Accountants Pune-1

Note - 4
Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	2.70	2.71
Balance with banks		
In Current Account	1,729.37	31.02
In Fixed Deposit having maturity of less than 3 months (including interest accrued theron)	-	95.00
Total	1,732.08	128.74

Note - 5
Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposit with remaining maturity for more than three months #	459.19	194.55
Total	459.19	194.55

Fixed deposit of Rs 190 Lakhs is under lien against loan taken bank. (Previous year : Rs. 190 lakhs)

Note - 6
Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables	0.29	132.59
Total	0.29	132.59

As at 31 March 2024

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	0.29	-	0.29
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade Receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

As at 31 March 2023

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	132.59	-	132.59
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

Note - 8
Investments

Particulars	As at 31 March 2024	As at 31 March 2023
At cost		
In Others		
100 (31 March 2023 : 100) Shares in prachay foundation	0.01	0.01
Total	0.01	0.01
Out of above		
Investments outside India	-	-
Investment in India	0.01	0.01
Total (Gross)	0.01	0.01
Less: Allowance for impairment	-	-
Total (Net)	0.01	0.01

Note - 9
Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
Security deposits	14.74	13.38
Others	2.08	15.79
Total	16.82	29.16

Note - 10
Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provision for tax)	162.09	30.23
Total	162.09	30.23

Note - 11
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax Assets	78.46	11.83
Total	78.46	11.83

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

As at 31 March 2024

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference on account of Disallowance u/s 43B of Income tax Act, 1961	-	1.39	-	1.39
Difference between Written down value as per books and as per Income Tax	(2.17)	(0.68)	-	(2.85)
Preliminary expenses	0.23	(0.11)	-	0.11
Lease liability	0.54	8.08	-	8.62
Loan assets at amortised cost	24.19	62.91	-	87.10
Subordinated liabilities	1.79	(1.79)	-	-
Right of use assets	(0.48)	(7.58)	-	(8.06)
Unamortised borrowing cost	(12.26)	4.40	-	(7.85)
Total	**11.83**	**66.63**	-	**78.46**

As at 31 March 2023

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.85	(3.02)	-	(2.17)
Provision for Standard Assets	8.48	(8.48)	-	-
Preliminary expenses	0.34	(0.11)	-	0.23
Lease liability	2.01	(1.47)	-	0.54
Loan assets at amortised cost	51.91	(27.72)	-	24.19
Subordinated liabilities	1.46	0.33	-	1.79
Right of use assets	(1.94)	1.46	-	(0.48)
Unamortised borrowing cost	(4.99)	(7.26)	-	(12.26)
Total	**58.12**	**(46.29)**	-	**11.83**

Note - 13
Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expense	4.50	25.43
Balance with revenue authorities	-	2.25
Advances to creditors	0.91	-
Others	0.00	33.89
Total	**5.41**	**61.56**

Note - 14
Payables

Particulars	As at 31 March 2024	As at 31 March 2023
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1.19	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.56	9.40
Total	**2.74**	**9.41**

As at March 31, 2024	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	1.19	-	-	-	1.19
ii) Others	1.56	-	-	-	1.56
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	2.74	-	-	-	**2.74**

As at March 31, 2023	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	0.01	-	-	-	0.01
ii) Others	9.40	-	-	-	9.40
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	9.41	-	-	-	**9.41**

Note - 15
Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Non Convertible Debentures 12,49,50,000 (31 March 2023 : 5,63,65,000) non convertible secured debentures of Rs. 10 each*	12,495.00	5,636.50
Net Amount	**12,495.00**	**5,636.50**
Of the Above		
i) Debt securities in India	12,495.00	5,636.50
ii) Debt securities outside India	-	-

Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note:

* Non Convertible Secured Debentures, carrying interest rates ranging from 13-15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option"). These Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee way of hypothecation over the Receivables (both present and future) and all right, title, interest and claims of the Company to the Receivables.

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2024

R.O.I	2024-25	2025-26	2026-27	2027-28	2028-29	Grand Total
13.00%	-	-	190.50	595.00	1,190.00	1,975.50
13.50%	-	-	-	105.00	-	105.00
14.00%	610.00	572.50	1,317.50	240.00	1,000.00	3,740.00
14.50%	-	-	451.00	-	273.50	724.50
14.75%	-	-	-	505.00	100.00	605.00
15.00%	-	165.00	-	-	5,180.00	5,345.00
Total	610.00	737.50	1,959.00	1,445.00	7,743.50	12,495.00

Note - 16
Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term Loan from Bank*	2,484.60	1,633.25
Dropline overdraft from bank#	580.63	989.14
Cash Credits from Bank	-	1,185.73
Unsecured		
Inter corporate deposits^		
- Related Party	78.00	-
- Others	7,250.00	-
Loan from Realated Party	-	5.60
Loan from Members	-	8,477.21
Net Amount	10,393.23	12,290.94
Of the Above		
i) Borrowings in India	10,393	12,291
ii) Borrowings outside India	-	-

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
The Term loan 3 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
The Term loan 4 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
#Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.
Additional Dropline Overdraft of Rs 2000 Lakhs is repayable in 30principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

Term Loan 1, Term Loan 2, Term Loan 3 and Term Loan 4 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Director

Dropline Overdraft Limit is secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

^ Inter corporate deposits are for a tenure of 2 months to 3 years

Note - 17
Subordinated Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
At Amortised Cost		
Nil (31 March 2022 : Nil, 31 March 2023 : 71,000,) Non convertible Non cumulative 8% Preference shares	-	7.10
Total	-	7.10
Of the Above		
i) Borrowings in India	-	7.10
ii) Borrowings outside India	-	-

Note - 18
Lease liabilites

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilites	34.23	2.14
Total	34.23	2.14

Chartered Accountants Pune-1
Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 19
Other Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employee benefits payable	-	2.14
Interest accrued and due on borrowings	-	13.67
Interest Accrued but not due on borrowings	-	7.06
Cash collateral collected from borrower	245.36	-
Other payables	212.36	16.62
Total	457.72	39.49

Note - 20
Current tax liabilities (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax net of Advance tax	-	106.81
Total	-	106.81

Note - 21
Provision

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity	5.52	-
Total	5.52	-

Note - 22
Other Non-Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory Dues	3.16	33.99
Interest income received in advance	646.36	115.31
Total	649.52	149.30

Note - 25
Interest Income

Particulars	For the Year ended 31 March 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,415.41	-	3,415.41
Interest on investments - Non convertible debentures	-	772.69	-	772.69
Interest on security deposits	-	1.38	-	1.38
Total	-	4,189.48	-	4,189.48

Particulars	For the Year ended 31 March 2023			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,296.57	-	3,296.57
Interest on investments - non convertible debentures	-	45.34	-	45.34
Interest on inter corporate deposit given	-	-	-	-
Interest on security deposits	-	0.35	-	0.35
Total	-	3,342.26	-	3,342.26

Note - 26
Fees and commission income

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Trade Finance		
Fees and other charges	16.00	310.00
Total	16.00	310.00

Note - 27
Other Income

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Penal charges	-	-
Other Income	1.82	3.96
Interest on fixed deposit	46.49	17.95
Total	48.31	21.91





Note - 28
Finance costs

Particulars	For the Year ended 31 March 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	341.65	-	341.65
Inter corporate deposits	163.89	-	163.89
Debentures	1,076.08	-	1,076.08
Cash credit	10.61	-	10.61
Loan from Shareholders/directors	411.69	-	411.69
Subordinated liabilities	0.46	-	0.46
Lease liability	4.94	-	4.94
Other borrowing costs	28.98	-	28.98
Total	2,038.30	-	2,038.30

Particulars	For the Year ended 31 March 2023		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	219.65	-	219.65
Inter corporate deposits	59.04	-	59.04
Debentures	670.13	-	670.13
Cash credit / Overdraft	60.18	-	60.18
Interest on loan from Shareholders/directors	629.13	-	629.13
Subordinated liabilities	0.56	-	0.56
Lease liability	0.75	-	0.75
Other borrowing costs	7.89	-	7.89
Total	1,647.33	-	1,647.33

Note - 29
Impairment on financial instruments

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
a) Impairment loss on Loans		
i) At Amortised cost	18.39	7.54
b) Impairment loss on NCDs		
i) At FVTOCI	(5.38)	14.88
Total	13.02	22.42

Note - 30
Employee Benefits Expenses

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries and wages	272.95	44.08
Contribution to provident and other funds	3.34	-
Gratuity expenses	-	-
Remuneration to director	-	-
Share based payments	28.28	-
Staff welfare expenses	11.27	3.41
Total	315.83	47.48

Note - 31
Depreciation and amortisation expense

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Depreciation on property plant and equipment	25.45	15.02
Amortization of intangible assets	0.10	-
Depreciation of right of use assets	27.42	6.14
Total	52.97	21.16

Note - 32
Other Expenses

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Rent, taxes and energy costs	6.83	13.76
Repairs and maintenance	2.57	1.14
Advertisement and publicity	6.56	22.96
Auditor's Remuneration (Refer note below)	6.46	4.22
Legal and professional charges	246.67	484.27
Insurance	0.21	3.05
CSR expenditures	33.18	11.39
Miscellaneous expenses	51.40	18.72
Total	353.87	559.52

Particulars	For the year ended	
	31st March 2024	31st March 2023
(i) Payments to the auditors comprises of		
Statutory audit	4.60	3.24
Incometax audit	0.75	
Certification	0.80	0.25
Other services	0.31	0.73
Total	6.46	4.22

Chartered Accountants Pune

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 7

Loans

Particulars	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans						
Loans to Other	23,741.97	-	23,741.97	16,587.12	-	16,587.12
Loans and Advances in the form of Unquoted Non convertible Debentures *	-	4,819.42	4,819.42	-	5,980.86	5,980.86
Inter Corporate Deposits	-	-	-	-	-	-
Loans to Employees	6.54	-	6.54	-	-	-
Total (A) - Gross	**23,748.51**	**4,819.42**	**28,567.93**	**16,587.12**	**5,980.86**	**22,567.98**
Less: Impairment loss allowance	59.63	9.50	69.13	41.24	14.88	56.11
Total (A)- Net	**23,688.88**	**4,809.92**	**28,498.80**	**16,545.88**	**5,965.99**	**22,511.87**
(B) Out of above						
(i) Secured	23,741.97	4,819.42	28,561.38	16,587.12	5,980.86	22,567.98
Less: Impairment loss allowance	59.63	9.50	69.13	41.24	14.88	56.11
Total (i)	**23,682.34**	**4,809.92**	**28,492.25**	**16,545.88**	**5,965.99**	**22,511.87**
(ii) Unsecured	6.54	-	6.54	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (ii)	**6.54**	**-**	**6.54**	**-**	**-**	**-**
Total (B) = (i) + (ii)	**23,688.88**	**4,809.92**	**28,498.80**	**16,545.88**	**5,965.99**	**22,511.87**
(C) Out of above			-			-
(I) Loans in India			-			-
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Others	23,748.51	4,819.42	**28,567.93**	16,587.12	5,980.86	**22,567.98**
Less: Impairment loss allowance	59.63	9.50	**69.13**	41.24	14.88	**56.11**
Subtotal (ii)	**23,688.88**	**4,809.92**	**28,498.80**	**16,545.88**	**5,965.99**	**22,511.87**
Total (I)	**23,688.88**	**4,809.92**	**28,498.80**	**16,545.88**	**5,965.99**	**22,511.87**
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (II)	**-**	**-**	**-**	**-**	**-**	**-**
Total C(I)and C(II)	**23,688.88**	**4,809.92**	**28,498.80**	**16,545.88**	**5,965.99**	**22,511.87**

Note 1 : As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2023, Company has made provisions for Standard Assets.
Note 2 : Loans and advances includeds investment in Unqouted Non Convertible Debentures by Alternate investment fund classified as loans & advances.

A. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	-	Total
Gross carrying amount	28,567.93	-	-	28,567.93
Less: Impairment loss allowance	(69.13)	-	-	(69.13)
Net carrying amount	**28,498.80**	**-**	**-**	**28,498.80**

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	22,567.98	-	-	22,567.98
Less: Impairment loss allowance	(56.11)	-	-	(56.11)
Net carrying amount	**22,511.87**	**-**	**-**	**22,511.87**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 7
Loans

B. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2023	22,567.98	56.11	-	-	-	-	22,567.98	56.11
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(17,593.49)	-	-	-	-	-	(17,593.49)	-
New credit exposures during the year, net of repayments	23,593.44	13.02	-	-	-	-	23,593.44	13.02
Amounts written off during the year							-	-
As at 31 March 2024	**28,567.93**	**69.13**	**-**	**-**	**-**	**-**	**28,567.93**	**69.13**

Particulars	As at 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2022	13,291.94	33.70	-	-	-	-	13,291.94	33.70
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(9,788.50)	-	-	-	-	-	(9,788.50)	-
New credit exposures during the year, net of repayments	19,064.55	22.42	-	-	-	-	19,064.55	22.42
Amounts written off during the year							-	-
As at 31 March 2023	**22,567.98**	**56.11**	**-**	**-**	**-**	**-**	**22,567.98**	**56.11**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 12

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Furniture and fixtures	5.70	0.75	-	6.46	2.88	0.89	-	3.77	2.68	2.82
Office equipments	1.91	11.48	0.04	13.35	0.95	1.79	0.04	2.70	10.65	0.96
Computers & Laptops	11.61	4.39	0.64	15.36	8.82	3.51	0.60	11.73	3.62	2.78
Building	-	198.25	-	198.25	-	6.38	-	6.38	191.87	-
Vehicles	-	13.37	-	13.37	-	2.45	-	2.45	10.92	-
Total	19.22	228.24	0.68	246.78	12.65	15.02	0.64	27.03	219.75	6.57

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right of use assets	12.28	-	-	12.28	4.09	6.14	-	10.23	2.05	8.19
Total	12.28	-	-	12.28	4.09	6.14	-	10.23	2.05	8.19

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Furniture and fixtures	6.46	0.87	-	7.33	3.77	0.89	-	4.66	2.67	2.68
Office equipments	13.35	15.48	0.12	28.71	2.70	7.10	0.11	9.69	19.02	10.65
Computers & Laptops	15.36	7.69	0.38	22.67	11.73	4.75	0.36	16.12	6.55	3.62
Building	198.25	-	-	198.25	6.38	9.34	-	15.72	182.53	191.87
Vehicles	13.37	-	-	13.37	2.45	3.38	-	5.83	7.54	10.92
Total	246.78	24.04	0.50	270.33	27.03	25.45	0.47	52.02	218.31	219.75

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right of use assets	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05
Total	12.28	59.26	12.28	59.26	10.23	27.42	12.28	25.38	33.88	2.05

C. Intangible Assets :-

Particulars	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	As at 01 April 2023	Additions	Deletions/ Adjustments	As at 31 March 2024	As at April 01, 2023	For the period	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Softwares	-	0.36	-	0.36	-	0.10	-	0.10	0.26	-
c. Intangible Assets (under development) :-	-	43.60	-	43.60	-	-	-	-	43.60	-
Total	-	43.96	-	43.96	-	0.10	-	0.10	43.86	-

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 23

Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
2,80,00,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,80,00,000 Shares of Rs.10 each) (as on 31 March 2023 :- 2,80,00,000 Shares of Rs.10 each)	2,800	2,800
20,00,000 Preference Shares of Rs. 10 each (as on 31 March 2024 :- 20,00,000 Shares of Rs.10 each) (as on 31 March 2023 :- 20,00,000 Shares of Rs.10 each)	200	200
Total	3,000	3,000
Issued, Subscribed and Paid Up		
2,16,50,000 Equity Shares of Rs. 10 each (as on 31 March 2024 :- 2,16,50,000 Shares of Rs.10 each) (as on 31 March 2023 :- 2,08,50,000 Shares of Rs.10 each)	2,165	2,085
Total	2,165	2,085

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	2,08,50,000	2,085	2,00,00,000	2,000
Add:- Shares issued during the year	8,00,000	80	8,50,000	85
Shares outstanding at the end of the year	2,16,50,000	2,165	2,08,50,000	2,085

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% of Holding	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	79.26	1,71,59,870	82.30
Rahul Rathi	17,00,000	7.85	17,00,000	8.15
Prachay Advisors Private Limited	14,98,442	6.92	14,98,442	7.19
Total	2,03,58,312		2,03,58,312	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 31 March 2024		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	79.26%	3.04%

Promoter Name	As at 31 March 2023		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	82.30%	8.35%

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc

The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 24
Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Retained Earnings		
Balance at the beginning of the year (a)	2,092.71	1,251.64
Impact of first time adoption of IND AS	-	-
Profit/(Loss) for the year (b)	1,102.30	1,031.84
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	228.44	190.77
Less: Transfer to capital redemption reserve	7.10	-
Total appropriations (c)	235.54	190.77
Balance at the end of the year (a+b-c)	2,959.47	2,092.71
Other Reserves		
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	548.64	357.87
Add: Transferred during the year	228.44	190.77
Balance as at the end of the year	777.08	548.64
(III) Securities Premium		
Balance as at the beginning of the year	425.00	-
Add: Addition during the year	920.00	425.00
Balance at the end of the year	1,345.00	425.00
(IV) Capital Redemption Reserve		
Balance as at the beginning of the year	-	-
Add: Addition during the year	7.10	-
Balance at the end of the year	7.10	-
(V) Employees Stock Options Reserve		
Balance as at the beginning of the year	-	-
Add: Addition during the year	28.28	-
Balance at the end of the year	28.28	-
(VI) Non-controlling interest		
Balance as at the beginning of the year	-	-
Add: Profit during the period		
Add: Addition during the year	-	-
Balance at the end of the year	-	-
Total	5,116.92	3,066.35

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) Securities Premium

Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) Employees Stock Options Reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 33
Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31 March 2024	31 March 2023
(A) Net profit attributable to equity shareholders		
Profit after tax but before amortisation of ESOP cost	1,130.57	1,031.84
Less: Amortisation of ESOP cost	28.28	-
Total	**1,102.30**	**1,031.84**
(B) Weighted average number of equity shares for at the beginning of the year	2,13,96,448.09	2,04,09,863.01
Effective shares issued during the year	-	-
(C) Weighted average number of equity shares outstanding during the period*	2,13,96,448.09	2,04,09,863.01
Basic earning price per share (Rs) (A/C)	5.15	5.06
Diluted earning price per share (Rs) (A/C)	Refer Note	0.00

* Due to unavailability of FMV as on 31st March 24, the management has not calculated weighted average number of equity shares and diluted EPS.

NOTE - 34
Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024

NOTE - 35
Commitments and Contingent Liabilities

There are no contingent liabilities for the period ended 31 March 2024





NOTE - 36

Income tax expense

Particulars	For the year ended	
	31 March 2024	31 March 2023
(a) Income tax expense is as follows:		
Current tax		
Current tax on profits for the year	446.47	298.12
Prior year income tax	(2.33)	-
Total Current tax expense	**444.14**	**298.12**
Deferred tax	(66.63)	46.29
Total Deferred tax expense/(benefit)	**(66.63)**	**46.29**
Total Income tax expense	**377.51**	**344.42**

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit / (Loss) before income tax expense	1,479.80	1,376.26
	1,479.80	**1,376.26**
Tax at the Indian tax rate of 25.168%	372.44	346.38
Add/(less) effect of :		
Effect of expenses/(income) that are not deductible in determining taxable profit	5.07	(1.96)
Income tax expense	**377.51**	**344.42**



NOTE - 37

Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below :

Particulars	As at	
	31 March 2024	31 March 2023
Defined benefit obligation as at the opening of the year	-	-
Current service cost	5.52	-
Past service cost	-	-
Interest on defined benefit obligation	-	-
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	-	-
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	-	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	5.52	-

Movement in Plan Assets

Particulars	As at	
	31 March 2024	31 March 2023
Fair value of plan asset as at the beginning of the year	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	-	-
Benefits paid	-	-
Fair value of plan asset as at the end of the year	-	-

Reconciliation of net liability/asset

Particulars	As at	
	31 March 2024	31 March 2023
Net defined benefit liability/(asset) as at the beginning of the year	-	-
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	5.52	-
Amount recognised in other comprehensive income	-	-
Contributions Paid	-	-
Net defined benefit liability/(asset) as at the end of the year	5.52	-

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31 March 2024	31 March 2023
Current service Cost	5.52	-
Net Interest Cost	-	-
Total	5.52	-



NOTE - 37

Employee benefits plan

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31 March 2024	31 March 2023
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	-	
Changes in demographic assumptions	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

Amount recognised in Balance Sheet

Particulars	As At	
	31 March 2024	31 March 2023
Present value of defined benefit obligation	5.52	-
Fair value of plan assets	-	-
Net obligation	5.52	-
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	5.52	-

Key actuarial assumptions

Particulars	As At	
	31 March 2024	31 March 2023
Discount rate (p.a.)	7.20%	N.A.
Salary escalation rate (p.a.)	7%	N.A.

Expected Payout:

Year	31 March 2024	31 March 2023
	PVO Payout	PVO Payout
Expected Outgo First	0	N.A.
Expected Outgo Second	0	N.A.
Expected Outgo Third	0	N.A.
Expected Outgo Fourth	0	N.A.
Expected Outgo Fifth	2.00	N.A.
Expected Outgo Sixth to Tenth Years	21.19	N.A.

Sensitivity analysis for significant assumptions is as shown below

Particulars	31 March 2024	31 March 2023
Impact of increase in 100 bps on discount rate	(0.44)	N.A.
Impact of decrease in 100 bps on discount rate	0.51	N.A.
Impact of increase in 100 bps on salary escalation rate	(0.40)	N.A.
Impact of decrease in 100 bps on salary escalation rate	0.45	N.A.
Impact of increase in 100 bps on withdrawal rate	(0.01)	N.A.
Impact of decrease in 100 bps on withdrawal rate	0.01	N.A.

Valuation Results:

The assumptions and methodology used in compiling this Report are consistent with the requirements of Indian Accounting Standard (Ind AS) 19
The results are particularly sensitive to some assumptions, such as the discount rate, level of salary inflation & level of assumed mortality

Chhajed Bajpai Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 38

Related Parties Disclosure

38.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No. **Name of Related Party and their relationship**

(A) **Key Management Personnel**
Girish Lakhotiya - Director
Roshan Sancheti - Director
Pooja Porwal* - Company secretary
Divya Raizada** - Additional Director
Sonal Gupta *** - Company secretary

(B) **Relatives of Directors & Key Management Personnel (KMP)**
Sneha Dhoot
Anita Mohta
Roshan Sancheti HUF
Rajendra Sancheti HUF
Preeti Raizada
Dharamveer Raizada
Vinay Raizada

(C) **Entities in which KMPs are having significant influence**
Prachay Foundation
Prachay Holding Private Limited
Prachay Advisors Private Limited

* Pooja Porwal has resigned from the post of Company Secretary with effect from 30th March 2024
** Directorship of Divya Raizada Started from 31st January 2024
*** Sonal Gupta has been appointed as whole-time Company Secretary with effect from 1st April 2024

38.2 Transactions with Related Parties

Particulars	31 March 2024	31 March 2023
Loans taken from:		
Girish Lakhotiya	247.00	111.00
Roshan Sancheti	81.00	25.00
Repayment of loans:		
Girish Lakhotiya	248.00	111.00
Roshan Sancheti	82.00	25.00
Inter- corporate deposits received:		
Prachay Holding Private Limited	55.00	-
Prachay Advisors Private Limited	50.00	-
Inter- corporate deposits repaid:		
Prachay Holding Private Limited	27.00	-
Investments received on Secured Non convertible debentures:		
Anita Mohta	2.50	-
25,000 debentures of Rs 10/- each		
Roshan Rajendra Sancheti HUF	28.00	5.00
2,80,000 debentures of Rs 10/- each		
Rajendra Sancheti HUF	25.00	-
2,50,000 debentures of Rs 10/- each		
Transfer of Non Convertible Debentures from:		
Roshan Rajendra Sancheti HUF	5.00	-
Pooja Porwal	7.50	-
Property Purchase:		
Girish Lakhotiya	-	185.00
Interest paid on Unsecured Loans & Inter Corporate Deposits:		
Girish Lakhotiya	2.86	1.64
Roshan Sancheti	1.53	1.06
Prachay Advisors Private Limited	3.39	-
Prachay Holding Private Limited	3.00	-
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.69	0.65
Roshan Rajendra Sancheti HUF	1.70	0.46
Rajendra Sancheti HUF	1.42	-
Divya Raizada	0.54	-
Preeti Raizada	0.46	-
Vinay Raizada	0.09	-
Dharamveer Raizada	0.09	-
Pooja Porwal	0.05	1.03

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737

Particulars	31 March 2024	31 March 2023
Remuneration to director / KMP:		
Girish Lakhotiya	3.00	3.00
Roshan Sancheti	49.00	-
Divya Raizada	4.96	-
Pooja Porwal	11.64	-
Professional fees / Royalty:		
Girish Lakhotiya	36.00	-
Sneha Dhoot	48.00	-
Redemption of Preference Shares:		
Girish Lakhotiya	0.60	-
Payment of Dividend on Preference Shares:		
Girish Lakhotiya	0.04	-

(c) Outstanding balances:

Particulars	31 March 2024	31 March 2023
Loans payable:		
Girish Lakhotiya	-	1.00
Roshan Sancheti	-	1.00
Non Convertible Debentures:		
Anita Mohta	7.50	5.00
Divya Raizada	20.00	15.00
Roshan Rajendra Sancheti HUF	28.00	5.00
Rajendra Sancheti HUF	25.00	-
Preeti Raizada	15.00	10.00
Vinay Raizada	2.50	2.50
Dharamveer Raizada	2.50	2.50
Pooja Porwal	-	7.50
Inter- corporate deposits Taken:		
Prachay Holding Private Limited	28.00	-
Prachay Advisors Private Limited	50.00	-
Investments in Equity Shares:		
Prachay Foundation	0.01	0.01





Note - 39
Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 31 March 2024	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01	-	-	0.01	0.01
Cash and cash equivalents	-	-	1,732.08	1,732.08	1,732.08	-	-	1,732.08
Bank balances other than cash and cash equivalents	-	-	459.19	459.19	459.19	-	-	459.19
Trade receivables	-	-	0.29	0.29	-	-	0.29	0.29
Loans	4,809.92	-	23,688.88	28,498.80	-	-	28,498.80	28,498.80
Other financial assets	-	-	16.82	16.82	-	-	16.82	16.82
Total	**4,809.92**	**-**	**25,897.27**	**30,707.18**	**2,191.27**	**-**	**28,515.92**	**30,707.18**
Financial Liabilities								
Debt Securities	-	-	12,495.00	12,495.00	-	-	12,495.00	12,495.00
Borrowings	-	-	10,393.23	10,393.23	-	-	10,393.23	10,393.23
Other payables	-		2.74	2.74	-	-	2.74	2.74
Lease liabiities	-		34.23	34.23	-	-	34.23	34.23
Other financial liabilities	-		457.72	457.72	-	-	457.72	457.72
Total	**-**		**23,382.93**	**23,382.93**	**(23,382.93)**	**-**	**23,382.93**	**23,382.93**

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Financial Assets and Liabilities as at 31 March 2023	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01			0.01	0.01
Cash and cash equivalents	-	-	128.74	128.74	128.74	-	-	128.74
Bank balances other than cash and cash equivalents	-	-	194.55	194.55	194.55	-	-	194.55
Trade receivables	-	-	132.59	132.59	-	-	132.59	132.59
Loans	5,965.99	-	16,545.88	22,511.87	-	-	22,511.87	22,511.87
Other financial assets	-	-	29.16	29.16	-	-	29.16	29.16
Total	**5,965.99**	**-**	**17,030.93**	**22,996.92**	**323.29**	**-**	**22,673.63**	**22,996.92**
Financial Liabilities								
Debt securities	-	-	5,636.50	5,636.50	-	-	5,636.50	5,636.50
Borrowings	-	-	12,290.94	12,290.94	-	-	12,290.94	12,290.94
Other payables	-	-	9.41	9.41	-	-	9.41	9.41
Subordinated Liabilities	-	-	7.10	7.10	-	-	7.10	7.10
Lease Liabilities	-	-	2.14	2.14	-	-	2.14	2.14
Other financial liabilities	-	-	39.49	39.49	-	-	39.49	39.49
Total	**-**	**-**	**17,985.58**	**17,985.58**	**-**	**-**	**17,985.58**	**17,985.58**

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 40
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.
The Company has complied in full with the capital requirements prescribed by RBI over the reported period. Refer Note 51 for disclosure of capital adequacy as per applicable RBI regulations.

Note - 41
Risk Management
The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management
Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management
The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Definition of Default
A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

ii) Provision for expected credit losses
The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses
The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.





At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

0

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

The Company does not have any historical loss experience, it has created standard loss provision as per RBI regulations on the loans given and the loans given has sufficient security cover, the Company has not created any further provision for ECL.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	12,495.00	**12,495.00**	-	610.00	**737.50**	11,147.50	-
Borrowings	10,393.23	**10,393.23**	3,633.43	3,584.50	709.81	2,465.50	-
Lease Liabilities	34.23	**34.27**	17.22	13.36	3.68	-	-
Other payables	2.74	**2.74**	2.74	-	-	-	-
Other financial Liabilities	457.72	**457.72**	457.72	-	-	-	-
Total	**23,382.93**	**23,382.97**	**4,111.11**	**4,207.86**	**1,450.99**	**13,613.00**	-

As at March 31, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	5,636.50	**5,636.50**	-	-	610.00	5,026.50	-
Borrowings	12,290.94	**12,290.94**	10,203.57	562.37	725.00	800.00	-
Trade Payable		**-**	-	-	-	-	-
Subordinated Liabilities	7.10	**7.10**	-	7.10	-	-	-
Lease Liabilities	2.14	**2.14**	2.14	-	-	-	-
Other payables	9.41	**9.41**	9.41	-	-	-	-
Other financial Liabilities	39.49	**39.49**	39.49	-	-	-	-
Total	**17,985.58**	**17,985.58**	**10,254.61**	**569.47**	**1,335.00**	**5,826.50**	-

Chaturvedi Jain & Associates
Chartered Accountants
Pune-1

Prachay Capital Ltd.
CIN-U65900PN2017PLC168737
(Formerly Known As Prachay Capital Private Limited)

c. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee companies and reviews the same.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
The Company is not exposed to currency risk.

iii) Interest rate risk

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.
The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

Particulars	As at 31 March 2024 Effect on profit	As at 31 March 2024 Effect on Equity	As at 31 March 2023 Effect on profit	As at 31 March 2023 Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	14.78	11.06	11.33	8.47

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 42

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	1,732.08	-	1,732.08	128.74	-	128.74
Bank balances other than cash and cash equivalents	97.82	361.37	459.19	4.55	190.00	194.55
Receivables						
Trade Receivables	0.29	-	0.29	132.59	-	132.59
Loans	4,807.41	23,691.39	28,498.80	7,514.21	14,997.66	22,511.87
Investments	-	0.01	0.01	-	0.01	0.01
Other Financial assets	16.82	-	16.82	29.16	-	29.16
	6,654.41	24,052.77	30,707.18	7,809.25	15,187.67	22,996.92
Non-financial Assets						
Current tax assets (Net)	162.09	-	162.09	-	30.23	30.23
Deferred tax Assets (Net)	-	78.46	78.46	-	11.83	11.83
Property, Plant and Equipment	-	218.31	218.31	-	219.75	219.75
Capital work inprogress						
Right of use assets	-	33.88	33.88	-	2.05	2.05
Intangible assets under development	-	43.60	43.60	-	-	-
Other Intangible assets	-	0.26	0.26	-	-	-
Goodwill on consolidation	-	70.70	70.70	-	70.70	70.70
Other non-financial assets	5.41	-	5.41	48.00	13.56	61.56
	167.51	445.20	612.71	48.00	348.11	396.12
Total Assets	6,821.92	24,497.97	31,319.89	7,857.25	15,535.78	23,393.04
LIABILITIES						
Financial Liabilities						
Payables						
Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.19	-	1.19	0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.56	-	1.56	9.40	-	9.40
Debt Securities	610.00	11,885.00	12,495.00	-	5,636.50	5,636.50
Borrowings (Other than Debt Securities)	1,034.57	9,358.67	10,393.23	1,103.60	11,187.34	12,290.94
Subordinated Liabilities	-	-	-	7.10	-	7.10
Lease Liabilities	30.59	3.65	34.23	2.14	-	2.14
Other financial liabilities	287.48	170.24	457.72	27.11	12.38	39.49
	1,965.38	21,417.56	23,382.93	1,149.36	16,836.22	17,985.58
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	76.58	30.23	106.81
Provisions	5.52	(0.00)	5.52	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	649.52	-	649.52	149.30	-	149.30
	655.04	(0.00)	655.04	225.88	30.23	256.11
Total Liabilities	2,620.42	21,417.55	24,037.97	1,375.24	16,866.45	18,241.69
Net Assets / (Liabilities)	4,201.50	3,080.42	7,281.92	6,482.02	(1,330.67)	5,151.35

Chhan Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 43 Leases

The Company has entered into leases for its offices.

The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2024	31 March 2023
Opening Balance	2.14	7.99
Additions	56.14	-
Accretion of interest	4.94	0.75
Payments/Adjustments	(28.99)	(6.60)
Closing Balance	34.23	2.14

Note - 44 Additional Regulatory Information

(i) The Title Deeds of all immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(iii) The Company has not revalued any of its Intangible assets during the year.

(iv) During the period ended 31 March 2024, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security of receivables

Quarter	Particulars	Balance reported in statements	Balance as per books	Difference *
1	Receivables	19,893	20,892	(999.00)

* Reason for Deviation : Quarter 1, The difference is on account of investment in NCD's which were to be transferred and hence excluded from statement of receivables given to bank.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(ix) The company has already processed with filing the registration or satisfaction of charges.

(x) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

(xii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiii) a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;

b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

Note - 45 Employee Stock Options

The Board in its meeting held on 01 April 2023 has resolved to issue to Employees under ESOP 2023, Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company (i.e. 10,42,500 Equity Shares), each Share of face value Rs. 10 each of the Company, with each such Option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such grant/s.

The shareholders of the Company, in their extraordinary general meeting held on 11 April 2023 have approved the Grant of Employee Stock Options exercisable into not more than 5% of the paid-up Share capital of the Company, each Share of face value INR 10 each of the Company, under Employee Stock Option Plan 2023 to the Employees.

The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

(a) Summary of ESOP

Particulars	Options	Weighted Average Exercise Price (IN INR)
Options outstanding as at 01 April 2023	Nil	N.A
Options granted during the year	3,69,635	125
Options canceled / forfeited / expired during the year	21,820	125
Options exercised during the year	Nil	N.A
Options outstanding as at 31 March 2024	3,47,815	125
Options exercisable at the end of the year	Nil	N.A
Range of exercise price of options outstanding at the end of the year	125	
Average share price during the year	125	
Weighted average contractual life of options outstanding at the end of the year	4.79 Years	
Weighted average fair value of option as on date of grant (granted during the year)	42.06	

(b) Fair Value of Options granted during the year:

Particulars	Fair Value 31 March 2024	Amount 31 March 2024
Option Grant on 15th July 2023		
- 1st Vesting	42.04	5.20
- 2nd Vesting	42.04	6.94
- 3rd Vesting	42.04	7.81
- 4th Vesting	42.08	8.33
Total Employee Compensation Cost		28.28

(c) Method used for calculating fair value of Option – Black Scholes Option Valuation Model.

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below:

Particulars	Fair Value
Stock Price (IN INR)	125
Standard Deviation (Volatility)	Nil *
Risk Free Rate	7.0680%
Exercise Price (IN INR)	125
Time to Maturity	6 Years
Dividend Yield	Nil

* Since the company is closely held and management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil.

Note - 46 Additional Disclosure

Particulars	Parent	Wholly owned subsidiaries		Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay AIF Scheme I - Category II	
Net Assets (Total assets minus total liabilities)				
As a % of consolidated net assets	85.08%	0.49%	14.44%	100%
Amount	6,182.38	36.06	1,063.48	**7,281.92**
Share in consolidated profit or (loss)				
As a % of consolidated profit or (loss)	97.59%	0.21%	2.19%	100%
Amount	1,074.72	2.43	25.15	**1,102.30**
Share in Consolidated other comprehensive income				
As a % of consolidated Other comprehensive income	0%	0.00%	0.00%	100%
Amount	-	-	-	-
Share in consolidated total comprehensive income				
As a % of consolidated total comprehensive income	97.59%	0.21%	2.19%	100%
Amount	1,074.72	2.43	25.15	1,102.30

As per our report of even date
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

A C Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	Roshan Sancheti	Sonal Gupta	Ankur Agrawal
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN:02699138	DIN:07707109	Mem No : A69043	Place: Pune
Place: Pune	Place: Pune	Place: Pune	
Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025	Date : 30-01-2025

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates
Chartered Accountants

T I + 91. 20. 6721 5500
www.skjican.com

Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India

Independent Auditors' Special Purpose Audit Report on the Standalone Financial Statement of Assets and liabilities as at March 31, 2023, Standalone Statement of Profit and Loss and Standalone Cash Flows Statement for the year ended March 31, 2023, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Standalone financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited accompanying financial statements of Prachay Capital Limited (the " Company"), which comprises the standalone balance sheet as at March 31, 2023, the standalone statement of profit and loss, Standalone statement of changes in equity and standalone cash flow statement for the year ended March 31, 2023, and a summary of Material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Standalone Ind As Financial Statements").

We have also audited the comparative financial information appearing in the accompanying Special Purpose Financial Statements, as at and for the year ended March 31,2022 and has been approved by the Board of Directors in their meeting date 30th Jan 2025.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Ind AS Financial Statement are prepared in all material aspects and in terms of compliance with SEBI NCS Regulations and in accordance with the basis set out in Note No. 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Standalone Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements section of our report. We are independent of the company in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Standalone Ind AS Financial Statements.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Standalone Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Standalone Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Standalone Ind AS Financial Statements that give a true and fair view of the Standalone financial position, Standalone results of operations, Standalone changes of equity and Standalone 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 Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Company are responsible for 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 Special Purpose Standalone Ind AS 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 Special Purpose Standalone Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special purpose Ind AS financial statements, the respective Board of the Directors of the Companies are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Ind AS Financial Statements 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 Special Purpose Standalone Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Chartered Accountants
Pune-1

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

f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Special Purpose Standalone Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Standalone Ind AS Financial Statements of which we are the independent auditors

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

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Standalone Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No: 142740W



Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMHYPE3331

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Balance sheet as at 31st March 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
ASSETS				
1. Financial assets				
Cash and cash equivalents	4	118.65	24.62	299.77
Bank Balance other than cash and cash equivalents	5	191.63	307.28	-
Loans	6	22,551.37	13,258.24	9,987.28
Investments	7	100.01	0.01	-
Other Financial assets	8	12.48	2.52	2.85
		22,974.14	13,592.68	10,289.90
2. Non-financial assets				
Current tax assets (net)	9	-	39.29	-
Deferred tax assets (net)	10	11.46	57.78	42.12
Property, plant and equipment	11	217.13	6.57	10.58
Right of use assets	11	2.05	8.19	2.05
Other non-financial assets	12	61.56	312.95	1.48
		292.19	424.78	56.24
Total Assets		23,266.33	14,017.45	10,346.14
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial liabilities				
Payables	13			
Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.01	0.45	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.05	-	4.45
Debt securities	14	5,636.50	3,741.50	3,032.50
Borrowings (other than debt securities)	15	12,287.34	6,507.31	4,248.64
Subordinated liabilities	16	7.10	5.80	-
Lease liabilities	17	2.14	7.99	2.14
Other financial liabilities	18	37.74	104.11	24.72
		17,970.87	10,367.16	7,312.45
2. Non-Financial liabilities				
Current tax liabilities (Net)	19	106.81	-	92.78
Other non-financial liabilities	20	115.31	40.79	0.06
		222.12	40.79	92.84
EQUITY				
Equity share capital	21	2,085.00	2,000.00	2,000.00
Other equity	22	2,988.34	1,609.51	940.85
		5,073.34	3,609.51	2,940.85
Total Liabilities and Equity		23,266.33	14,017.45	10,346.14

Material accounting policies 1-3
The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

ACKhandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date :30-01-2025

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * (Formerly known as Prachay Capital Private Limited) * CIN- U65900PN 2017PLC 168737

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of Profit and Loss Account for the year ended 31 March, 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Revenue from operations			
Interest Income	23	3,348.08	2,134.38
Total revenue from operations		3,348.08	2,134.38
Other income	24	21.71	6.31
Total income		3,369.79	2,140.69
Expenses			
Finance costs	25	1,647.33	850.57
Impairment on financial instruments	26	22.42	8.30
Employee benefits expenses	27	16.76	128.64
Depreciation, amortisation and impairment	28	20.29	11.85
Others expenses	29	368.33	249.61
Total expenses		2,075.13	1,248.97
Profit before tax		1,294.67	891.72
Tax expense:			
Current tax		294.51	238.71
Deferred tax		46.32	(15.66)
Prior year Income tax		-	-
Profit for the period / year		953.83	668.66
Other comprehensive income		-	-
Total comprehensive income for the period / year		953.83	668.66
Earnings per equity share (for continuing operations)	30		
Basic (Rs.10)		4.67	3.34
Diluted (Rs.10)		4.67	3.34

Material accounting policies 1-3
The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached

For Shah Khandelwal Jain & Associates

Chartered Accountants
Firm Registration No.:142740W

A C Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

For and on behalf of the Board of Directors of

Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)

CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Statement of changes in equity for the year ended 31 March, 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Balance at the beginning of the current reporting period	2,000	2,000	1,500
Changes in equity share capital during the current period/year	85	-	500
Balance at the end of the current reporting period	2,085	2,000	2,000

B) Other equity

For the year ended 31 March 2023

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 01 April 2022	1,251.64	357.87	-	-	-	-	-	1,609.51
Profit after tax	953.83	-	-	-	-	-	-	953.83
Other comprehensive income	-	-	-	-	-	-	-	-
	2,205.47	357.87	-	-	-	-	-	2,563.34
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(190.77)	190.77	-	-	-	-	-	-
Add: Addition during the year	-	-	425.00	-	-	-	-	425.00
Balance as at 31 March 2023	2,014.70	548.64	425.00	-	-	-	-	2,988.34

For the year ended 31 March 2022

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	General reserve	Employees Stock Options Outstanding	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31 March 2021	821.56	224.14	-	-				1,045.70
Impact of First time adoption of IND AS								
Loans given at amortised cost	(145.52)	-	-	-	-			(145.52)
Borrowings at amortised cost	5.65	-	-	-	-			5.65
Right of use asset recognised	2.05	-	-	-	-			2.05
Lease liability recognised	(2.14)	-	-	-	-			(2.14)
Security deposits	(0.15)	-	-	-	-			(0.15)
Other Non-Financial Liabilities Interest income received in advance	-	-	-	-	-			-
Deferred tax impact	35.26	-	-	-	-			35.26
Restated balance as on 01 April 2021	716.71	224.14	-	-	-	-	-	940.85
Profit after tax	668.66							668.66
Other comprehensive income	-	-		-				-
	1,385.37	224.14	-	-	-	-	-	1,609.51
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(133.73)	133.73		-				-
	-	-		-				-
Balance as at 31 March 2022	1,251.64	357.87	-	-				1,609.51

Material accounting policies
The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Standalone Cash Flow Statement for the year ended 31 March , 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,294.67	891.72
Adjustments for:		
Interest income on fixed deposit	(17.92)	(6.31)
Interest on lease liabilities	0.75	0.86
Depreciation & amortisation	20.29	11.85
Provision for Standard Assets	22.42	8.30
Fixed assets written off	0.04	-
Operating Profit/(Loss) before changes in working capital	**1,320.25**	**906.43**
Adjustment for (Increase)/Decrease in Operating Assets		
Loans given	(9,315.55)	(3,279.26)
Adjustments for other non financial assets	251.38	(311.46)
Adjustments for other financial assets	(9.95)	0.32
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in payables	(0.39)	(4.00)
Adjustments for other financial liabilities	(66.37)	77.70
Adjustments for other non financial liabilities	74.52	40.73
Cash flow from operations after changes in working capital	(7,746.11)	(2,568.55)
Net Direct Taxes (Paid)/Refunded	(148.41)	(370.78)
Net Cash Flow from/(used in) Operating Activities	**(7,894.52)**	**(2,939.33)**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale / (Purchase) of Property plant and equipment and Intangible assets	(224.75)	(1.70)
Net Sale / (Purchase) of investment	(100.00)	(0.01)
Net Redemption / (Investment) in fixed deposits	115.65	(307.28)
Interest received	17.92	6.31
Net Cash Flow from/(used in) Investing Activities	**(191.18)**	**(302.69)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuing shares (Including security premium net off issue expense)	510.00	-
Proceeds from Debt Securities (Including Debenture Premium)	1,895.00	709.00
Proceeds from Subordinated Liabilities	1.30	5.80
Proceeds from borrowings	5,780.03	2,258.67
Payment of lease liabilities	(6.60)	(6.60)
Net Cash Flow from/(used in) Financing Activities	**8,179.73**	**2,966.87**
Net Increase/ (decrease) in cash and cash equivalents	**94.03**	**(275.15)**
Cash & Cash Equivalents at beginning of period (see Note 1)	24.62	299.77
Cash and cash equivalents at end of period (see Note 1)	**118.65**	**24.62**

Notes:

1 **Cash and cash equivalents comprises of:**

Cash on hands	2.67	2.19
Balance with banks	20.98	22.43
Fixed Deposit having maturity of less than 3 months	95.00	-
Cash and cash equivalents	**118.65**	**24.62**
Effect of unrealised foreign exchange (gain)/loss (net)		
Cash and cash equivalents as restated	118.65	24.62

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

4 **Changes in liabilities arising from financing activities**

Particulars	Opening balance as at 1 April 2022	Cash flows (net)	Closing balance as at 31-03-2023
Borrowings	10,248.81	7,675.03	17,923.84

Particulars	Opening balance as at 1 April 2021	Cash flows (net)	Closing balance as at 31-03-2022
Borrowings	7,281.14	2,967.67	10,248.81

Material accounting policies

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

AC Khandelwal

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)
CIN: U65900PN2017PLC168737

Girish Lalnotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Notes to the Special Purpose Standalone Financial Statements for the year ended 31 March 2023

(Amounts in INR lakhs, unless otherwise stated)

1.Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of Company from a Private Limited to a Public Limited Company to commence/ or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2.Basis of preparation and presentation of financial statements

Statement of Compliance and basis of preparation

The company has prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose financial statements for year ended 31 March, 2023. By adopting date of transition as 1st April 2021 accordingly these financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for NBFCs in accordance with the RBI notification no. RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Any application guidance/ clarifications / directions issued by RBI or other regulators are implemented as and when they are issued/ applicable

The Special Purpose financial statements are prepared and presented in the format prescribed in the Division III of Schedule III of the Act.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Ind AS and accounting principles generally accepted in India. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

I. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

II. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

III. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12months after the reporting date.

IV. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions.

V. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 10.

VI. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

VII. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Jain & Agarwal Chartered Accountants Pune-1
Prachay Capital Ltd. CIN U65900PN2017PLC 168714 Formerly Known As Prachay Capital Private Limited

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.Material Accounting Policies

Revenue from Contracts with Customers

I. Recognition of Interest Income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. Net Gain/Loss on fair value changes

Any differences between the fair values of 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 cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under other income and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

iii. Other income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

I. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited) CIN. U65900PN2017PLC168737

FVTPL) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Debt instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section collectively referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 month expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out.

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Pune-1

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Company records an allowance for the LTECLs.

Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Non-convertible preference shares issued by the company are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

Property, plant and equipment ("PPE)

Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computers & Laptops	3 years
Buildings	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years



Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 42).

Intangible assets

Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.



Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use

Amortisation

Intangible assets are amortised on a written down value basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Company has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, Labour welfare fund and employees' provident fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.**Defined benefit plans**

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined-benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Chandrakant Jain & Associates Chartered Accountants

Prachay Capital Ltd CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Other long term employee benefits

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions and contingences

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and updated timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Chartered Accountants

Pune-1

Prashay Capital Ltd. CIN- U65900PN 2017PLC 168137 Formerly Known As Prashay Capital Private Limited

Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

Leases

The Company as lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company's lease liabilities are included in Finance Liabilities (Refer Note 39).

iii) Short-term leases: The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

Share-based payment transactions

The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 31 for further details & information on segment reporting

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 4
Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Cash on Hand	2.67	2.19	0.05
Balance with Banks			
In Current Account	20.98	22.43	299.72
In Fixed Deposit having maturity of less than 3 months (including interest accrued theron)	95.00	-	-
Total	118.65	24.62	299.77

Note - 5
Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Fixed deposit with remaining maturity for more than three months #	191.63	307.28	-
Total	191.63	307.28	-

Fixed deposit of Rs 190 Lakhs is under lien against loan taken from bank. (Previous year 2021-22 : Rs. 300 lakhs)

Note - 8
Other Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Unsecured and considered good			
Security deposits	2.88	2.52	2.85
Others	9.60	-	-
Total	12.48	2.52	2.85

Note - 9
Current tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Advance tax (net of provisions)	-	39.29	-
Total	-	39.29	-

Note - 10
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Deferred tax Assets	11.46	57.78	42.12
Total	11.46	57.78	42.12

As at 31 March 2023

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.85	(3.17)	-	(2.32)
Provision for Standard Assets	8.48	(8.48)	-	-
Lease liability	2.01	(1.47)	-	0.54
Loan assets at amortised cost	51.91	(27.72)	-	24.19
Subordinated liabilities	1.46	0.33	-	1.79
Right of use assets	(1.94)	1.46	-	(0.48)
Unamortised borrowing cost	(4.99)	(7.26)	-	(12.26)
Total	57.78	(46.32)	-	11.46

As at 31 March 2022

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.41	0.44	-	0.85
Provision for Standard Assets	6.39	2.09	-	8.48
Preliminary expenses	0.06	(0.06)	-	-
Lease liability	0.54	1.47	-	2.01
Loan assets at amortised cost	36.62	15.29	-	51.91
Subordinated liabilities	-	1.46	-	1.46
Right of use assets	(0.48)	(1.46)	-	(1.94)
Unamortised borrowing cost	(1.42)	(3.57)	-	(4.99)
Total	43.12	15.46	-	57.78

As at 01 April 2021

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In reserves - on transition to IND AS	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.41	-	-	0.41
Provision for Standard Assets	6.39	-	-	6.39
Preliminary expenses	0.06	-	-	0.06
Lease liability	-	0.54	-	0.54
Loan assets at amortised cost	-	36.62	-	36.62
Right of use assets	-	(0.48)	-	(0.48)
Unamortised borrowing cost	-	(1.42)	-	(1.42)
Total	6.86	35.26	-	42.12

Note - 12
Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Prepaid Expense	25.43	300.39	1.31
Balance with Revenue Authorities	2.25	12.25	0.17
Advances to Creditors	-	-	-
Others	33.89	-	-
Total	61.56	312.95	1.48

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 13
Payables

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.01	0.45	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.05	-	4.45
Total	0.06	0.45	4.45

As at March 31, 2023	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	0.01	-	-	-	0.01
ii) Others	0.05	-	-	-	0.05
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	0.06	-	-	-	0.06

As at March 31, 2022	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	0.45	-	-	-	0.45
ii) Others	-	-	-	-	-
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	0.45	-	-	-	0.45

As at April 01, 2021	Outstanding for following periods from the date of transaction				
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	4.45	-	-	-	4.45
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-
	4.45	-	-	-	4.45

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.			
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :			
Principal	0.01	0.45	-
Interest	-	-	-
2.The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
3.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 Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
4.The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
5.The amount of further interest remaining due and payable even in the succeeding years, 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 Micro Small and Medium Enterprise Development Act, 2006	-	-	-

Note - 14
Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Non Convertible Debentures			
5,63,65,000, (31 March 2022 : 3,74,15,000, 31 March 2021 : 3,03,25,000) non convertible secured debentures of Rs. 10 each)	5,636.50	3,741.50	3,032.50
Net Amount	5,636.50	3,741.50	3,032.50
Of the Above			
i) Debt securities in India	5,636.50	3,741.50	3,032.50
ii) Debt securities outside India	-	-	-
Total	5,636.50	3,741.50	3,032.50
Secured *	5,636.50	3,741.50	1,832.50
Unsecured**	-	-	1,200.00
Total	5,636.50	3,741.50	3,032.50

note:

* Non Convertible Secured Debentures, carrying interest rates ranging from 13-15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option"). These Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee way of hypothecation over the Receivables (both present and future) and all right, title, interest and claims of the Company to the Receivables.

**Non Convertible Unsecured Debentures, carrying interest rate 15% are redeemable at par at the end of five (5) years from the date of allotment. The Company shall have an option to redeem all or any portion of the Debentures, at any time, after the expiry of one (1) year from the actual date of allotment ("Call option"). The debenture holder/investors shall have an option to cause the Company to redeem all or any portion of the Debentures, on the dates falling every zero (0) / six (6) months on the expiry of three (3) years/twelve (12) months from the actual date of allotment ("Put option").

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 15
Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Secured			
Term Loan from Bank *	1,633.75	2,105.01	994.35
Dropline overdraft from bank #	989.14	-	-
Cash Credits from Bank	3,185.73	1,249.75	3,214.29
Unsecured			
Inter corporate deposits *			
- Related Party	-	-	100.00
- Others	-	200.00	1,875.00
Loan from Realated Party	2.00	2.00	65.00
Loan from Members	8,477.21	2,950.54	-
Net Amount	**12,287.34**	**6,507.31**	**4,248.64**
Of the Above			
(i) Borrowings in India	12,287.34	6,507.31	4,248.64
(ii) Borrowings outside India	-	-	-

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.

Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.

^ Inter corporate deposits are for a tenure of 2 months to 3 years

Term Loan 1 and Term Loan 2 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Director

Dropline Overdraft Limit is secured by:-
1) Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

Note - 16
Subordinated Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
At Amortised Cost			
(March 2023 : 72,000, 31 March 2022 : 58,000) Non convertible Non cumulative 8% Preference shares	7.10	5.80	-
Total	**7.10**	**5.80**	**-**
Of the Above			
(i) Borrowings in India	7.10	5.80	-
(ii) Borrowings outside India	-	-	-

Note - 17
Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Lease liabilities	2.14	7.99	2.14
Total	**2.14**	**7.99**	**2.14**

Note - 18
Other Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Employee benefits payable	0.39	2.77	1.26
Interest accrued and due on borrowings	13.67	18.78	14.22
Other payables	7.06	-	-
Total	**16.62**	**82.56**	**9.24**
	37.74	**104.11**	**24.72**

Note - 19
Current tax liabilities (Net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Provision for income tax (net of Advance tax)	106.83	-	92.78
Total	**106.83**	**-**	**92.78**

Note - 20
Other Non-Financial Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Statutory Dues	-	2.74	0.06
Interest income received in advance	115.31	38.05	-
Total	**115.31**	**40.79**	**0.06**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 23
Interest Income

Particulars	For the Year ended 31 March 2023			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,296.57	-	3,296.57
Interest on investments - Non convertible debentures	-	45.34	-	45.34
Interest on Inter Corporate Deposit given	-	5.82	-	5.82
Interest on security deposits	-	0.35	-	0.35
Total	-	3,348.08	-	3,348.08

Particulars	For the Year ended 31 March 2022			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	2,134.02	-	2,134.02
Interest on security deposits	-	0.37	-	0.37
Total	-	2,134.38	-	2,134.38

Note - 24
Other Income

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Other Income	3.79	-
Interest on fixed deposit	17.92	6.31
Total	21.71	6.31

Note - 25
Finance costs

Particulars	For the Year ended 31 March 2023		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	219.65	-	219.65
Inter corporate deposits	59.04	-	59.04
Debentures	670.13	-	670.13
Cash credit / Overdraft	60.18	-	60.18
Interest on loan from Share Holders/Directors	679.13	-	679.13
Subordinated liabilities	0.56	-	0.56
Lease liability	0.75	-	0.75
Other borrowing costs	7.89	-	7.89
Total	1,647.33	-	1,647.33

Particulars	For the Year ended 31 March 2022		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	83.35	-	83.35
Inter corporate deposits	115.65	-	115.65
Debentures	494.44	-	494.44
Cash credit / Overdraft	89.34	-	89.34
Interest on loan from Share Holders/Directors	49.70	-	49.70
Subordinated liabilities	0.16	-	0.16
Lease liability	0.86	-	0.86
Other borrowing costs	17.08	-	17.08
Total	850.57	-	850.57

Note - 26
Impairment on financial instruments

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
a) Impairment loss on Loans		
i) At Amortised cost	7.54	8.30
b) Impairment loss on NCDs		
i) At FVTOCI	14.88	-
Total	22.42	8.30

Note - 27
Employee Benefits Expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Salaries and Wages	15.20	128.33
Staff welfare expenses	1.56	0.30
Total	16.76	128.64

Note - 28
Depreciation and amortisation expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Depreciation on property plant and equipment	14.15	5.71
Depreciation on of right of use assets	6.14	6.14
Total	20.29	11.85

Note - 29
Other Expenses

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Rent, taxes and energy costs	1.19	1.06
Repairs and maintenance	1.14	1.45
Advertisement and publicity	8.08	13.65
Auditor's Remuneration (Refer note below)	3.48	3.27
Legal and professional charges	330.44	212.12
Insurance	3.05	6.23
CSR expenditures	11.39	-
Other expenditure	9.57	11.83
Total	368.33	249.61

Particulars	For the period/year ended	
	31 March 2023	31 March 2022
(i) Payments to the auditors comprises of		
Statutory audit	2.50	2.50
Incometax audit	-	0.50
Certification	0.25	-
Other services	0.73	0.27
	3.48	3.27

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 6

Loans

Particulars	As at 31 March 2023			As at 31 March 2022			As at 01 April 2021		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans									
Loans to Related Parties	39.50	-	39.50	-	-	-	-	-	-
Loans to Other	16,587.12	-	16,587.12	13,291.94	-	13,291.94	10,012.67	-	10,012.67
Loans and Advances in the form of Unquoted Non convertible Debentures	-	5,980.86	5,980.86	-	-	-	-	-	-
Loans to Employees	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**16,626.62**	**5,980.86**	**22,607.48**	**13,291.94**	**-**	**13,291.94**	**10,012.67**	**-**	**10,012.67**
Less: Impairment loss allowance	41.24	14.88	56.11	33.70	-	33.70	25.40	-	25.40
Total (A)- Net	**16,585.38**	**5,965.99**	**22,551.37**	**13,258.24**	**-**	**13,258.24**	**9,987.28**	**-**	**9,987.27**
(B) Out of above									
(i) Secured	16,587.12	5,980.86	22,567.98	13,291.94	-	13,291.94	10,012.67	-	10,012.67
Less: Impairment loss allowance	41.24	14.88	56.11	33.70	-	33.70	25.40	-	25.40
Total (i)	**16,545.88**	**5,965.99**	**22,511.87**	**13,258.24**	**-**	**13,258.24**	**9,987.28**	**-**	**9,987.28**
(ii) Unsecured	39.50	-	39.50	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (ii)	**39.50**	**-**	**39.50**	**-**	**-**	**-**	**-**	**-**	**-**
Total (B) = (i) + (ii)	**16,585.38**	**5,965.99**	**22,551.37**	**13,258.24**	**-**	**13,258.24**	**9,987.28**	**-**	**9,987.28**
(C) Out of above			-			-			-
(i) Loans in India			-			-			-
(i) Public Sector	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-	-	-	-
(ii) Others	16,626.62	5,980.86	22,607.48	13,291.94	-	13,291.94	10,012.67	-	10,012.67
Less: Impairment loss allowance	41.24	14.88	56.11	33.70	-	33.70	25.40	-	25.40
Subtotal (ii)	**16,585.38**	**5,965.99**	**22,551.37**	**13,258.24**	**-**	**13,258.24**	**9,987.28**	**-**	**9,987.28**
Total (i)	**16,585.38**	**5,965.99**	**22,551.37**	**13,258.24**		**13,258.24**	**9,987.28**		**9,987.28**
(ii) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total C(i)and C(ii)	**16,585.38**	**5,965.99**	**22,551.37**	**13,258.24**		**13,258.24**	**9,987.28**		**9,987.28**

Note : As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2023, Company has made provisions for Standard Assets.

A. Loan given to related party

Type of Borrower	31 March 2023	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Party	39.50	0.24

B. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Summary of loans by stage distribution

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	22,607.48	-	-	22,607.48	13,291.94	-	-	13,291.94
Less: Impairment loss allowance	(56.11)	-	-	(56.11)	(33.70)	-	-	(33.70)
Net carrying amount	**22,551.37**	**-**	**-**	**22,551.37**	**13,258.24**	**-**	**-**	**13,258.24**

Summary of loans by stage distribution

Particulars	As at 01 April 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	10,012.67	-	-	10,012.67
Less: Impairment loss allowance	(25.40)	-	-	(25.40)
Net carrying amount	**9,988.28**	**-**	**-**	**9,988.28**





C. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2022	13,291.94	33.70	-	-	-	-	13,291.94	33.70
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(9,749.00)	-	-	-	-	-	(9,749.00)	-
New credit exposures during the year, net of repayments	19,064.55	22.42	-	-	-	-	19,064.55	22.42
Amounts written off during the year							-	-
As at 31 March 2023	**22,607.48**	**56.11**	-	-	-	-	**22,607.48**	**56.11**

Particulars	As at 01 April 2022							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2021	10,012.67	25.40	-	-	-	-	10,012.67	25.40
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(6,485.08)	-	-	-	-	-	(6,485.08)	-
New credit exposures during the year, net of repayments	9,764.34	9.30	-	-	-	-	9,764.34	9.30
Amounts written off during the year	-	-	-	-	-	-	-	-
As at 31 March 2022	**13,291.94**	**33.70**	-	-	-	-	**13,291.94**	**33.70**

Chartered Accountants

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

C. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows (Continue...)

Particulars	As at 01 April 2021							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2021	10,012.67	25.40	-	-	-	-	10,012.67	25.40
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	-	-	-	-	-	-	-	-
New credit exposures during the year, net of repayments	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
As at 01 April 2021	**10,012.67**	**25.40**	**-**	**-**	**-**	**-**	**10,012.67**	**25.40**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * Formerly Known As Prachay Capital Private Limited

Note - 7
Investments

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
(A) At deemed cost			
(i) In Subsidiary Companies			
(31 March 2023 : 10,00,000) Shares of Prachay Investment Managers Private Limited	100.00	-	-
Investment in Prachay AIF Scheme I - Category II	-	-	-
Total (A)	100.00	-	-
(B) At Cost			
In Others			
(31 March 2023 : 100, 31 March 2022 : 100) Shares in prachay foundation	0.01	0.01	-
Total (B)	0.01	0.01	-
Total (A+B)	100.01	0.01	-
Out of above			
Investments outside India	-	-	-
Investment in India	100.01	0.01	-
Total (Gross)	100.01	0.01	-
Less: Allowance for impairment	-	-	-
Total (Net)	100.01	0.01	-





Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Standalone Financial Statements for the year ended 31 March, 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 11

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 01 April 2020	For the period	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Furniture and fixtures	2.81	2.19	-	5.00	1.38	0.72	-	2.10	2.90	2.43
Office equipments	0.16	1.75	-	1.91	0.05	0.11	-	0.16	1.75	0.11
Computers & Laptops	0.64	9.98	-	10.61	0.14	4.54	-	4.68	5.93	1.49
Total	3.61	13.91	-	17.52	0.58	6.36	-	6.94	10.58	3.04

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 01 April 2020	For the period	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Right of use assets	-	12.28	-	12.28	-	10.23	-	10.23	2.05	-
Total	-	12.28	-	12.28	-	10.23	-	10.23	2.05	-

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2021	Additions	Deletions/ Adjustments	As at 31 March 2022	As at 01 April 2021	For the period	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Furniture and fixtures	5.00	0.71	-	5.70	2.10	0.78	-	2.88	2.82	2.90
Office equipments	1.91	-	-	1.91	0.16	0.79	-	0.95	0.96	1.75
Computers & Laptops	10.61	0.99	-	11.61	4.68	4.14	-	8.82	2.78	5.93
Total	17.52	1.70	-	19.22	6.94	5.71	-	12.65	6.57	10.58

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2021	Additions	Deletions/ Adjustments	As at 31 March 2022	As at April 01, 2021	For the period	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Right of use assets	12.28	12.28	12.28	12.28	10.23	6.14	12.28	4.09	8.19	2.05
	12.28	12.28	12.28	12.28	10.23	6.14	12.28	4.09	8.19	2.05

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment										
Furniture and fixtures	5.70	0.28	-	5.99	2.88	0.79	-	3.67	2.32	2.82
Office equipments	1.91	8.46	0.04	10.33	0.95	1.03	0.04	1.94	8.39	0.96
Computers & Laptops	11.61	4.39	0.64	15.36	8.82	3.51	0.60	11.73	3.62	2.78
Land & Building	-	198.25	-	198.25	-	6.38	-	6.38	191.87	-
Vehicles	-	13.37	-	13.37	-	2.45	-	2.45	10.92	-
Total	19.22	224.75	0.68	243.29	12.65	14.15	0.64	26.16	217.13	6.57

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right of use assets	12.28	-		12.28	4.09	6.14	-	10.23	2.05	8.19
Total	12.28	-		12.28	4.09	6.14	-	10.23	2.05	8.19

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737
Khandelwal Jain & Associates Chartered Accountants Pune-1

Note - 21

Equity Share capital

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
Authorised			
Equity Shares of Rs. 10 each (as on 31 March 2023 :- 2,80,00,000 Shares, 31 March 2022 :- 2,80,00,000 Shares, 01 April 2021 :- 3,00,00,000 Shares)	2,800	2,800	3,000
Preference Shares of Rs. 10 each (as on 31 March 2023 :- 20,00,000 Shares, as on 31 March 2022 :- 20,00,000 Shares & as on 01 April 2021 :- Nil)	200	200	-
Total	**3,000**	**3,000**	**3,000**
Issued, Subscribed and Paid Up			
Equity Shares of Rs. 10 each (as on 31 March 2023 :- 2,08,50,000 Shares, 31 March 2022 :- 2,00,00,000 Shares, 01 April 2021 :- 2,00,00,000 Shares)	2,085	2,000	2,000
Total	**2,085**	**2,000**	**2,000**

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022		As at 01 April 2021	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	2,00,00,000	2,000	2,00,00,000	2,000	1,50,00,000	1,500
Add:- Shares issued during the year	8,50,000	85	-	-	50,00,000	500
Shares outstanding at the end of the year	2,08,50,000	2,085	-	-	-	-
			2,00,00,000	2,000	2,00,00,000	2,000

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022		As at 01 April 2021	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	82.30	1,81,29,870	90.65	1,81,29,870	90.65
Rahul Rathi	17,00,000	8.15	-	-	-	-
Prachay Advisors Private Limited	14,98,442	7.19	15,58,442	7.79	15,58,442	7.79
Total	**2,03,58,312**		**1,96,88,312**		**1,96,88,312**	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 31 March 2023			As at 31 March 2022		
	Nos.	% of Holding	% Change during the	Nos.	% of Holding	% Change
Girish Lakhotiya	1,71,59,870	82.30%	8.35%	1,81,29,870	90.65%	-

Promoter Name	As at 01 April 2021		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,81,29,870	90.65%	2.65%

Prachay Capital Ltd. * (Formerly known as Prachay Capital Private Limited) * CIN- U65900PN2017PLC168737
Chartered Accountants * Pune-1 *

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc

The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Note - 22

Other equity

Particulars	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
(I) Retained Earnings			
Balance at the beginning of the year (a)	1,251.64	716.71	821.56
Impact of first time adoption of IND AS	-	-	(104.85)
Profit/(Loss) for the year (b)	953.83	668.66	-
Appropriations:			
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	190.77	133.73	-
Less: Transfer to capital redemption reserve	-	-	-
Total appropriations (c)	190.77	133.73	-
Balance at the end of the year (a+b-c)	2,014.70	1,251.64	716.71
Other Reserves			
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Balance as at the beginning of the year	357.87	224.14	224.14
Add: Transferred during the year	190.77	133.73	-
Balance as at the end of the year	548.64	357.87	224.14
(III) Securities Premium			
Balance as at the beginning of the year	-	-	-
Add: Addition during the year	425.00	-	-
Balance at the end of the year	425.00	-	-
(IV) Capital Redemption Reserve			
Balance as at the beginning of the year	-	-	-
Add: Addition during the year	-	-	-
Balance at the end of the year	-	-	-
(V) Employees Stock Options Reserve			
Balance as at the beginning of the year	-	-	-
Add: Addition during the year	-	-	-
Balance at the end of the year	-	-	-
Total	2,988.34	1,609.51	940.85

Prachay Capital Ltd. * (Formerly Known As Prachay Capital Private Ltd.) * CIN- U65900PN2017PLC168737

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013

(iii) Securities Premium

Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) Employees Stock Options Reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.





NOTE - 30

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31 March 2023	31 March 2022
(A) Net profit attributable to equity shareholders	952.83	668.66
	952.83	668.66
(B) Weighted average number of equity shares	2,04,09,863	2,00,00,000
Basic earning price per share (Rs) (A/C)	4.67	3.34
Diluted earning price per share (Rs) (A/C)	4.67	3.34

NOTE - 31

Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2023.

NOTE - 32

Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities for the period ended 31 March 2023

NOTE - 33

Income tax expense

(a) Income tax expense is as follows:

Particulars	For the year ended	
	31 March 2023	31 March 2022
Current tax		
Current tax on profits for the year	294.51	238.71
Prior year income tax	-	-
Total Current tax expense	**294.51**	**238.71**
Deferred tax	46.32	(15.66)
Total Deferred tax expense/(benefit)	**46.32**	**(15.66)**
Total Income tax expense	**340.84**	**223.06**

(b) Reconciliation of tax expense and the accounting profit computed by applying the income tax rate

Particulars	For the year ended	
	31 March 2023	31 March 2022
Profit / (Loss) before income tax expense	1,294.67	891.72
	1,294.67	**891.72**
Tax at the Indian tax rate of 25.168%	325.84	224.43
Add/(less) effect of :		
Effect of expenses/(income) that are not deductible in determining taxable profit	15.02	(1.37)
Income tax expense	340.84	**223.06**

Shah Mahavir Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 34
Related Parties Disclosure

34.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No. Name of Related Party and their relationship

(A) Subsidiary Company
Prachay Investment Managers Private Limited

(B) Key Management Personnel
Girish Lakhotiya - Director
Roshan Sancheti - Director
Pooja Porwal - Company secretary

(C) Relatives of Directors & Key Management Personnel (KMP)
Sneha Dhoot
Anita Mohta
Roshan Sancheti HUF
Rajendra Sancheti HUF

(D) Entities in which KMPs are having significant influence
Prachay Foundation
Prachay Holding Private Limited
Prachay Advisors Private Limited

34.2 Transactions with Related Parties

Particulars	31 March 2023	31 March 2022
Loans taken from:		
Girish Lakhotiya	111.00	357.30
Roshan Sancheti	25.00	28.63
Repayment of loans:		
Girish Lakhotiya	111.00	391.30
Roshan Sancheti	25.00	57.63
Inter- corporate deposits received:		
Prachay Holding Private Limited	-	705.00
Prachay Investment Managers Pvt Ltd	15.00	100.00
Prachay Advisors Private Limited	-	9.00
Inter- corporate deposits repaid:		
Prachay Holding Private Limited	-	830.00
Prachay Investment Managers Pvt Ltd	15.00	200.00
Prachay Advisors Private Limited	-	9.00
Inter- corporate deposits given :		
Prachay Investment Managers Pvt Ltd	148.75	-
Repayment of Inter - corporate deposit given:		
Prachay Investment Managers Pvt Ltd	109.25	-
Interest income on ICD given:		
Prachay Investment Managers Pvt Ltd	5.82	-
Purchase of Equity Shares:		
Prachay Foundation	-	0.01
of Prachay Investment Managers Private Limited from Prachay Holding Pvt Ltd	100.00	-
Investments received on Secured Non convertible debentures:		
Roshan Rajendra Sancheti HUF (50,000 debentures of Rs 10/- each)	5.00	-
Property Purchase:		
Girish Lakhotiya	185.00	-





Particulars	31 March 2023	31 March 2022
Interest paid on Unsecured Loans & Inter Corporate Deposits:		
Girish Lakhotiya	1.64	1.39
Roshan Sancheti	1.06	2.62
Prachay Advisors Private Limited	-	0.05
Prachay Holding Private Limited	-	27.91
Prachay Investment Managers Pvt Ltd	0.17	10.24
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.65	-
Roshan Rajendra Sancheti HUF	0.46	-
Pooja Porwal	1.03	-
Remuneration to director / KMP:		
Girish Lakhotiya	3.00	65.88
Roshan Sancheti	-	-
Professional fees / Royalty:		
Prachay Holding Private Limited	-	2.40
Roshan Sancheti	-	5.10
Sneha Dhoot	-	3.23

Outstanding balances:

Particulars	31 March 2023	31 March 2022	01 April 2021
Loans payable:			
Girish Lakhotiya	1.00	1.00	35.00
Roshan Sancheti	1.00	1.00	30.00
Non Convertible Debentures:			
Anita Mohata	5.00	5.00	-
Roshan Rajendra Sancheti HUF	5.00	-	-
Rajendra Sancheti HUF	-	-	-
Pooja Porwal	7.50	7.50	-
Inter- corporate deposits Taken:			
Prachay Holding Private Limited	-	-	125.00
Prachay Investment Managers Pvt Ltd	-	-	100.00
Inter- corporate deposits Given:			
Prachay Investment Managers Pvt Ltd	39.50	-	-
Investments in Equity Shares:			
Prachay Foundation	0.01	0.01	-
Prachay Investment Managers Pvt Ltd	100.00	-	-





Note - 35

Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 31 March 2023	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	100.01	100.01			100.01	100.01
Cash and cash equivalents	-	-	118.65	118.65	118.65	-	-	118.65
Bank balances other than Cash and cash equivalents	-	-	191.63	191.63	191.63	-	-	191.63
Loans*	5,965.99	-	16,585.38	22,551.37	-	-	22,551.37	22,551.37
Other financial assets	-	-	12.48	12.48	-	-	12.48	12.48
Total	**5,965.99**	**-**	**17,008.15**	**22,974.14**	**311.28**	**-**	**22,663.86**	**22,974.14**
Financial Liabilities								
Debt securities	-	-	5,636.50	5,636.50	-	-	5,636.50	5,636.50
Borrowings	-	-	12,287.34	12,287.34	-	-	12,287.34	12,287.34
Other payables	-	-	0.06	0.06	-	-	0.06	0.06
Subordinated Liabilities	-	-	7.10	7.10	-	-	7.10	7.10
Lease Liabilities	-	-	2.14	2.14	-	-	2.14	2.14
Other financial liabilities	-	-	37.74	37.74	-	-	37.74	37.74
Total	**-**	**-**	**17,970.87**	**17,970.87**	**-**	**-**	**17,970.87**	**17,970.87**

*includes investment in unquoted debenture

Financial Assets and Liabilities as at 31 March 2022	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01	-	-	0.01	0.01
Cash and cash equivalents	-	-	24.62	24.62	24.62	-	-	24.62
Bank balances other than Cash and cash equivalents above	-	-	307.28	307.28	307.28	-	-	307.28
Loans	-	-	13,258.24	13,258.24	-	-	13,258.24	-
Other financial assets	-	-	2.52	2.52	-	-	2.52	2.52
Total	**-**	**-**	**13,592.68**	**13,592.68**	**331.90**	**-**	**13,260.77**	**334.44**
Financial Liabilities								
Debt securities	-	-	3,741.50	3,741.50	-	-	3,741.50	3,741.50
Borrowings	-	-	6,507.31	6,507.31	-	-	6,507.31	6,507.31
Other payables	-	-	0.45	0.45	-	-	0.45	0.45
Subordinated Liabilities	-	-	5.80	5.80	-	-	5.80	5.80
Lease Liabilities	-	-	7.99	7.99	-	-	7.99	7.99
Other financial liabilities	-	-	104.11	104.11	-	-	104.11	104.11
Total	**-**	**-**	**10,367.16**	**10,367.16**	**-**	**-**	**10,367.16**	**10,367.16**

Financial Assets and Liabilities as at 01 April 2021	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	299.77	299.77	299.77	-	-	299.77
Bank balances other than Cash and cash equivalents above	-	-	-	-	-	-	-	-
Loans	-	-	9,987.28	9,987.28	-	-	9,987.28	9,987.28
Other financial assets	-	-	2.85	2.85	-	-	2.85	2.85
Total	**-**	**-**	**10,289.90**	**10,289.90**	**299.77**	**-**	**9,990.13**	**10,289.90**
Financial Liabilities								
Debt securities	-	-	3,032.50	3,032.50	-	-	3,032.50	3,032.50
Borrowings	-	-	4,248.64	4,248.64	-	-	4,248.64	4,248.64
Other payables	-	-	4.45	4.45	-	-	4.45	4.45
Lease Liabilities	-	-	2.14	2.14	-	-	2.14	2.14
Other financial liabilities	-	-	24.72	24.72	-	-	24.72	24.72
Total	**-**	**-**	**7,312.45**	**7,312.45**	**-**	**-**	**7,312.45**	**7,312.45**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known as Prachay Capital Private Limited)

Note - 36
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Note - 37
Risk Management
The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management
The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.
Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

Agrawal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

ii) Provision for expected credit losses
The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses
The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)
Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.





b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at March 31, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	5,636.50	5,636.50	-	-	610.00	5,026.50	-
Borrowings	12,287.34	12,287.34	10,199.97	562.37	725.00	800.00	-
Subordinated Liabilities	7.10	7.10	-	7.10	-	-	-
Lease Liabilities	2.14	2.14	2.14	-	-	-	-
Other payables	0.06	0.06	0.06	-	-	-	-
Other financial Liabilities	37.74	37.74	37.74	-	-	-	-
Total	17,970.87	17,970.87	10,239.90	569.47	1,335.00	5,826.50	-

As at March 31, 2022

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	3,741.50	3,741.50	-	-	-	3,741.50	-
Borrowings	6,507.31	6,507.31	4,620.41	245.77	841.13	800.00	-
Subordinated Liabilities	5.80	5.80	-	-	5.80	-	-
Lease Liabilities	7.99	7.99	3.54	2.73	1.71		
Other payables	0.45	0.45	0.45	-	-	-	-
Other financial Liabilities	104.11	104.11	104.11	-	-	-	-
Total	10,367.16	10,367.16	4,728.52	248.49	848.65	4,541.50	-

As at April 01, 2021

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	3,032.50	3,032.50	-	-	-	3,032.50	-
Borrowings	4,248.64	4,248.64	3,298.64	125.00	450.00	375.00	-
Lease Liabilities	2.14	2.14	2.14	-	-	-	-
Other payables	4.45	4.45	4.45	-	-	-	-
Other financial Liabilities	24.72	24.72	24.72	-	-	-	-
Total	7,312.45	7,312.45	3,329.95	125.00	450.00	3,407.50	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors performance of the investee companies &creviews the same.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk.

iii) Interest rate risk

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

(Amount in Lakhs)

Particulars	As at 31 March 2023 Effect on profit	As at 31 March 2023 Effect on Equity	As at 31 March 2022 Effect on profit	As at 31 March 2022 Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	11.33	8.47	7.44	5.56

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

Note - 38

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at 31 March 2023			As at 31 March 2022			As at 01 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	118.65	-	118.65	24.62	-	24.62	299.77	-	299.77
Bank Balance other than cash and cash equivalents	1.63	190.00	191.63	307.28	-	307.28	-	-	-
Receivables		-	-		-	-		-	-
(i) Trade Receivables		-	-		-	-		-	-
Loans	7,508.02	15,043.34	22,551.37	6,607.75	6,650.49	13,258.24	3,320.09	6,667.19	9,987.28
Investments	-	100.01	100.01	-	0.01	0.01	-	-	-
Other Financial assets	9.60	2.88	12.48	2.51	0.01	2.52	2.85	-	2.85
	7,637.90	15,336.23	22,974.14	6,942.16	6,650.51	13,592.68	3,622.71	6,667.19	10,289.90
Non-financial Assets									
Current tax assets (Net)	-	-	-	39.29	-	39.29	-	-	-
Deferred tax Assets (Net)	-	11.46	11.46	-	57.78	57.78	-	42.12	42.12
Property, Plant and Equipment	-	217.13	217.13	-	6.57	6.57	-	10.58	10.58
Capital work inprogress	-	-	-	-	-	-	-	-	-
Right of use assets	-	2.05	2.05	-	8.19	8.19	-	2.05	2.05
Intangible assets under development	-	-	-	-	-	-	-	-	-
Other Intangible assets	-	-	-	-	-	-	-	-	-
Other non-financial assets	48.00	13.56	61.56	312.95	-	312.95	1.48	-	1.48
	48.00	244.19	292.19	352.24	72.54	424.78	1.48	54.75	56.24
Total Assets	7,685.91	15,580.42	23,266.33	7,294.40	6,723.05	14,017.45	3,624.19	6,721.94	10,346.14
LIABILITIES									
Financial Liabilities									
Payables									
Other Payables									
(i) total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01	2.45	(2.00)	0.45	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.05	-	0.05	-	-	-	4.45	-	4.45
Debt Securities	-	5,636.50	5,636.50	-	3,741.50	3,741.50	-	3,032.50	3,032.50
Borrowings (Other than Debt Securities)	1,100.00	11,187.34	12,287.34	1,749.75	4,757.55	6,507.31	1,464.29	2,784.35	4,248.64
Subordinated Liabilities	7.10	-	7.10	-	5.80	5.80	-	-	-
Lease Liabilities	2.14	-	2.14	6.27	1.71	7.99	2.14	-	2.14
Other financial liabilities	24.17	13.56	37.74	104.11	-	104.11	24.72	-	24.72
	1,133.47	16,837.40	17,970.87	1,862.59	8,504.57	10,367.16	1,495.60	5,816.85	7,312.45
Non-Financial Liabilities									
Current tax liabilities (Net)	106.81	-	106.81	-	-	-	92.78	-	92.78
Provisions	-	-	-	-	-	-		-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-		-	-
Other non-financial liabilities	115.31	-	115.31	20.79	20.00	40.79	0.06	-	0.06
	222.12	-	222.12	20.79	20.00	40.79	92.84	-	92.84
Total Liabilities	1,355.59	16,837.40	18,192.99	1,883.37	8,524.57	10,407.94	1,588.44	5,816.85	7,405.29
Net Assets / (Liabilities)	6,330.31	(1,256.98)	5,073.34	5,411.03	(1,801.52)	3,609.51	2,035.76	905.09	2,940.85





Note - 39
Leases

The Company has entered into leases for its offices.
The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.
Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2023	31 March 2022
Opening Balance	**7.99**	**2.14**
Additions	-	11.59
Accretion of interest	0.75	0.86
Payments/Adjustments	(6.60)	(6.60)
Closing Balance	**2.14**	**7.99**

Note - 40
Additional Regulatory Information

(i) The Title Deeds of all Immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-use assets) during the year.

(iii) The Company has not revalued any of its Intangible assets during the year.

(iv) During the period ended 31 March 2023, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(vi) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security
No difference observed in quarterly returns or the statements filed by company with such Banks.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(ix) The company has already processed with filing the registration or satisfaction of charges.

(x) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

(xii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiii) a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;
b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.





Note - 41

1. For periods upto March-24 and including the year ended March-23, the company has prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirment for listing (Debt) securities, Company has prepared special purpose financial statements for period ended 31 March , 2023.These financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101
The presentation requirements under Indian GAAP differs from Ind AS, and hence, Indian GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Indian GAAP information is derived from the audited financial statements of the Company prepared in accordance with Indian GAAP.

2. **Exemptions and exceptions availed**
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A. Ind AS mandatory exemptions

I Estimates
The Company's estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with Indian GAAP.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

II Classification of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (eg. loans and investments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed financial assets at the date of transition and has classified as loans and other financial assets are measured at amortised cost.

III Impairment of financial assets
As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

IV Property plant and equipment, intangible assets
As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

V Leases
A first-time adopter that is a lessee may adopt certain exemptions on a lease by lease basis as per the principles of Ind AS 116, inter-alia the company has undertaken following exemptions:
As permitted the company has adopted a single discount rate to the portfolio of leases available as on transition date for the purpose of computing ROU and lease liability retrospectively on a present value basis.

B. Optional exemptions availed

I Investment in subsidiary
Ind AS 101 provides a one time option to a first-time adopter either to measure its investment in subsidiaries as per previous GAAP carrying value or at fair value on the date of transition.
The Company has elected to measure its investment in subsidiary as per previous GAAP carrying value.

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Jaiwal Jain & Associates Chartered Accountants Pune-1

Note - 42

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliations from previous GAAP to Ind AS.

A Equity at the date of transition to Ind AS, i.e., 01 April 2021 reconciled with the amounts reported under previous Indian GAAP as follows:

Amount in lacs

Particulars	Notes to first time adoption	As at April 01, 2021 Indian GAAP	IND AS Adjustments	As at April 01, 2021 IND AS
ASSETS				
Financial Assets				
Financial assets				
Cash and cash equivalents		299.77	-	299.77
Loans	I	10,132.80	(145.52)	9,987.28
Other financial assets	IV	3.72	(0.87)	2.85
Total Financial Assets		**10,436.29**	**(146.39)**	**10,289.90**
Other non-financial assets		26.60	(25.12)	1.48
Deferred tax Assets (Net)		6.86	35.26	42.12
Property, Plant and Equipment		10.58	-	10.58
Right of use assets	III	-	2.05	2.05
Total Non Financial Assets		**44.04**	**12.19**	**56.24**
TOTAL ASSETS		**10,480.33**	**(134.20)**	**10,346.14**
EQUITY AND LIABILITIES				
Financial Liabilities				
Financial liabilities				
Debt securities		3,032.50	-	3,032.50
Borrowings	II	4,305.12	(56.48)	4,248.64
Lease Liabilities	III	-	2.14	2.14
Other payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		4.45	-	4.45
Other financial liabilities		(0.28)	25.00	24.72
Total Financial Liabilities		**7,341.79**	**(29.34)**	**7,312.45**
Non Financial Liabilities				
Current tax liabilities (Net)		92.78	-	92.78
Other non financial liabilities	I	0.06	-	0.06
Total Non Financial Liabilities		**92.84**	**-**	**92.84**
Equity				
Equity share capital	V	2,000.00	-	2,000.00
Other equity		1,045.70	(104.85)	940.85
Total Equity		**3,045.70**	**(104.85)**	**2,940.85**
TOTAL EQUITY AND LIABILITIES		**10,480.33**	**(134.20)**	**10,346.14**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

B Equity at the date of transition to Ind AS, i.e., 31 March 2022 reconciled with the amounts reported under previous Indian GAAP as follows:

Amount in lacs

Particulars	Notes to first time adoption	As at March 31, 2022 Indian GAAP	IND AS Adjustments	As at March 31, 2022 IND AS
ASSETS				
Financial Assets				
Financial assets				
Investments		0.01	-	0.01
Cash and cash equivalents		24.62	-	24.62
Bank balances other than cash and cash equivalents		307.28	-	307.28
Loans	I	13,444.50	(186.26)	13,258.24
Other financial assets	IV	3.00	(0.48)	2.52
Total Financial Assets		**13,779.41**	**(186.73)**	**13,592.68**
Other non-financial assets		312.95	-	312.95
Deferred tax Assets (Net)		9.33	48.45	57.78
Property, Plant and Equipment		6.57	-	6.57
Right of use assets	III	-	8.19	8.19
Current tax assets (Net)		39.29	-	39.29
Total Non Financial Assets		**368.14**	**56.63**	**424.78**
TOTAL ASSETS		**14,147.55**	**(130.10)**	**14,017.45**
EQUITY AND LIABILITIES				
Financial Liabilities				
Financial liabilities				
Debt securities		3,741.50	-	3,741.50
Borrowings	II	6,527.15	(19.84)	6,507.31
Subordinated Liabilities	V	-	5.80	5.80
Lease Liabilities	III	-	7.99	7.99
Other payables				
Total outstanding dues of micro enterprises and small enterprises		0.45	-	0.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Other financial liabilities		104.11	-	104.11
Total Financial Liabilities		**10,373.21**	**(6.05)**	**10,367.16**
Non Financial Liabilities				
Other non financial liabilities	I	20.79	20.00	40.79
Total Non Financial Liabilities		**20.79**	**20.00**	**40.79**
Equity				
Equity share capital	V	2,005.80	(5.80)	2,000.00
Other equity		1,747.76	(138.25)	1,609.51
Total Equity		**3,753.56**	**(144.05)**	**3,609.51**
TOTAL EQUITY AND LIABILITIES		**14,147.55**	**(130.10)**	**14,017.45**

Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

C Equity as at comparative period ended 31 March 2023 reconciled with the amounts reported under previous Indian GAAP as follows:

Amount in lacs

Particulars	Notes to first time adoption	As at March 31, 2023 Indian GAAP	IND AS Adjustments	As at March 31, 2023 IND AS
ASSETS				
Financial Assets				
Financial assets				
Investments		100.01	-	100.01
Cash and cash equivalents		118.65	-	118.65
Bank balances other than cash and cash equivalents		191.63	-	191.63
Loans	I	22,662.34	(110.98)	22,551.37
Other financial assets	IV	12.60	(0.12)	12.48
Total Financial Assets		**23,085.23**	**(111.10)**	**22,974.14**
Non Financial Assets				
Property, Plant and Equipment		217.13	-	217.13
Right of use assets	III	-	2.05	2.05
Other non-financial assets	II	36.16	25.40	61.56
Total Non Financial Assets		**253.29**	**38.90**	**292.19**
TOTAL ASSETS		**23,338.52**	**(72.19)**	**23,266.33**
EQUITY AND LIABILITIES				
Financial Liabilities				
Debt Securities		5,636.50	-	5,636.50
Borrowings (Other than Debt Securities)	II	12,310.63	(23.30)	12,287.34
Subordinated Liabilities	V	-	7.10	7.10
Lease Liabilities	III	-	2.14	2.14
Other payables				
(i) total outstanding dues of micro enterprises and smal enterprises		0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.05	-	0.05
Other financial liabilities		37.74	-	37.74
Total Financial Liabilities		**17,984.93**	**(14.06)**	**17,970.87**
Non Financial Liabilities				
Current tax liabilities (Net)		106.81	-	106.81
Deferred tax liabilities (Net)		2.32	(2.32)	-
Other non financial liabilities		115.31	0.00	115.31
Total Non Financial Liabilities		**224.43**	**(2.32)**	**222.12**
Equity				
Equity share capital	V	2,092.10	(7.10)	2,085.00
Other equity		3,037.06	(48.72)	2,988.34
Total Equity		**5,129.16**	**(55.82)**	**5,073.34**
TOTAL EQUITY AND LIABILITIES		**23,338.52**	**(72.19)**	**23,266.33**

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Limited) CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

D Reconciliation of Total Comprehensive Income for the year ended 31 March 2023:

Amount in lacs

Particulars	Notes to first time adoption	For the year ended March 31, 2023 Indian GAAP	IND AS Adjustments	For the year ended March 31, 2023 IND AS
INCOME				
Interest Income	I	3,142.81	205.27	3,348.08
Fees Income	I	94.75	(94.75)	-
Other Income	V	21.71	-	21.71
TOTAL INCOME		**3,259.28**	**110.52**	**3,369.79**
EXPENSES				
Finance costs	II	1,673.52	(26.19)	1,647.33
Impairment on financial assets		22.42	0.00	22.42
Employee benefits expense		13.76	3.00	16.76
Depreciation and amortisation expense	III & IV	14.15	6.14	20.29
Other expenses	III	364.25	4.08	368.33
TOTAL EXPENSES		**2,088.10**	**(12.97)**	**2,075.13**
PROFIT BEFORE TAX		**1,171.18**	**123.49**	**1,294.67**
TAX EXPENSES				
Current tax expense		294.51	-	294.51
Deferred tax		11.65	34.68	46.32
TOTAL TAX EXPENSES		**306.16**	**34.68**	**340.84**
PROFIT FOR THE YEAR		**865.02**	**88.82**	**953.83**
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year, net of tax		**865.02**	**88.82**	**953.83**

E Reconciliation of Total Comprehensive Income for the year ended 31 March 2022:

Amount in lacs

Particulars	Notes to first time adoption	For the year ended March 31, 2022 Indian GAAP	IND AS Adjustments	For the year ended March 31, 2022 IND AS
INCOME				
Interest Income	I	1,948.50	185.88	2,134.38
Fees Income	I	246.25	(246.25)	-
Other Income	V	6.31	-	6.31
TOTAL INCOME		**2,201.06**	**(60.37)**	**2,140.69**
EXPENSES				
Finance costs	II	863.90	(13.33)	850.57
Impairment on financial assets		-	8.30	8.30
Employee benefits expense		128.64	-	128.64
Depreciation and amortisation expense	III & IV	5.71	6.14	11.85
Other expenses	III	264.51	(14.90)	249.61
TOTAL EXPENSES		**1,262.76**	**(13.79)**	**1,248.97**
PROFIT BEFORE TAX		**938.30**	**(46.58)**	**891.72**
TAX EXPENSES				
Current tax expense		238.71	-	238.71
Deferred tax		(2.47)	(13.18)	(15.66)
TOTAL TAX EXPENSES		**236.24**	**(13.18)**	**223.06**
PROFIT FOR THE YEAR		**702.06**	**(33.40)**	**668.66**
Total Comprehensive Income for the year, net of tax		**702.06**	**(33.40)**	**668.66**

Kanwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

F Reconciliation of other equity as at 01 April 2021

Particulars	Notes to first time adoption	As at April 1, 2021
Reserves as per Indian GAAP		1,046
Effects of transition to Ind AS:		
Add / (Less) :		
On account of recognition of income at EIR	I	(145.52)
On account of recognition of borrowing cost at EIR	II	5.65
Right of use asset recognised	III	2.05
Lease liability recognised	III	(2.14)
Security deposits	IV	(0.15)
Deferred tax impact		35.26
Other equity under Ind AS		940.85

G Note to the reconciliation of equity and Statement of Profit and Loss

I) EIR adjustment of transaction incomes integral to the sourcing of loans

Under previous GAAP, all the transaction incomes integral to sourcing of loans were recognised upfront on an accrual basis. Under Ind AS, these transaction incomes related to sourcing of loans are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss.

II) EIR adjustment of transaction costs integral to the sourcing of borrowings

Under previous GAAP, all the transaction costs integral to sourcing of borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs related to sourcing of borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss.

III) Right to Use of Assets and Lease Liabilities

Under previous GAAP, Lease Rent were recognised as an expenses as per SLM basis. As per Ind AS 116, the Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

IV) Security Deposits

Under Indian GAAP, the deposits paid for leases were recorded at the transaction value, whereas, under Ind AS, these are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the deposits paid for leases is recognised as amortisation of lease expense and is amortised over the period of the lease term. Further, interest is accreted on the present value of the deposits paid for leases.

V) Subordinated liabilities

Under Indian GAAP, the Non convertible Non cumulative 8% Preference shares were recognised under equity. Under Ind AS these were recognised as financial liability under subordinated liabilities.

VI) Cash Flow Statement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net increase/decrease in cash & cash equivalent as compared with the previous GAAP





Note - 43

Corporate Social Responsibility (CSR)	31 March 2023	31 March 2022
(a) Amount required to be spent by the company during the year	14.95	9.89
(b) Amount of expenditure incurred	1.50	-
(c) Shortfall at the end of the year	13.45	9.89
(d) Total of previous years shortfall Paid	-	-
(e) reason for shortfall	*	*
* The company could not find appropriate project for spending the CSR funds. Hence the funds are transferred to a separate CSR account.		
(f) nature of CSR activities	Education	NA

Note - 44

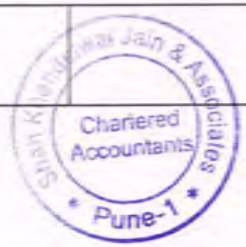
Additional NBFC disclosures

Schedule to the Balance Sheet as on March 31, 2023

[as prescribed under Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023]

(Amount in Lakhs)

Sr No	Particulars	31 March 2023		31 March 2022		01 April 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :						
1	**Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:**						
	(a) Debentures : Secured	5,636.50	-	3,741.50	-	3,032.50	-
	: Unsecured	-	-	-	-	-	-
	(other than falling within the meaning of public deposits*)						
	(b) Deferred Credits	-	-	-	-	-	-
	(c) Term Loans	3,828.85	-	3,373.55	-	2,222.86	-
	(d) Inter-corporate loans and borrowings	-	-	-	-		-
	(e) Commercial Paper	-	-	-	-	-	-
	(f) Public Deposits*	-	-	-	-	-	-
	(g) Other Loans - Inter Corporate Deposits	-	-	200.00	-	1,875.00	-
	(h) Other Loans - Inter Corporate Deposits from related parties	-	-	-	-	100.00	-
	(i) Other Loans - Loans from share holders/directors	8,479.21	-	2,952.54	-	65.00	-
	*Please see Note 1 below						
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		-		-		-





(Amount in Lakhs)

	Particulars	31 March 2023	31 March 2022	01 April 2021
	Asset Side:			
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a) Secured ^	22,511.87	13,258.24	9,987.28
	(b) Unsecured ^^	39.50	-	-
	^ Note 1: Loans and Advances include Unquoted Non Convertible Debentures classified as Loans			
	^^ Note 2: Unsecured Loans and Advances include Loans to Employees			
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**			
	(i) Lease assets including lease rentals under sundry debtors:			
	(a) Financial lease	-	-	-
	(b) Operating lease	-	-	-
	(ii) Stock on hire including hire charges under sundry debtors:			
	(a) Assets on Hire	-	-	-
	(b) Repossessed Assets	-	-	-
	(a) Loans where assets have been repossessed	-	-	-
	(b) Loans other than (a) above	-	-	-
	Total	**22,551.37**	**13,258.24**	**9,987.28**
5	**Break-up of Investments**			
	Current Investments			
	1. Quoted			
	(i) Shares			
	(a) Equity	-	-	-
	(b) Preference	-	-	-
	(ii) Debentures and Bonds	-	-	-
	(iii) Units of mutual funds	-	-	-
	(iv) Government Securities	-	-	-
	(v) Others (please specify)	-	-	-
	2. Unquoted			
	(i) Shares			
	(a) Equity	-	-	-
	(b) Preference	-	-	-
	(ii) Debentures and Bonds	-	-	-
	(iii) Units of mutual funds	-	-	-
	(iv) Government Securities	-	-	-
	(v) Others - Fixed Deposit	95.00	301.00	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 44
Additional NBFC disclosures (continued)

(Amount in Lakhs)

	Particulars	31 March 2023	31 March 2022	01 April 2021
	Long Term Investments			
	1. Quoted			
	(i) Shares			
	(a) Equity	-	-	-
	(b) Preference	-	-	-
	(ii) Debentures and Bonds	-	-	-
	(iii) Units of mutual funds	-	-	-
	(iv) Government Securities	-	-	-
	(v) Others (please specify)	-	-	-
	2. Unquoted			
	(i) Shares			
	(a) Equity	100.01	0.01	-
	(b) Preference	-	-	-
	(ii) Debentures and Bonds **	-	-	-
	(iii) Units of mutual funds	-	-	-
	(iv) Government Securities	-	-	-
	(v) Others - Fixed Deposit	191.63	6.28	-
		-	-	-

** **Note:** Investment in Bonds and Debentures are classified under Loans and Advances

6	Borrower group-wise classification of assets financed as in (3) and (4) above:			
	Please see Note 2 below			
	Category	Amount as on March 31, 2023		
	Secured	Secured	Unsecured	Total
i.	Related Parties			
	(a) Subsidiaries	-	39.50	39.50
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
ii.	Other than related parties	22,511.87	-	22,511.87
	Total	22,511.87	39.50	22,551.37

	Category	Amount as on March 31, 2022			Amount as on April 01, 2021		
		Secured	Unsecured	Total	Secured	Unsecured	Total
i.	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
ii.	Other than related parties	13,258.24	-	13,258.24	9,987.27	-	9,987.27
	Total	13,258.24	-	13,258.24	9,987.27	-	9,987.27

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
		Amount as on March 31, 2023	
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Party		
	(a) Subsidiaries	100.00	100.00
	(b) Companies in the same group	0.01	0.01
	(c) Other related parties	-	-
	2. Other than related Party	-	-
	Total	100.01	100.01

Category	Amount as on March 31, 2022			Amount as on April 01, 2021	
	Market Value / Break up or fair value or NAV	Book Value		Market Value / Break up or fair value or NAV	Book Value
1. Related Party					
(a) Subsidiaries	-	-		-	-
(b) Companies in the same group	0.01	0.01		-	-
(c) Other related parties	-	-		-	-
2. Other than related Party	-	-		-	-
Total	0.01	0.01		-	-

8	Other Information	
	Particulars	Amount as on March 31, 2023
	(i) Gross Non-performing assets	
	(a) Related Parties	------- Nil -------
	(b) Other than related parties	
	(ii) Net Non-performing assets	
	(a) Related Parties	------- Nil -------
	(b) Other than related parties	
	(iii) Assets acquired in satisfaction of debt	------- Nil -------

Particulars	Amount as on March 31, 2022		Amount as on April 01, 2021
(i) Gross Non-performing assets			
(a) Related Parties	------- Nil -------		------- Nil -------
(b) Other than related parties			
(ii) Net Non-performing assets			
(a) Related Parties	------- Nil -------		------- Nil -------
(b) Other than related parties			
(iii) Assets acquired in satisfaction of debt	------- Nil -------		------- Nil -------

Notes:

1. As defined in paragraph 5.1.26 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
2. Provisioning norms shall be applicable as prescribed Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
3. All notified Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

Accountants
Pune-1
Prachay Capital Ltd.
CIN-U65900PN2017PLC168737
Formerly Known As Prachay Capital Private Limited

Note - 45 **Disclosure pursuant to Reserve Bank of India Master Direction - Reserve Bank of India (Non banking Finance Company - Scale based regulation) directions, 2023.**

As at 31 March 2023

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	22,607.48	56.11	22,551.37	56.11	-
Standard	Stage 2	-	-	-	-	-
Subtotal		**22,607.48**	**56.11**	**22,551.37**	**56.11**	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful • up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	22,607.48	56.11	22,551.37	56.11	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-





As at 31 March 2022

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross carrying amount as per IND AS	Loss Allowances (Provisions) as required under IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	13,291.94	33.70	13,325.63	33.70	-
Standard	Stage 2	-	-	-	-	-
Subtotal		**13,291.94**	**33.70**	**13,325.63**	**33.70**	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful • up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**13,291.94**	**33.70**	**13,325.63**	**33.70**	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

As at 01 April 2021

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 IndAS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS109 provisions and IRACP norms
		1	2	3 = 1-2	4	5 = 2-4
Performing Assets						
Standard	Stage 1	10,012.67	25.40	10,038.07	25.40	-
Standard	Stage 2	-	-	-	-	-
Subtotal		10,012.67	25.40	10,038.07	25.40	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful • up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are inthescope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	10,012.67	25.40	10,038.07	25.40	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Shah Khandelwal Jain & Associates
Chartered Accountants
* Pune-1 *

* Prachay Capital Ltd. *
CIN-
U65900PN
2017PLC
168737
(Formerly Known As Prachay Capital Private Limited)

Note-46 Analytical ratios

Ratio	Formula	31 March 2023	31 March 2022
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	22.33%	24.87%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	22.06%	24.62%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	0.28%	0.24%
Liquidity Coverage Ratio	High Quality Liquid Assets/ Net cash outflow for 30 days	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III	

Note-47 Credit Rating

Instrument	Credit rating agency	Face value rated Amount in crores	As on March 31, 2023
Bank loans	Infomerics Ratings	75.00	BBB- POSITIVE

Note-48 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course or business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

Note-49 Company has not incurred any Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters.

Note-50 RBI and other regulators has not imposed any penalty on the Company.

Note-51 Other requirements of Schedule III of the Companies Act, 2013 not specifically disclosed are either Nil or not applicable to the Company.

Note-52 Previous year figures have been regrouped/reclassified wherever necessary to conform to this year's classification.

Note-53 Absolute amounts less than INR 100,000 are appearing in the financial statements as "0" due to presentation in lakhs.

Note-54 The Company's exposure of Unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil).

Note-55 The Company has not participated in any Credit Default Swaps (CDS) Contracts in the reporting period or previous periods.

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

As per our report of even date

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

For and on behalf of the Board of Directors
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Director
DIN: 02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN: 07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates
Chartered Accountants

T | +91. 20. 6721 5500
www.skjican.com

Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001, (MH), India.

Independent Auditors' Special Purpose Audit Report on the Consolidated Financial Statement of Assets and liabilities as at March 31, 2023, Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year ended March 31, 2023, of Prachay Capital Limited.

To
The Board of Directors,
Prachay Capital Limited
Office No 1401/1402, Next Gen Avenue,
Wing B, Bhairatwadi, Near ICC Tower,
Senapati Bapat Road, Model Colony,
Pune (MH) - 411016.

Dear Sir/Madam,

We have been requested by the management of Prachay Capital Limited (hereinafter referred to as the "company" or the "issuer") to audit the attached Consolidated financial Information. This Special Purpose Audit Report is issued in accordance with the terms of our engagement letter dated October 4, 2024.

Opinion

We have audited the accompanying financial statements of Prachay Capital Limited (the "Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss, and Consolidated statement of changes in equity and consolidated cash flow statement for the period then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as " the Special Purpose Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated Ind AS Financial Statements are prepared in all material aspects and in terms of compliance with **(SEBI NCS Regulations)** and in accordance with the basis set out in Note No 2 and 3 to the Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Consolidated Ind AS Financials Statements in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained in terms of the report referred to the Emphasis of Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Consolidated Ind AS Financial Statements.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 2 and 3 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO (Debt) listing Non-Convertible Securities of the Company and to comply with the NCS Regulations and SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the companies Act.

The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any other offering document or used for any other purpose except with our prior consent in writing.

Our opinion is not modified in respect of this matter.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation of the Special Purpose Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position , consolidated results of operations , consolidated changes of equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and based on the provisions of Para 3.3.10 of Schedule I to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations"). This also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Ind AS 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 Special Purpose Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid

In preparing the Special Purpose Ind AS financial statements, the respective Board of the Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Ind AS Financial Statements 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 Special Purpose Consolidated Ind AS Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of the 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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



f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Special Purpose Consolidated Ind AS Financial Statements of which we are the independent auditors.

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.

We understand that we have been appointed as an Independent Chartered Accountant by the Company to complete this Special Purpose Audit report on the Consolidated Ind AS Financial Statements

For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No:142740W

AC Khandelwal



Ashish Khandelwal
Partner
Membership No: 049278
Date: 30-01-2025
Place: Pune
UDIN: 25049278BMKYPH9247

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Balance sheet as at 31 March 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2023
ASSETS		
1. Financial assets		
Cash and cash equivalents	4	128.74
Bank balances other than cash and cash equivalents	5	194.55
Receivables		
(i) Trade Receivables	6	132.59
Loans	7	22,511.87
Investments	8	0.01
Other Financial assets	9	29.16
		22,996.92
2. Non-financial assets		
Current tax assets (net)	10	30.23
Deferred tax Assets (net)	11	11.83
Property, plant and equipment	12	219.75
Right of use assets	12	2.05
Goodwill on consolidation		70.70
Other non-financial assets	13	61.56
		396.12
Total Assets		23,393.04
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial liabilities		
Payables	14	
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises		0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		9.40
Debt securities	15	5,636.50
Borrowings (other than debt securities)	16	12,290.94
Subordinated liabilities	17	7.10
Lease Liabilities	18	2.14
Other financial liabilities	19	39.49
		17,985.58
2. Non-financial liabilities		
Current tax liabilities (net)	20	106.81
Other non-financial liabilities	21	149.30
		256.11
EQUITY		
Equity share capital	22	2,085.00
Other equity	23	3,066.35
		5,151.35
Equity attributable to non-controlling interests	23	-
Total Liabilities and Equity		23,393.04

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

As per our report of even date attached
For Shah Khandelwal Jain & Associates

Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt. Ltd)
CIN: U65900PN2017PLC168737

Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 * Formerly known as Prachay Capital Private Limited

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of Profit and Loss Account for the year ended 31 March, 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2023
Revenue from operations		
Interest Income	24	3,342.26
Fees and commission Income	25	310.00
Total revenue from operations		**3,652.26**
Other Income	26	21.91
Total income		**3,674.17**
Expenses		
Finance costs	27	1,647.33
Impairment on financial instruments	28	22.42
Employee benefits expenses	29	47.48
Depreciation, amortisation and impairment	30	21.16
Others expenses	31	559.52
Total expenses		**2,297.91**
Profit before tax		**1,376.26**
Tax Expense:		
Current Tax		298.12
Deferred Tax		46.30
Prior year Income tax		-
Profit for the year		**1,031.84**
Other Comprehensive Income		-
Total Comprehensive Income for the period / year		**1,031.84**
Total Comprehensive Income for the year attributable to:		
Owners of the Company		1,031.84
Non-controlling interests		-
Earnings per equity share (for continuing operations)	32	
Basic (Rs.10)		5.06
Diluted (Rs.10)		5.06

Material accounting policies 1-3

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates

Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

For and on behalf of the Board of Directors of

Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya	**Roshan Sancheti**
Managing Director	Director
DIN:02699138	DIN:07707109
Place: Pune	Place: Pune
Date : 30-01-2025	Date : 30-01-2025
Sonal Gupta	**Ankur Agrawal**
Company Secretary	Chief Financial Officer
Mem No : A69043	
Place: Pune	Place: Pune
Date : 30-01-2025	Date : 30-01-2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Special Purpose Consolidated Statement of changes in equity for the period ended 31 March 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A) Equity share capital

Particulars	As at 31st March 2023
Balance at the beginning of the current reporting period/year	2,000.00
Changes in equity share capital during the current period/ year	85.00
Balance at the end of the current reporting period	2,085.00

B) Other equity

For the year ended 31 March 2023

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	Capital redemption reserve	Employees Stock Options Outstanding	Total other equity
Balance as at 01 April 2022	1,251.64	357.87	-	-	-	1,609.51
Profit after tax	1,031.84	-	-	-	-	1,031.84
Other comprehensive income	-	-	-	-	-	-
	2,283.48	357.87	-	-	-	2,641.35
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act 1934	(190.77)	190.77	-	-	-	-
Add: Addition during the year	-	-	425.00	-	-	425.00
Balance as at 31 March 2023	2,092.71	548.64	425.00	-	-	3,066.35

The accompanying notes attached form an integral part of these Financial Statements

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No/ 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
CFO
Place: Pune
Date : 30-01-2025

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Prachay Capital Ltd.
CIN- U65900PN2017PLC168737
(Formerly Known As Prachay Capital Private Limited)

1. Corporate Information

Prachay Capital Limited ('the Company') (Formerly known as Prachay Capital Private Limited) incorporated in India on February 07, 2017, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC) vide Certificate No. N-13. 02198 dated August 11, 2017. The Company has obtained a fresh certificate under Section 45IA of the RBI Act, 1934 dated October 07, 2024 pursuant to conversion upon change of name of our Company from a Private Limited to a Public Limited Company to commence or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. It is a non-deposit taking non systemically important Base Layer Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is engaged in a range of Financial Service activities which majorly include loans against properties and loans to corporates and accepting of loans.

2. Basis of preparation and presentation of financial statements

(a) Statement of Compliance & Basis of preparation

The company has prepared consolidated financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirement for listing (Debt) securities, Company has prepared special purpose consolidated financial statements for period ended 31 March 2023 by adopting date of transition 1st April 22.These financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101

Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 with the circular No. RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 Dated October 19, 2023 and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI. (Previously Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.) The Group uses accrual basis of accounting except in case of significant uncertainties [Refer note 2.04 (A),(C),(D),(E)]. Accounting policies have been consistently applied to all periods presented unless otherwise stated Any application of guidance / clarification / directions issued by RBI / NHB or other regulations are implemented prospectively when they become applicable.

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

(b) Principles of Consolidation

The consolidated financial statements relate to the Company, and its two Subsidiaries (the holding and subsidiaries together referred to as "The Group"). The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement" of the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the subsidiary companies are consolidated on a line-by-line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany balances and transactions including unrealized gain/loss on such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at that group.

The list of entities included in consolidation and Company's holding therein are as under:

Name of companies	Relationship	Country of Incorporation	% of Ultimate Holding 30 September 2024	% of Ultimate Holding 31 March 2024	% of Ultimate Holding 31 March 2023
Prachay Investment Managers Private Limited (Effective from September 9, 2022)	Subsidiary	India	100%	100%	100%
Prachay AIF Scheme I - Category II	Subsidiary	India	95%	100%	-

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

(d) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policies regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share Based payments	Fair value (refer accounting policies regarding financial instruments)

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how the Group's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

ii. Determination of the estimated useful lives of tangible assets

Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

iii. Impairment of Financial Assets

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

iv. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is sensitive to changes in these assumptions.

Chartered Accountants Pune-1
Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

v. Recognition of deferred tax assets / liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11.

vi. Recognition and measurement of provision and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions."

vii. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

(f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Material accounting policies

(a) Revenue from contracts with customers

i. Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

ii. Net Gain/Loss on fair value changes

Any differences between the fair values of 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 cases there is a net gain in the 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.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

iii. Other income

Revenue from services rendered to counter parties are recognised as and when the related performance obligations are satisfied. Dividend income is accounted when the right to receive is established.

(b) Financial instruments

Chartered Accountants Pune-1
Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. 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 the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Group classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.

Financial Instruments measured at amortized cost

A 'financial instrument' is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:
- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Group has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in fair value. Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, except for dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Pune-1
Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly Known As Prachay Capital Private Limited

iii. Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:
Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
Stage 3: Loans considered credit impaired. The Group records an allowance for the LTECLs.

(c) Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.
Non-convertible preference shares issued by the Group are classified as financial liabilities.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

(d) Property, plant and equipment ("PPE)

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are Property, plant and equipment which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

ii. Subsequent expenditure

Subsequent expenditure related to an item of Property, plant and equipment are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method over the estimated useful lives of the assets. For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computers & Laptops	3 years
Building	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)
Shah Jhaveri Jain & Associates Chartered Accountants Pune-1

(e) Intangible assets

i. Recognition and measurement

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Expenditure on software development eligible for capitalisation is carried as Intangible assets under development where such assets are not yet ready for their intended use.

iii. Amortisation

Intangible assets are amortised on a written down value method over their estimated useful lives. The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Software	6 years

(f) Impairment of non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

(g) Employee Benefits

Short term employee benefits

Short term employee benefits include salaries and short-term cash bonus. A liability is recognised for the amount expected to be paid under short- term cash bonus or target-based incentives if the Group has a present legal or constrictive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or constructive obligation to pay additional sums. These comprise of contributions to the National pension scheme, Employee state insurance scheme, labour welfare fund and employees' provident fund. The Group's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined benefit plans

The defined benefit plan is a post-employee benefit plan other than a defined contribution plan. Expenses for defined benefit plan in the nature of gratuity are calculated annually by an independent actuary using Projected Unit Credit Method (PUCM). These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Prabhav Capital Ltd CIN U65900PN 2017PLC 168737 Private Limited
Chartered Accountants Pune-1

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Other long term employee benefits

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Group measures the expected cost of compensated absence as the amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on the basis of actuarial valuation.

(h) Borrowing Cost

Borrowing costs include interest expense calculated using EIR for respective financial instruments measured at amortized cost.

(i) Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:
- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Group does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(j) Provisions and contingences

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Chartered Accountants

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

(k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

(l) Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

iii) Short-term leases: The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

(m) Share-based payment transactions

i. The cost of equity-settled instrument is determined by the fair value at the date when the grant is made using an appropriate valuation model.
ii. That cost is recognized using accelerated method, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
iii. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.
iv. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 33 for further details & information on segment reporting.

(p) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards not yet effective and applicable to the Company.

Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 4
Cash and cash equivalents

Particulars	As at 31 March 2023
Cash on hand	2.71
Balance with banks	
In Current Account	31.02
In Fixed Deposit having maturity of less than 3 months (Including interest accrued theron)	95.00
Total	128.74

Note - 5
Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023
Fixed deposit with remaining maturity for more than three months #	194.55
Total	194.55

Fixed deposit of Rs 190 Lakhs is under lien against loan taken bank. (Previous year : Rs. 190 lakhs)

Note - 6
Trade receivables

Particulars	As at 31 March 2023
Unsecured and considered good	
Trade Receivables	132.59
Total	132.59

As at 31 March 2023

Particulars	Less than 6 months	6 month to 1 Year	Total
Undisputed Trade receivables			
- considered good	132.59	-	132.59
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-
Disputed Trade receivables			
- considered good	-	-	-
- which have significant increase in credit risk	-	-	-
- credit impaired	-	-	-

Note - 8
Investments

Particulars	As at 31 March 2023
At cost	
In Others	
100 Shares in prachay foundation	0.01
Total	0.01
Out of above	
Investments outside India	-
Investment in India	0.01
Total (Gross)	0.01
Less: Allowance for impairment	-
Total (Net)	0.01

Note - 9
Other financial assets

Particulars	As at 31 March 2023
Unsecured and considered good	
Security deposits	13.38
Others	15.79
Total	29.16

Shah Rajgaliwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 10
Current tax assets (net)

Particulars	As at 31 March 2023
Advance tax (net of provision for tax)	30.23
Total	30.23

Note - 11
Deferred tax Assets/(Liabilities) (Net)

Particulars	As at 31 March 2023
Deferred tax Assets	11.83
Total	11.83

As at 31 March 2023

Particulars	Opening Balance	(Expense)/Income recognised during the year		Closing Balance
		In Profit & Loss	In Other comprehensive income	
Deferred tax (liabilities)/ assets in relation to:				
Difference between Written down value as per books and as per Income Tax	0.85	(3.02)	-	(2.17)
Provision for Standard Assets	8.48	(8.48)	-	-
Preliminary expenses	0.34	(0.11)	-	0.23
Lease liability	2.01	(1.47)	-	0.54
Loan assets at amortised cost	51.91	(27.72)	-	24.19
Subordinated liabilities	1.46	0.33		1.79
Right of use assets	(1.94)	1.46	-	(0.48)
Unamortised borrowing cost	(4.99)	(7.27)	-	(12.26)
Total	58.12	(46.29)	-	11.83

Note - 13
Other non-financial assets

Particulars	As at 31 March 2023
Prepaid expense	25.43
Balance with revenue authorities	2.25
Others	33.89
Total	61.56

Note - 14
Payables

Particulars	As at 31 March 2023
Other Payables	
(i) total outstanding dues of micro enterprises and smal enterprises	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.40
Total	9.41

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

As at March 31, 2023	Outstanding for following periods from the date of transaction			
Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years
i) MSME	0.01	-	-	-
ii) Others	9.40	-	-	-
iii) Disputed dues - MSME	-	-	-	-
iv) Disputed dues - others	-	-	-	-
	9.41	-	-	-

Note - 15

Debt securities

Particulars	As at 31 March 2023
Secured	
Non Convertible Debentures 5,63,65,000 (31 March 2023 :) non convertible secured debentures of Rs. 10 each	5,636.50
Net Amount	5,636.50
Of the Above	
i) Debt securities in India	5,636.50
ii) Debt securities outside India	-

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 16
Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2023
Secured	
Term Loan from Bank*	1,633.25
Dropline overdraft from bank#	989.14
Cash Credits from Bank	1,185.73
Unsecured	
Inter corporate deposits^	
- Related Party	-
- Others	-
Loan from Realated Party	5.60
Loan from Members	8,477.21
Net Amount	**12,290.94**
Of the Above	
i) Borrowings in India	12,291
ii) Borrowings outside India	-

*The Term Loan 1 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from March 2020.
The Term loan 2 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
#Dropline Overdraft Limit of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.

Term Loan 1 and Term Loan 2 facilities are secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans, advances of the company
2) Collateral Security : In the form of registered mortgage of Flat (Office of the company) and Land (Third Party)
3) Personal Guarantee of : Directors
4) Third Party Corporate Guarantee

Dropline Overdraft Limit is secured by:-
1) Primary Security : *Pari passu* charge by way of Hypothecation on book debts, receivables, loans & advances of the company
2) Personal Guarantee of : Directors
3) Lien on Fixed Deposits

^ Inter corporate deposits are for a tenure of 2 months to 3 years

Note - 17
Subordinated Liabilities

Particulars	As at 31 March 2023
At Amortised Cost	
(31 March 2023 : 71,000,) Non convertible Non cumulative 8% Preference shares	7.10
Total	**7.10**
Of the Above	
i) Borrowings in India	7.10
ii) Borrowings outside India	-

Note - 18
Lease liabilites

Particulars	As at 31 March 2023
Lease liabilites	2.14
Total	**2.14**

Note - 19
Other Financial Liabilities

Particulars	As at 31 March 2023
Employee benefits payable	2.14
Interest accrued and due on borrowings	13.67
Interest Accrued but not due on borrowings	7.06
Cash collateral collected from borrower	-
Other payables	16.62
Total	**39.49**

Sunil Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 20
Current tax liabilities (Net)

Particulars	As at 31 March 2023
Provision for tax net of Advance tax	106.81
Total	106.81

Note - 21
Other Non-Financial Liabilities

Particulars	As at 31 March 2023
Statutory Dues	33.99
Interest income received in advance	115.31
Total	149.30

Note - 24
Interest Income

Particulars	For the Year ended 31 March 2023			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Loan	-	3,296.57	-	3,296.57
Interest on investments - non convertible debentures	-	45.34	-	45.34
Interest on Inter corporate deposit given	-	-	-	-
Interest on security deposits	-	0.35	-	0.35
Total	-	3,342.26	-	3,342.26

Note - 25
Fees and commission income

Particulars	For the Year ended 31 March 2023
Trade Finance	
Fees and other charges	310.00
Total	310.00

Note - 26
Other Income

Particulars	For the Year ended 31 March 2023
Penal charges	-
Other Income	3.96
Interest on fixed deposit	17.95
Total	21.91

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 27
Finance costs

Particulars	For the Year ended 31 March 2023		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest expense on :			
Term loan	219.65	-	219.65
Inter corporate deposits	59.04	-	59.04
Debentures	670.13	-	670.13
Cash credit / Overdraft	60.18	-	60.18
Interest on loan from Shareholders/directors	629.13	-	629.13
Subordinated liabilities	0.56	-	0.56
Lease liability	0.75	-	0.75
Other borrowing costs	7.89	-	7.89
Total	1,647.33	-	1,647.33

Note - 28
Impairment on financial instruments

Particulars	For the Year ended 31 March 2023
a) Impairment loss on Loans	
i) At Amortised cost	7.54
b) Impairment loss on NCDs	
i) At FVTOCI	14.88
Total	22.42

Note - 29
Employee Benefits Expenses

Particulars	For the Year ended 31 March 2023
Salaries and wages	44.08
Contribution to provident and other funds	-
Gratuity expenses	-
Remuneration to director	-
Share based payments	-
Staff welfare expenses	3.41
Total	47.48

Note - 30
Depreciation and amortisation expense

Particulars	For the Year ended 31 March 2023
Depreciation on property plant and equipment	15.02
Amortization of intangible assets	-
Depreciation of right of use assets	6.14
Total	21.16

Note - 31
Other Expenses

Particulars	For the Year ended 31 March 2023
Rent, taxes and energy costs	13.76
Repairs and maintenance	1.14
Advertisement and publicity	22.96
Auditor's Remuneration (Refer note below)	4.22
Legal and professional charges	484.27
Insurance	3.05
CSR expenditures	11.39
Miscellaneous expenses	18.72
Total	559.52

Particulars	For the year ended
(i) Payments to the auditors comprises of	
Statutory audit	3.24
Incometax audit	
Certification	0.25
Other services	0.73
Total	4.22

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 7
Loans

Particulars	As at 31 March 2023		
	Amortised cost	At fair value through OCI	Total
Loans			
Loans to Other	16,587.12	-	16,587.12
Loans and Advances in the form of Unquoted Non convertible Debentures *	-	5,980.86	5,980.86
Inter Corporate Deposits	-	-	-
Loans to Employees	-	-	-
Total (A) - Gross	**16,587.12**	**5,980.86**	**22,567.98**
Less: Impairment loss allowance	41.24	14.88	56.11
Total (A)- Net	**16,545.88**	**5,965.99**	**22,511.87**
(B) Out of above			
(i) Secured	16,587.12	5,980.86	22,567.98
Less: Impairment loss allowance	41.24	14.88	56.11
Total (i)	**16,545.88**	**5,965.99**	**22,511.87**
(ii) Unsecured	-	-	-
Less: Impairment loss allowance	-	-	-
Total (ii)	-	-	-
Total (B) = (i) + (ii)	**16,545.88**	**5,965.99**	**22,511.87**
(C) Out of above			-
(I) Loans in India			-
(i) Public Sector	-	-	-
Less: Impairment loss allowance	-	-	-
Subtotal (i)	-	-	-
(ii) Others	16,587.12	5,980.86	**22,567.98**
Less: Impairment loss allowance	41.24	14.88	**56.11**
Subtotal (ii)	**16,545.88**	**5,965.99**	**22,511.87**
Total (I)	**16,545.88**	**5,965.99**	**22,511.87**
(II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (II)	-	-	-
Total C(I)and C(II)	**16,545.88**	**5,965.99**	**22,511.87**

Note 1 : As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Dir
Note 2 :* Loans and advances includeds investment in Unqouted Non Convertible Debentures by Alternate investment fund classified as loans & advances.

A. Credit quality of assets

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	22,567.98	-	-	22,567.98
Less: Impairment loss allowance	(56.11)	-	-	(56.11)
Net carrying amount	**22,511.87**	-	-	22,511.87

B. Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
As at 01 April 2022	13,291.94	33.70	-	-	-	-	13,291.94	33.70
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	-	-	-	-	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(9,788.50)	-	-	-	-	-	(9,788.50)	-
New credit exposures during the year, net of repayments	19,064.55	22.42	-	-	-	-	19,064.55	22.42
Amounts written off during the year							-	-
As at 31 March 2023	**22,567.98**	**56.11**	-	-	-	-	**22,567.98**	**56.11**

Prachay Capital Ltd. ★ CIN- U65900PN2017PLC168737 ★ (Formerly Known As Prachay Capital Private Limited)

Sharad Agarwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note - 12

A - Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Furniture and fixtures	5.70	0.75	-	6.46	2.88	0.89	-	3.77	2.68	2.82
Office equipments	1.91	11.48	0.04	13.35	0.95	1.79	0.04	2.70	10.65	0.96
Computers & Laptops	11.61	4.39	0.64	15.36	8.82	3.51	0.60	11.73	3.62	2.78
Building	-	198.25	-	198.25	-	6.38	-	6.38	191.87	-
Vehicles	-	13.37	-	13.37	-	2.45	-	2.45	10.92	-
Total	19.22	228.24	0.68	246.78	12.65	15.02	0.64	27.03	219.75	6.57

B - Right of use assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	As at April 01, 2022	For the period	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right of use assets	12.28	-	-	12.28	4.09	6.14	-	10.23	2.05	8.19
Total	12.28	-	-	12.28	4.09	6.14	-	10.23	2.05	8.19





Note - 22

Equity share capital

Particulars	As at 31 March 2023
Authorised	
2,80,00,000 Equity Shares of Rs. 10 each	2,800
20,00,000 Preference Shares of Rs. 10 each	200
Total	3,000
Issued, Subscribed and Paid Up	
2,08,50,000 Equity Shares of Rs. 10 each	2,085
Total	2,085

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023	
	No. of Shares	Amount
At the beginning of the year	2,00,00,000	2,000
Add:- Shares issued during the year	8,50,000	85
Shares outstanding at the end of the year	2,08,50,000	2,085

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C)Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31 March 2023	
	Nos.	% of Holding
Girish Lakhotiya	1,71,59,870	82.30
Rahul Rathi	17,00,000	8.15
Prachay Advisors Private Limited	14,98,442	7.19
Total	2,03,58,312	

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at 31 March 2023		
	Nos.	% of Holding	% Change during the year
Girish Lakhotiya	1,71,59,870	82.30%	8.35%

(E) Information regarding issue of shares in the last five years as fully paid up without payment being received in cash / bonus shares etc

The company has issued 7,50,000 equity shares at par value of Rs 10/- as fully paid up by way of bonus shares during the financial year 2020-21.

(F) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:- Nil

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 23
Other equity

Particulars	As at 31 March 2023
(I) Retained Earnings	
Balance at the beginning of the year (a)	1,251.64
Impact of first time adoption of IND AS	-
Profit/(Loss) for the year (b)	1,031.84
Appropriations:	
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	190.77
Less: Transfer to capital redemption reserve	-
Total appropriations (c)	190.77
Balance at the end of the year (a+b-c)	2,092.71
Other Reserves	
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
Balance as at the beginning of the year	357.87
Add: Transferred during the year	190.77
Balance as at the end of the year	548.64
(III) Securities Premium	
Balance as at the beginning of the year	-
Add: Addition during the year	425.00
Balance at the end of the year	425.00
(IV) Capital Redemption Reserve	
Balance as at the beginning of the year	-
Add: Addition during the year	-
Balance at the end of the year	-
(V) Employees Stock Options Reserve	
Balance as at the beginning of the year	-
Add: Addition during the year	-
Balance at the end of the year	-
(VI) Non-controlling Interest	
Balance as at the beginning of the year	-
Add: Profit during the period	
Add: Addition during the year	-
Balance at the end of the year	-
Total	3,066.35

Nature and purpose of other equity

(i) **Retained earnings**
Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) **Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934**
As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein 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. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) **Securities Premium**
Securities premium reserve is used to record the premium on issue of shares and Debentures.

(iv) **Capital Redemption Reserve**
As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) **Employees Stock Options Reserve**
This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.





NOTE - 32
Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2023
(A) Net profit attributable to equity shareholders	
Profit after tax	1,031.84
Total	**1,031.84**
(B) Weighted average number of equity shares	2,04,09,863.01
Basic earning price per share (Rs) (A/C)	5.06
Diluted earning price per share (Rs) (A/C)	5.06

NOTE - 33
Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2023.

NOTE - 34
Commitments and Contingent Liabilities
There are no contingent liabilities for the period ended 31 March 2023.





NOTE - 35

Income tax expense

Particulars	For the year ended 31 March 2023
(a) Income tax expense is as follows:	
Current tax	
Current tax on profits for the year	298.12
Prior year Income tax	-
Total Current tax expense	298.12
Deferred tax	46.30
Total Deferred tax expense/(benefit)	46.30
Total Income tax expense	344.42

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the year ended 31 March 2023
Profit / (Loss) before income tax expense	1,376.26
	1,376.26
Tax at the Indian tax rate of 25.168%	346.38
Add/(less) effect of :	
Effect of expenses/(income) that are not deductible in determining taxable profit	1.96
Income tax expense	344.42

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

NOTE - 36

Related Parties Disclosure

36.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No. Name of Related Party and their relationship

(A) **Key Management Personnel**
Girish Lakhotiya - Director
Roshan Sancheti - Director
Pooja Porwal - Company secretary

(B) **Relatives of Directors & Key Management Personnel (KMP)**
Sneha Dhoot
Anita Mohta
Roshan Sancheti HUF
Rajendra Sancheti HUF

(C) **Entities in which KMPs are having significant influence**
Prachay Foundation
Prachay Holding Private Limited
Prachay Advisors Private Limited

36.2 Transactions with Related Parties

Particulars	31 March 2023
Loans taken from:	
Girish Lakhotiya	111.00
Roshan Sancheti	25.00
Repayment of loans:	
Girish Lakhotiya	111.00
Roshan Sancheti	25.00
Roshan Rajendra Sancheti HUF	5.00
50,000 debentures of Rs 10/- each	
Property Purchase:	
Girish Lakhotiya	185.00
Interest paid on Unsecured Loans & Inter Corporate Deposits:	
Girish Lakhotiya	1.64
Roshan Sancheti	1.06
Interest paid on Non Convertible Debentures:	
Anita Mohta	0.65
Roshan Rajendra Sancheti HUF	0.46
Pooja Porwal	1.03
Remuneration to director / KMP:	
Girish Lakhotiya	3.00

36.3 Outstanding balances:

Particulars	31 March 2023
Loans payable:	
Girish Lakhotiya	1.00
Roshan Sancheti	1.00
Non Convertible Debentures:	
Anita Mohata	5.00
Roshan Rajendra Sancheti HUF	5.00
Pooja Porwal	7.50
Investments in Equity Shares:	
Prachay Foundation	0.01

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 37
Fair Value Measurement

Financial Instrument by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

Financial Assets and Liabilities as at 31 March 2023	Carried at				Fair Value Hierarchy			
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	-	-	0.01	0.01			0.01	0.01
Cash and cash equivalents	-	-	128.74	128.74	128.74	-	-	128.74
Bank balances other than cash and cash equivalents	-	-	194.55	194.55	194.55	-	-	194.55
Trade receivables	-	-	132.59	132.59	-	-	132.59	132.59
Loans	5,965.99	-	16,545.88	22,511.87	-	-	22,511.87	22,511.87
Other financial assets	-	-	29.16	29.16	-	-	29.16	29.16
Total	**5,965.99**	**-**	**17,030.93**	**22,996.92**	**323.29**	**-**	**22,673.63**	**22,996.92**
Financial Liabilities								
Debt securities	-	-	5,636.50	5,636.50	-	-	5,636.50	5,636.50
Borrowings	-	-	12,290.94	12,290.94	-	-	12,290.94	12,290.94
Other payables	-	-	9.41	9.41	-	-	9.41	9.41
Subordinated Liabilities	-	-	7.10	7.10	-	-	7.10	7.10
Lease Liabilities	-	-	2.14	2.14	-	-	2.14	2.14
Other financial liabilities	-	-	39.49	39.49	-	-	39.49	39.49
Total	**-**	**-**	**17,985.58**	**17,985.58**	**-**	**-**	**17,985.58**	**17,985.58**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Chaturmukhawala Jain & Associates Chartered Accountants Pune-1

Note - 38
Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The pillars of its policy are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
ii) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Note - 39
Risk Management
The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, financial assets measured at amortized cost	Credit worthiness of Borrower & review monitoring, recovery process. Fixed deposits with highly rated banks
Liquidity risk	Debt Securities and other liabilities	Fixed Repayment, Asset Liability Management and periodic reviews by board relating to the liquidity position.
Market risk - interest rate	Debt Securities at variable rates	Review of cost of funds and pricing disbursement

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk management
Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

i) Credit risk management

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Definition of Default
A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

ii) Provision for expected credit losses
The Company provides for expected credit loss based on following:
a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Measurement of Expected Credit Losses
The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * Formerly Known As Prachay Capital Private Limited

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

Probability of Default (PD)
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)
LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

The Company does not have any historical loss experience, it has created standard loss provision as per RBI regulations on the loans given and the loans given has sufficient security cover, the Company has not created any further provision for ECL.

b) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity patterns of financial liabilities

As at March 31, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	5,636.50	**5,636.50**	-	-	610.00	5,026.50	-
Borrowings	12,290.94	**12,290.94**	10,203.57	562.37	725.00	800.00	-
Trade Payable		-	-	-	-	-	-
Subordinated Liabilities	7.10	**7.10**	-	7.10	-	-	-
Lease Liabilities	2.14	**2.14**	2.14	-	-	-	-
Other payables	9.41	**9.41**	9.41	-	-	-	-
Other financial Liabilities	39.49	**39.49**	39.49	-	-	-	-
Total	**17,985.58**	**17,985.58**	**10,254.61**	**569.47**	**1,335.00**	**5,826.50**	-

c. Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Price risk
The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee companies and reviews the same.

ii) Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
The Company is not exposed to currency risk.

iii) Interest rate risk
The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk.
The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

Particulars	As at 31 March 2023	As at 31 March 2023
	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	11.33	8.47

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note - 40

Maturity analysis of assets and liabilities

The table below shows an analysis of asstes and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at 31 March 2023		
	Within 12 months	After 12 months	Total
ASSETS			
Financial Assets			
Cash and cash equivalents	128.74	-	128.74
Bank balances other than cash and cash equivalents	4.55	190.00	194.55
Receivables			
Trade Receivables	132.59	-	132.59
Loans	7,514.21	14,997.66	22,511.87
Investments	-	0.01	0.01
Other Financial assets	29.15	-	29.16
	7,809.24	**15,187.67**	**22,996.92**
Non-financial Assets			
Current tax assets (Net)	-	30.23	30.23
Deferred tax Assets (Net)	-	11.83	11.83
Property, Plant and Equipment	-	219.75	219.75
Capital work inprogress			
Right of use assets	-	2.05	2.05
Intangible assets under development	-	-	-
Other Intangible assets	-	-	-
Goodwill on consolidation	-	70.70	70.70
Other non-financial assets	48.00	13.56	61.56
	48.00	**348.12**	**396.12**
Total Assets	**7,857.24**	**15,535.79**	**23,393.05**
LIABILITIES			
Financial Liabilities			
Payables			
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.40	-	9.40
Debt Securities	-	5,636.50	5,636.50
Borrowings (Other than Debt Securities)	1,103.60	11,187.34	12,290.94
Subordinated Liabilities	7.10	-	7.10
Lease Liabilities	2.14	-	2.14
Other financial liabilities	27.11	12.38	39.49
	1,149.36	**16,836.22**	**17,985.58**
Non-Financial Liabilities			
Current tax liabilities (Net)	76.58	30.23	106.81
Provisions	-	-	-
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	149.30	-	149.30
	225.88	**30.23**	**256.11**
Total Liabilities	**1,375.24**	**16,866.45**	**18,241.69**
Net Assets / (Liabilities)	**6,482.01**	**(1,330.66)**	**5,151.36**

Prachay Capital Ltd. * CIN- U65900PN2017PLC168737 * (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Note-41

1. For periods upto March-24 and including the year ended March-23, the company has prepared its consoldated financial statements in accordance with accounting standards notified under section 133 of Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) rule, 2014 (Previous-GAAP or Indian-GAAP). However, to meet the SEBI requirment for listing (Debt) securities, Company has prepared special purpose consolidated financial statements for period ended March-23 by adopting date of transition 1st April 22.These financial statements have been prepared after making suitable adjustments to accounting heads from Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per IndAS 101

   The presentation requirements under Indian GAAP differs from Ind AS, and hence, Indian GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Indian GAAP information is derived from the audited financial statements of the Company prepared in accordance with Indian GAAP.

2. **Exemptions and exceptions availed**
   Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A. Ind AS mandatory exemptions

I Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with Indian GAAP.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

II Classification of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (eg. loans and investments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed financial assets at the date of transition and has classified as loans and other financial assets are measured at amortised cost.

III Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

IV Property plant and equipment, intangible assets

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

V Leases

A first-time adopter that is a lessee may adopt certain exemptions on a lease by lease basis as per the principles of Ind AS 116, inter-alia the company has undertaken following exemptions:

As permitted the company has adopted a single discount rate to the portfolio of leases available as on transition date for the purpose of computing ROU and lease liability retrospectively on a present value basis.





Note-42

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliations from previous GAAP to Ind AS.

A Equity as at comparative period ended 31 March 2023 reconciled with the amounts reported under previous Indian GAAP as follows:

Particulars	Notes to first time adoption	As at March 31, 2023 Indian GAAP	IND AS Adjustments	As at March 31, 2023 IND AS
ASSETS				
Financial Assets				
Financial assets				
Investments		0.01	-	0.01
Cash and cash equivalents		128.74	-	128.74
Bank balances other than cash and cash equivalents		194.55	-	194.55
Trade receivables		132.59	-	132.59
Loans	I	22,622.84	(110.98)	22,511.87
Other financial assets	IV	29.29	(0.12)	29.16
Total Financial Assets		**23,108.02**	**(111.10)**	**22,996.92**
Non Financial Assets				
Deferred Tax Asset		-	11.83	11.83
Property, Plant and Equipment		218.57	1.18	219.75
Right of use assets	III	-	2.05	2.05
Goodwill on consolidation		70.70	-	70.70
Other non-financial assets	II	32.54	29.02	61.56
Current tax assets (Net)		30.23	0.00	30.23
Total Non Financial Assets		**352.04**	**44.08**	**396.12**
TOTAL ASSETS		**23,460.06**	**(67.02)**	**23,393.05**
EQUITY AND LIABILITIES				
Financial Liabilities				
Debt Securities		5,636.50	-	5,636.50
Borrowings (Other than Debt Securities)	II	12,314.24	(23.30)	12,290.94
Subordinated Liabilities	V	-	7.10	7.10
Lease Liabilities	III	-	2.14	2.14
Other payables				
(i) total outstanding dues of micro enterprises and smal enterprises		0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		9.40	-	9.40
Other financial liabilities		35.29	4.20	39.49
Total Financial Liabilities		**17,995.44**	**(9.86)**	**17,985.58**
Non Financial Liabilities				
Current tax liabilities (Net)		106.81	-	106.81
Deferred Tax		1.34	(1.34)	
Other non financial liabilities		149.30	(0.00)	149.30
Total Non Financial Liabilities		**257.45**	**(1.35)**	**256.11**
Equity				
Equity share capital	V	2,092.10	(7.10)	2,085.00
Other equity		3,115.07	(48.72)	3,066.35
Total Equity		**5,207.17**	**(55.82)**	**5,151.35**
TOTAL EQUITY AND LIABILITIES		**23,460.06**	**(67.03)**	**23,393.04**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

B Reconciliation of Total Comprehensive Income for the year ended 31 March 2023:

Particulars	Notes to first time adoption	For the year ended March 31, 2023 Indian GAAP	IND AS Adjustments	For the year ended March 31, 2023 IND AS
INCOME				
Interest income	I	3,093.11	249.15	3,342.26
Fees income	I	404.75	(94.75)	310.00
Other income	V	65.79	(43.89)	21.91
TOTAL INCOME		**3,563.66**	**110.51**	**3,674.17**
EXPENSES				
Finance costs	II	1,673.52	(26.19)	1,647.33
Employee benefits expense		47.48	-	47.48
Impairment of financial instruments		-	22.42	22.42
Depreciation and amortisation expense	III & IV	15.02	6.14	21.16
Other expenses	III	574.85	(15.34)	559.52
TOTAL EXPENSES		**2,310.88**	**(12.97)**	**2,297.91**
PROFIT BEFORE TAX		**1,252.78**	**123.48**	**1,376.26**
TAX EXPENSES				
Current tax expense		298.12	-	298.12
Deferred tax		11.62	34.68	46.30
TOTAL TAX EXPENSES		**309.74**	**34.68**	**344.42**
PROFIT FOR THE YEAR		**943.04**	**88.80**	**1,031.84**
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year, net of tax		**943.04**	**88.80**	**1,031.84**

C **Note to the reconciliation of equity and Statement of profit and loss**

I) **EIR adjustment of transaction incomes integral to the sourcing of loans**

Under previous GAAP, all the transaction incomes integral to sourcing of loans were recognised upfront on an accrual basis. Under Ind AS, these transaction incomes related to sourcing of loans are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss.

II) **EIR adjustment of transaction costs integral to the sourcing of borrowings**

Under previous GAAP, all the transaction costs integral to sourcing of borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs related to sourcing of borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss.

III) **Right to Use of Assets and Lease Liabilities**

Under previous GAAP, Lease Rent were recognised as an expenses as per SLM basis. As per Ind AS 116, the Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

IV) **Security Deposits**

Under Indian GAAP, the deposits paid for leases were recorded at the transaction value, whereas, under Ind AS, these are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the deposits paid for leases is recognised as amortisation of lease expense and is amortised over the period of the lease term. Further, interest is accreted on the present value of the deposits paid for leases.

V) **Subordinated liabilities**

Under Indian GAAP, the Non convertible Non cumulative 8% Preference shares were recognised under equity. Under Ind AS these were recognised as financial liability under subordinated liabilities.

VI) **Cash Flow Statement**

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net increase/decrease in cash & cash equivalent as compared with the previous GAAP.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note - 43 Leases

The Company has entered into leases for its offices.
The weighted average borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 14%.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2023
Opening Balance	7.99
Additions	-
Accretion of interest	0.75
Payments/Adjustments	(6.60)
Closing Balance	2.14

Note - 44 Additional Regulatory Information

(i) The Title Deeds of all immovable property are held in the name of the company and the company does not jointly hold any immovable property with others.

(ii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(iii) The Company has not revalued any of its intangible assets during the year.

(iv) During the period ended 31 March 2023, the Company has not provided any loans or advances granted to promoters, directors, KMPs and related parties.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The company has been sanctioned working capital limits in excess of the five crore rupees, in aggregate, from Banks on the basis of security
No difference observed in quarterly returns or the statements filed by company with such Banks.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(ix) The company has already processed with filing the registration or satisfaction of charges.

(x) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

(xii) Borrowed funds have been utilised for the purpose they have been availed for.

(xiii)

a. The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;

b. The company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

Note - 45 Additional Disclosure

Particulars	Parent	Wholly owned subsidiaries	Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	
Net Assets (Total assets minus total liabilities)			
As a % of consolidated net assets	85.08%	0.49%	100%
Amount	5,004.54	146.81	5,151.35
Share in consolidated profit or (loss)			
As a % of consolidated profit or (loss)	97.59%	0.21%	100%
Amount	948.18	83.66	1,031.84
Share in Consolidated other comprehensive income			
As a % of consolidated Other comprehensive income	0%	0.00%	100%
Amount	-	-	-
Share in consolidated total comprehensive income			
As a % of consolidated total comprehensive income	97.59%	0.21%	100%
Amount	948.18	83.66	1,031.84

As per our report of even date attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : 30-01-2025

For and on behalf of the Board of Directors of
Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)
CIN: U65900PN2017PLC168737

Girish Lakhotiya
Managing Director
DIN:02699138
Place: Pune
Date : 30-01-2025

Roshan Sancheti
Director
DIN:07707109
Place: Pune
Date : 30-01-2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 30-01-2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : 30-01-2025