[Please scan the QR code to view the Draft 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. 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 Other Corporate Matters*" beginning on page 95.

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, 411016 Maharashtra, India
Corporate Office: Office No 1301 and1401, 13th and 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 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 Joint Company Secretary: Siddhi Sanjay Bothara; **Tel**: 9970765700; **Email**: siddhi@prachay.com
Chief Financial Officer: Alok Karkera; **Tel**: 9970111598; **Email**: alok@prachay.com

PUBLIC ISSUE BY OUR COMPANY OF LISTED, RATED, SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH 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. THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SEBI NCS REGULATIONS, THE ACT AND THE SEBI NCS MASTER CIRCULAR AS AMENDED FROM TIME TO TIME.

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 113**.**

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 21 and 117, 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 Draft Prospectus has not been and will not be approved by any regulatory authority in India, including the SEBI, the 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 Draft 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 Draft 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 Draft 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 IVR BBB/ Stable (pronounced as triple B rating with stable outlook) by Infomerics Valuation and Rating Ltd. for an amount of up to INR 10,000 lakhs by way of its letters dated May 18, 2026 and press release for rating rationale dated May 19, 2026. 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 Infomerics Valuation and Rating Ltd. is live until withdrawn or changed and as available on Infomerics 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 Draft Prospectus, beginning on page 52 and 245, respectively. There are no other ratings for the Issue (including unaccepted ratings) other than as specified in this Draft Prospectus.

PUBLIC COMMENTS

The Draft Prospectus dated May 21, 2026 filed with 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., May 26, 2026. No comments were received on the Draft Prospectus until 5:00 PM of May 26, 2026.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on the Stock Exchange. Our Company has received an 'in-principle' approval from Stock Exchange by way of its letter bearing reference number [●] dated [●], 2026. 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 180. For details relating to eligible investors, see "*Issue Structure*" beginning on page 173. The Issue is not underwritten.

LEAD MANAGER TO THE ISSUE

SKI CAPITAL SERVICES LIMITED
718, Dr. Joshi Road, Karol Bagh, New Delhi - 110005.
Tel: +91-011-41189899
Email: dcm@skicapital.net
Website: https://www.skicapital.net
Investor Grievance e-mail: ib@skicapital.net
Contact Person: Ghanisht Nagpal / Manick Wadhwa
SEBI Registration Number: INM000012768

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
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M.Murali Krishna
SEBI Registration No.: INR000000221

CREDIT RATING AGENCIES

INFOMERICS VALUATION AND RATING LIMITED
104 & 108 (1st Floor), Golf Apt., Sujan Singh Park, Maharishi Ramanna Marg, New Delhi, National Capital Territory of Delhi, 110003
Tel: 022 - 62396023
Email: info@infomerics.com
Website: www.infomerics.com
Contact Person: Khushal Rupwate
SEBI Registration No: IN/CRA/007/2015

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.catalysttrustee.com
Contact Person: Umesh Salvi, Managing Director
SEBI Registration No: IND000000034

STATUTORY AUDITOR

C.V. Chitale & Co.
Chartered Accountants,
3, Gurukrupa Apartment, 1317, Shukrawar Peth, Near Bajirao Road Telephone Exchange Pune 411002
E-mail: Pune@cvchitale.com
Website: www.cvchitale.com
Tel: +91 20 24475425
Contact Person: CA Anish Chandrashekhar Chitale
Firm Registration No.: 0126338W

ISSUE PROGRAMME*

ISSUE OPENS ON: AS SPECIFIED IN THE PROSPECTUS	ISSUE CLOSES ON: AS SPECIFIED IN THE PROSPECTUS

** 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 the 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 the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page* 170.

*** Catalyst Trusteeship Limited pursuant to Regulation 8 of the SEBI NCS Regulations and by way of letter dated May 15, 2026 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus, the Prospectus and in all the subsequent periodical communications sent to the NCD Holders issued pursuant to this Issue.*

A copy of the Prospectus shall be 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 241.

TABLE OF CONTENTS

SECTION I: GENERAL **2**

DEFINITIONS AND ABBREVIATIONS 2
CERTAIN CONVENTIONS, USE OF FINANCIAL DATA AND CURRENCY PRESENTATION 17
FORWARD LOOKING STATEMENTS 19

SECTION II: RISK FACTORS **21**

SECTION III: INTRODUCTION **52**

GENERAL INFORMATION 52
CAPITAL STRUCTURE 61
OBJECTS OF THE ISSUE 70

SECTION IV: ABOUT OUR COMPANY **73**

OUR BUSINESS 73
HISTORY AND CERTAIN OTHER CORPORATE MATTERS 95
OUR MANAGEMENT 99
OUR PROMOTER 113
RELATED PARTY TRANSACTION 115

SECTION V: FINANCIAL INFORMATION **116**

FINANCIAL STATEMENTS 116
MATERIAL DEVELOPMENTS 117
FINANCIAL INDEBTEDNESS 118

SECTION VI: LEGAL AND OTHER INFORMATION **127**

OUTSTANDING LITIGATIONS 127
OTHER REGULATORY AND STATUTORY DISCLOSURE 135
KEY REGULATIONS AND POLICIES 157

SECTION VII: ISSUE RELATED INFORMATION **170**

ISSUE STRUCTURE 170
TERMS OF THE ISSUE 180
ISSUE PROCEDURE 193

SECTION VIII: ARTICLES OF ASSOCIATION **221**

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION **241**

DECLARATION **243**

ANNEXURE I- DAY COUNT CONVENTION **244**

ANNEXURE II- CREDIT RATING LETTER AND RATIONALE **245**

ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE **246**

ANNEXURE IV- FINANCIAL STATEMENTS **247**

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus is dated May 21, 2026 and has been filed with BSE for the purpose of seeking public comments. This is not a Prospectus and is subject to completion, changes and approvals. No offer to subscribe to the NCDs is being made by this Draft Prospectus.

This Draft 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 Draft 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 Draft 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 Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

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 Act 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 and its Corporate Office at Office No. 1301 and 1401, 13th and 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 411016 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.
ALCO	Asset Liability Management Committee of Board of Directors of our Company, constituted in accordance with Applicable Law, as amended.
Audit Committee	Audit Committee of the Board of Directors of our Company, constituted in accordance with Applicable Law, as amended.
Audited Consolidated Financial Statements	Audited consolidated financial statements for financial year ended March 31, 2026 and March 31, 2025 prepared in accordance with the Ind AS notified under Section 133 of the Act, read with the Ind AS Rules as amended and other accounting principles generally accepted in India, as audited by the Statutory Auditor and erstwhile Statutory Auditor for the financial year ended March 31, 2026 and March 31, 2025 along with the audit report dated May 15, 2026 and May 21, 2025, respectively.
Audited Standalone Financial Statements	Audited standalone financial statements for financial year ended March 31, 2026 and March 31, 2025 prepared in accordance with the Ind AS notified under Section 133 of the Act, read with the Ind AS Rules as amended and other accounting principles generally accepted in India, as audited by the Statutory Auditor and erstwhile Statutory Auditor for the financial year ended March 31, 2026 and March 31, 2025 along with the audit report dated May 15, 2026 and May 21, 2025, respectively.
Audited Financial Statement	Collectively, the Audited Consolidated Financial Statement and the Audited Standalone Financial Statement of our Company.
Auditor/ Statutory Auditor	The statutory auditor of our Company is C.V. Chitale & Co., 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 March 31, 2026, 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, excluding employee loans and inter-corporate deposit extended to Group Companies. For the year ended as on March 31, 2026, March 31, 2025, and March 31, 2024, AUM is loans and advances to others, loans and advances in the form of unquoted non-convertible debentures

Term	Description
	and investment in Prachay AIF Scheme I - Category II, excluding employee loans and inter-corporate deposit extended to Group Companies.
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.
Compliance Officer for the Issue and Company	The compliance officer for the Issue and Joint Company Secretary of our Company, namely Siddhi Sanjay Bothara.
Corporate Office	Office No 1301 and 1401, 13th and 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 411016 Maharashtra, India.
Corporate Social Responsibility Committee	Corporate social responsibility committee of Board of Directors of our Company constituted in accordance with Applicable Law, as amended.
Cut-off Date	Monday, May 18, 2026.
Director(s)	Director(s) of our Company.
Erstwhile Auditor/ Erstwhile Statutory Auditor	The erstwhile 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.
ESOP 2023	Prachay Capital Limited Employee Stock Option Plan 2023.
ESOP committee	ESOP committee of Board of Directors of our Company, constituted in accordance with Applicable Laws, as amended.
Equity Shares	Equity shares of face value ₹10 each of our Company.
Financial Indebtedness	Any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount availed of by the acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) receivables sold or discounted (other than any receivables sold in ordinary course of business or to the extent that they are sold on a non-recourse business); (e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of borrowing; (f) any derivative transaction, entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (g) any counter-indemnity obligation in respect of guarantee, indemnity bond, or documentary letter of credit or any other instrument by a bank or financial institution; (h) the amount of any liability under an advance of any agreement if one of the primary reasons behind the entry into such agreement is to raise finance, if any; (i) any put option, guarantees, keep fit letter(s), letter of comfort, etc, by whatever name called, which gives or may give rise to any financial obligation(s); (j) any preference shares (excluding any compulsorily convertible preference shares); or (k) any amount which is 'financial debt' as defined under the Bankruptcy Code, (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the terms referred to in paragraphs (a) to (l) above.
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 Capital Holdings Private Limited, Prachay Holding Private Limited and Prachay Foundation.
Ind AS	Indian accounting standards as notified vide the Ind AS Rules.
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015.
Independent Directors	Independent Directors of the Company.
Key Managerial Personnel(s) / KMP(s)	Key managerial personnel(s) of our Company as disclosed under "*Our Management*" on page 99 and appointed in accordance with the provisions of the Act.

Term	Description
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as on date of determination, or could cause a material and adverse effect (in the opinion of Debenture Trustee, acting on/with Majority NCD Holder's instructions/approval) on: (a) the financial condition, business or operation of the Company which is prejudicial to the ability of the Company to perform its obligations under the Transaction Documents; (b) the rights or remedies of the NCD Holders or under any other Transaction Documents; or affects the validity of the transaction; (c) legality or validity or enforceability of, or effectiveness or ranking of any Security granted or purporting to be granted pursuant to the Debenture Trust Deed; or (d) the legality, validity or enforceability of any of the Transaction Documents.
Memorandum / Memorandum of Association/ MOA	Memorandum of association of our Company.
Net AUM / Net Assets Under Management	For the year ended as on March 31, 2026, March 31, 2025, and March 31, 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.
Nomination and Remuneration Committee/ NRC	Nomination and remuneration committee of Board of Directors of our Company, constituted in accordance with Applicable Laws, as amended.
Non-Executive Independent Directors(s)	Non-executive Independent Director(s) of our Company, as disclosed under "*Our Management*" on page 99.
Prachay Bonds	Listed, Rated, Secured, Redeemable Non-Convertible Debentures issued by the Company.
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.
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, Maharashtra 411016 India.
Registrar of Companies / RoC	Registrar of companies, Pune, Maharashtra.
Risk Management Committee / RMC	Risk management committee of Board of Directors of our Company, constituted in accordance with SBR Directions, 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.
Stakeholder Relationship Committee / SRC	Stakeholders' Relationship Committee of Board of Directors of our Company constituted in accordance with Applicable Laws, as amended.
Special Purpose Audited Standalone Financial Statements	The special purpose audited standalone statement of assets and liabilities as at the financial years ended March 31, 2024 and the schedules forming part thereof; special purpose audited standalone statement of profit and loss for the financial years ended March 31, 2024 and the schedules forming part thereof, the special purpose audited standalone statement of cash flows for the financial years ended March 31, 2024 and the special purpose audited standalone statement of changes in equity for the financial years ended March 31, 2024, 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 the financial years ended March 31, 2024 and the schedules forming part thereof; special purpose audited consolidated statement of profit and loss for the financial years ended March 31, 2024 and the schedules forming part thereof, the special purpose consolidated standalone statement of cash flows for the financial years ended March 31, 2024 and the special purpose audited consolidated statement of changes in equity for the financial years ended March 31, 2024, 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.

Term	Description
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 Draft 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.
Annual General Meetings	Annual general meeting of the shareholders of the Company.
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 this Draft 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 Draft 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 Draft 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 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 Draft 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.
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 216.
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

Term	Description
	Notice, whichever is later.
Call Option	Issuer's right (but no obligation) to recall or redeem outstanding NCDs (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. It is further clarified that such right to exercise Call Option by the Company is available and exercisable separately for each Series of the NCDs, i.e., exercisable separately at each ISIN level.
Call Option Notice	The notice to be sent by the Issuer to the Debenture Trustee (with a copy marked to each of the relevant NCD Holders), communicating the intent of the Issuer to exercise the Call Option.
Call Option Record Date	The date falling 15 (fifteen) days prior to the Call Date, as set out in the Call Option Notice.
Call Price	At par i.e., ₹ 1,000 (₹/NCD) along with accrued interest, if any, as on the Call Date.
Category I Investor - Institutional Investors	• Public financial institutions (as defined under Section 2(72) of the Act), statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks, and regional rural 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; • Venture Capital funds and/or Alternative Investment Funds registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;Insurance companies registered with the IRDAI • 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 falling within the meaning of Section 2(20) of the Act; • Statutory 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 • Any other incorporated and/ or unincorporated body of Persons.
Category III Investor – High Net-Worth Individual Investors	Resident Indian individuals or HUFs through the Karta applying for an amount aggregating to above ₹ 2,00,000 across all series of NCDs in this Issue and shall include Resident Indian individuals or HUFs through the Karta, who have submitted bid for an amount not more than ₹ 5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

Term	Description
Category IV Investor – Retail Individual Investors	Resident Indian individuals or HUFs through the Karta applying for an amount aggregating up to and including ₹2,00,000 across all Series of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
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 Draft Prospectus. For further details, see "*Issue Structure*" on page 170.
Credit Rating Agencies	For the present Issue, the credit rating agency being, Infomerics Valuation and Rating Ltd.
Cut-off Time	5:00 pm on the Issue Closing Date.
NCD Holder(s)	The holders of the NCDs whose name appears in the database of the relevant Depository and/or the Register of NCD Holder (if any) maintained by our Company as required under Applicable Law.
Debenture Trustee / Trustee	The trustee for the NCD Holders in this case being Catalyst Trusteeship Limited.
Debenture Trustee Agreement	The agreement executed by and between the Company and the Debenture Trustee dated May 21, 2026 whereby the Debenture Trustee has been appointed to act as debenture trustee in respect of the NCDs
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.
Default Interest Rate	Additional interest of 2% (two per cent) per annum over and above the applicable coupon rate.
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)	NSDL and /or 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 eligible to accept ASBA Forms are available on the websites of the Stock Exchange 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 this Draft 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,

Term	Description
	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, 1996.
Draft Prospectus	This Draft Prospectus dated May 21, 2026, filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act and the SEBI NCS Regulations and the SEBI LODR Regulations, as amended.
Effective Date	The date falling on the succeeding Working Day where the date of payment of interest does not fall on a Working Day.
Encumbrance	The creation of any charge, security, quasi security, non disposal arrangement, claim, option, hypothecation, negative lien, power of sale in favour of a third party, retention of title, right of pre-emption, right of first refusal or other third party right or security interest or an agreement, arrangement or obligation to create any of the fore-going, whether presently or in the future, in respect of the Security. The term "Encumber" or "Encumbered" shall be construed accordingly.
Eligibility Criteria	Shall mean: (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 value of the receivables as reflected in the books of accounts of the Company shall be considered for asset cover calculations.
Hypothecated Assets	The Principal Amount of the NCDs to be issued in terms of this Draft 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 a first ranking pari-passu charge over Receivables of the Company, such that the Minimum Security Cover is maintained at all times until the redemption of NCDs.
Final Settlement Date	The date on which the Obligations to the NCD Holders or the Debenture Trustee under the Transaction Documents in respect the NCDs, 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 NCDs have been irrevocably and unconditionally paid and discharged in full the satisfaction of the NCD Holders.
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 Size**"**) with an option to retain over subscription up to ₹ 5,000 lakh (**"**a 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 this Draft Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Act and rules made thereunder as amended to the extent notified and the SEBI NCS Master Circular.
Issue Agreement	Agreement dated May 21, 2026 entered into by our Company and the Lead Manager.
Issue Closing Date	As specified in Prospectus
Issue Opening Date	As specified in Prospectus

Term	Description
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.
Issue Size	10,00,000 NCDs for an amount up to ₹ 10,000 lakh.
Lead Manager	SKI Capital 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.
Majority Debenture Holders / Majority NCD Holders	With respect to the NCDs, it means, the NCD Holders of an amount representing not less than 50.01% (fifty decimal zero one percent) in value of the nominal amount then outstanding NCDs.
Market Lot/ Trading Lot	Multiples of 1(one) NCD.
Materiality Threshold	The threshold for the identification of material litigations adopted by the Company pursuant to the resolution dated May 15, 2026 passed by the Board of Directors.
Minimum Security Cover	Minimum security cover of at least 1 (one) time or higher of the outstanding principal amounts of the NCDs and all interest due and payable thereon to be maintained at all times until the Final Settlement Date.
NCDs	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹5,000 lakh with an option to retain over subscription up to ₹ 5,000 lakh aggregating up to 10,00,000 NCDs for an amount up to ₹ 10,000 lakh pursuant to this Draft Prospectus.
Net Proceeds	Shall mean proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company.
Objects	The objects of the Issue and amounts proposed to be financed from the Net Proceeds as identified under the head "*Requirement of Funds and Utilization of Net Proceeds*" on page 70 of this Draft Prospectus.
Obligations	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 Debenture Trustee in respect of the NCDs, including without limitation, the making of payment of any 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 NCDs.
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.
Payments	All payments to be made by the Company in relation to the NCDs including payment of the Redemption Amount, Interest payable at the Interest Rate, default interest (if any), remuneration of the Debenture Trustee and all fees, costs, charges, expenses and other monies payable by the Company under the Transaction Documents.
Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto.
Prospectus	The prospectus to be filed with the RoC and submitted with SEBI and BSE in accordance with the provisions of the Act and the SEBI NCS Regulations.
PCA	The practicing chartered accountant appointed by the Debenture Trustee to conduct an independent due diligence in relation to the Security.
Person	An individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government and in case of a company and a body corporate shall include their respective successors and assign and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.
Principal Amount	The aggregate face value of the NCDs as set out in this Draft Prospectus.
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.

Term	Description
Public Issue Account and Sponsor Bank Agreement	Agreement to be 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 and as specified in the Prospectus.
Receivables	All present and future Loan Receivables, Receivables from onward lending in the form of loans, NCDs or in any other form, 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.
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	The recovery expense fund required to be maintained in the manner as specified by the SEBI Debenture Trustee Master Circular and Regulation 11 of the SEBI NCS Regulations read together with the Recovery Expense Fund Circular, with the Designated Stock Exchange.
Recovery Expense Fund Circular	means the circular issued by SEBI bearing reference number HO/17/11/12(3)2025-DDHS-POD1/I/145/2025 titled "Modifications to Chapter IV of the Master Circular for Debenture Trustee dated August 13, 2025" dated November 25, 2025 as amended, modified and supplemented from time to time.
Redemption Amount	The amount to be paid by the Company to the NCD Holder(s) at the time of redemption of the NCDs to be calculated in the manner set out in this Draft Prospectus and shall include Principal Amounts, interest and other amounts, if any with respect to the NCDs as per this Prospectus.
Redemption Date/Maturity Date	The date on which our Company is liable to redeem the NCDs in full as specified in this Draft 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 as specified in the Prospectus.
Register of NCD Holders	A register of debenture holders maintained by our Company in accordance with the provisions of the Act.
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 May 21, 2026 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/ Registrar / Registrar and Transfer Agent	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.

Term	Description
Security	First ranking *pari-passu* charge created on the Receivables such that the Minimum Security Cover is maintained at all times until the redemption of NCDs.
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.
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	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the NCS Master Circular.
Super Majority	The NCD Holders of an amount representing not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level
Syndicate Agreement	Syndicate Agreement dated May 21, 2026 entered into between the Company and Syndicate Member.
Syndicate Member / Members of Syndicate	Prachay Securities Private Limited.
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 180.
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 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 241.
Tripartite Agreements	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 ₹5,00,000 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 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 ₹ 5,00,000) 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.
UPI Investors	Investors making an application in the Issue using the UPI Mechanism.
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 Act) 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.

Term	Description
Working Day/ Business Day	All days on which commercial banks in Pune, are open for business. In respect of announcement or bid/issue period, working day/business 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/business 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
AUM	Asset Under Management.
ED	Executive Director of the Company.
EMI	Equated Monthly Instalment.
ESOP	Employee stock option plan.
EIR	Effective Interest Rate.
Borrowings	Includes debt securities and borrowings other than debt securities and subordinated liabilities.
EOMs	Emphasis of Matters.
CFO	Chief Financial Officer of the Company.
CoC	Committee of Creditors as defined under the IBC.
DIESL	Drive India Enterprise Solutions Limited.
DST	Direct Sales Team of the Company.
HYFI	High Yield Fixed Income Securities.
ICC	Investment and Credit Companies.
IRACP	Income Recognition, Asset Classification and Provisioning.
IRACP Directions	The master direction bearing reference number DOR.MCS.REC.No.281/01-01-039/2025-26 issued by the RBI on "*Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025*" (as may be amended, modified, or restated from time to time.
IRP	Insolvency Resolution Professional.
MD	Managing Director of the Company.
MFI	Microfinance institutions.
MSME	Micro, Small and Medium Enterprises.
NBFC – ICC	Non-deposit taking Non-Banking Financial Company – Investment and Credit Company.
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 SBR Directions.
NBFC-ML	Middle Layer NBFC as identified under SBR Directions.
NBFC-UL	Upper Layer NBFC as identified under SBR Directions.
NBFC-ND-NSI /NBFC-BL/ NBFC – Base Layer	(a) 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, (ii) NBFC-Account Aggregator, (iii) Non-Operative Financial Holding Company, and (iv) NBFCs not availing public funds and not having any customer interface.
NCLAT	National Company Law Appellate Tribunal.
NCLT	National Company Law Tribunal.
NPA	Non-Performing Asset.
NRI	Non-Resident Indian.
ORCDs	Optionally Redeemable Convertible Debentures
PAT	Profit after tax.
PPP	Purchasing Power Parity.
PSPL	Prachay Securities Private Limited
PIMPL	Prachay Investment Managers Private Limited
Prudential Norms	The master direction bearing reference number DOR.CAP.REC.264/21-01-002/2025-26 issued by the RBI on "*Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025*" (as may be amended, modified, or restated from time to time.

Term	Description
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.
ROE	Return on Equity.
ROTA	Return on total asset.
ROI	Return on Investment.
RII	Retail Individual Investor.
SMA	Special Mention Account.
UPI	Unified Payments Interface.
XIRR	Extended internal rate of return.
YoY	Year on year.

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.
Act	The Companies Act, 2013 as amended, modified, and supplemented from time to time.
ACH	Automated clearing house.
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.
AML	Anti-Money Laundering.
AMC	Asset Management Company.
Applicable Laws	Applicable law, code, ordinance, interpretation, guideline, directive, judgment, injunction, decree, treaty, regulation, rule or order of any court, tribunal or Governmental Authority, in force in India.
AS	Accounting standard.
AY	Assessment year.
Bankruptcy Code/ IBC	The Insolvency and Bankruptcy Code, 2016 amended, modified and supplemented from time to time.
BSE	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.
CIRP	Corporate Insolvency Resolution Process.
Consumer Protection Act	Consumer Protection Act, 1986 as amended, modified and supplemented from time to time.

Term	Description
CIBIL	TransUnion CIBIL Limited.
CGST	Central Goods and Services Tax Act, 2017 as amended, modified and supplemented from time to time.
Civil Procedure Code	the Code of Civil Procedure, 1908.
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.
CY	Calendar Year.
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996 as amended, modified and supplemented from time to time.
Depositories	NSDL and CDSL.
DRR	Debenture redemption reserve.
DRTs	Debts Recovery Tribunals.
DRT Act	The Recovery of Debts and Insolvency Act, 1993, as amended, modified and supplemented from time to time.
ECGC	Export Credit Guarantee Corporation.
EPS	Earnings per share.
FATCA	Foreign Account Tax Compliance Act, 2010.
FDI	Foreign Direct Investment.
FDI Policy	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.
FEMA	Foreign Exchange Management Act, 1999, as amended, modified and supplemented from time to time.
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended, modified and supplemented from time to time.
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended, modified and supplemented from time to time.
Fiscal / Financial Year / FY	Financial year ending March 31.
GDP	Gross domestic product.
GoI	Government of India.
Governmental Authority / Government	The President of India, the Government of India, and the Government of any State in India, any Ministry or Department of the same, any municipal or local government, any authority or private body exercising powers conferred by Applicable Law and any court or tribunal of competent jurisdiction or other judicial or quasi-judicial body, and shall include without limitation, any regulatory body under direct or indirect control of the government of India or any state government.
GST	Goods and Services Tax.
HNI(s)	High net worth individuals.
HUF	Hindu undivided family.
IBC Rules 2019	The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019, as amended, modified and supplemented from time to time.
ICAI	Institute of Chartered Accountants of India.
ICDs	Inter-corporate deposits.
IEPF	Investor Education and Protection Fund.
IFRS	International financial reporting standards.
IFSC	Indian Financial System Code.
IGST	Integrated Goods and Services Tax Act, 2017, as amended, modified and supplemented from time to time.
Indian GAAP	Generally Accepted Accounting Principles in India.
IU	Information Utility registered with Insolvency and Bankruptcy Board of India or any other authority.
IRDAI	Insurance Regulatory and Development Authority of India.
ISIN	International Securities Identification Number.

Term	Description
IST	Indian Standard Time.
IT	Information Technology.
IT Act	Income Tax Act, 2025, as amended, modified and supplemented from time to time.
KYC	Know Your Customer.
LMC	Liabilities Management Committee.
LLP	Limited Liability Partnership.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
MIS	Management Information System.
NACH	National Automated Clearing House.
NBFC	Non-Banking Finance Company, as defined under Section 45-IA of RBI Act.
NECS	National Electronic Clearing Service
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.
OTP	One Time Password.
p.a	Per annum.
PAN	Permanent account number.
PAT	Profit After Tax.
PMLA	Prevention of Money Laundering Act, 2002, as amended, modified and supplemented from time to time.
Quarterly Date	Each of March 31, June 30, September 30 and December 31 of a calendar year.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended, modified and supplemented from time to time.
RBI KYC Directions	Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025.
RERA Act	Real Estate Regulation and Development Act, 2016.
SBR Directions	RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, dated November 28, 2025, as amended, modified and supplemented from time to time.
RTAs	Registrar and share transfer agents.
RTA Master Circular	Securities and Exchange Board of India - Master Circular for Registrars to an Issue and Share Transfer Agents' dated February 06, 2026, bearing reference number HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 as amended, modified and supplemented from time to time.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended, modified and supplemented from time to time.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended, modified and supplemented from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended, modified and supplemented from time to time.
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, modified and supplemented from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended, modified and supplemented from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended, modified and supplemented from time to time.
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended, modified and supplemented from time to time.
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, modified and supplemented from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
SEBI LODR Regulations/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified and supplemented from time to time.
SEBI Depositories and Participants Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018
SEBI Mutual Funds Master Circular	SEBI Master Circular for Mutual Funds bearing reference number HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026.
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified and supplemented from time to time.
SEBI KYC Circular	SEBI Master Circular on Know Your Client (KYC) Norms for the Securities Market bearing reference number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers) Regulations, 2026, as amended, modified and supplemented from time to time.
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments, as amended, modified and supplemented from time to time.
SEBI NCS Master Circular	The circular issued by SEBI bearing the reference number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137dated October 15, 2025, as may be amended on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", as amended, modified and supplemented from time to time.
SEBI Debenture Trustee Master Circular	SEBI circular no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as amended, modified and supplemented from time to time.
Trademarks Act	Indian Trademarks Act, 1999 as amended, modified and supplemented from time to time.
TDS	Tax Deducted at Source.
UAN	Unique Application Number.
USD/ U.S. Dollar	United States Dollars.
UIDAI	Unique Identification Authority of India.

CERTAIN CONVENTIONS, USE OF FINANCIAL DATA AND CURRENCY PRESENTATION

General

In this Draft 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).

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 Draft 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, 2024 are prepared by the management of the Company and audited by the Erstwhile Statutory Auditor, Shah Khandelwal Jain & Associates, Chartered Accountants, in accordance with IGAAP as applicable standards and guidance notes specified by the ICAI including the applicable provisions of the Act. Our Special Purpose Audited Financial Statements for the financial years ending March 31, 2024 prepared in accordance with Ind AS, have been audited by our Erstwhile Statutory Auditor, Shah Khandelwal Jain & Associates, Chartered Accountants.

Our Company's Audited Financial Statements for the financial year ended March 31, 2025, are prepared by the management of the Company and Audited by Erstwhile Statutory Auditor, Shah Khandelwal Jain & Associates, Chartered Accountants in accordance with Ind AS notified under the Act and other applicable statutory and / or regulatory requirements, as applicable.

Our Company's Audited Financial Statements for the period ended March 31, 2026 are prepared by the management of the Company and has been audited by our Statutory Auditor, C.V. Chitale & Co. in accordance with Ind AS notified under the Act and other applicable statutory and / or regulatory requirements, as applicable.

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 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016, which was further subsumed in Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025. Furthermore, an NBFC covered by Rule 4 of the Ind AS Rules , shall prepare its financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in paragraph 11 and paragraph 12 of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025. Rule 4 of Ind AS Rules provides that NBFCs whose equity or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having net worth less than ₹ 50,000 lakh shall comply with the Ind AS for accounting periods beginning on or after the April 1st , 2019, with comparatives for the periods ending on March 31st , 2019, or thereafter. Other NBFCs shall comply with the requirements of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, in so far as they are not inconsistent with any of Directions / Guidelines issued by RBI.

In this Draft 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 Draft 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 Draft Prospectus have been disclosed in rupees lakh up to two decimal places.

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

Unless stated otherwise all references to time in this Draft 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 standalone financial statements for the financial year ended March 31, 2026 and consolidated financial statements for the financial year ended March 31, 2026, audited by the Statutory Auditor of the Company in accordance with Ind AS specified under Section 133 of the Act read with the Ind AS Rules, as amended.

Our Company has prepared standalone financial statements for the financial year ended March 31, 2025 and consolidated financial statements for the financial year ended March 31, 2025, audited by the Erstwhile Statutory Auditor of the Company in accordance with Ind AS specified under Section 133 of the Act read with the Ind AS Rules, as amended.

Our Company has prepared special purpose standalone and consolidated financial statements audited by the Erstwhile Statutory Auditor of the Company for the financial year ended March 31, 2024 in accordance with Ind AS. specified under Section 133 of the Act read with the Ind AS Rules, as amended.

Our special purpose standalone financial statements for the financial years ending March 31, 2024 have been prepared on the basis of audited standalone financial statements prepared in accordance with Indian GAAP specified under Section 133 of the Act read with the Companies (Accounting Standard) Rules, 2021. Further, our special purpose consolidated financial statements for the financial years ending March 31, 2024, have been prepared on the basis of audited consolidated financial statements prepared in accordance with Indian GAAP specified under Section 133 of the Act read with the Companies (Accounting Standard) Rules, 2021.

The Audited Financial Statements and Special Purpose Audited Financial Statements as included in this Draft Prospectus, in the chapter titled "*Financial Statements*" on page 116.

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

Currency and Units of Presentation

In this Draft 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.

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

Exchange Rates

This Draft 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		
	March 31, 2026	March 31, 2025	March 31, 2024
1 USD	94.6543	85.58	83.37

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.

FORWARD LOOKING STATEMENTS

This Draft 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 Draft 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 21.

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 "*Our Business*" and *"Outstanding Litigations"* on pages 73 and 127 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 Draft 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 the 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 Draft Prospectus, including the risk and uncertainties described below and the information provided in the Sections titled "Our Business" and "Financial Statements" on pages 73 and 116, 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 Draft 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 represent 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 Draft 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 effect 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 Draft 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 Draft Prospectus.

Unless otherwise stated, the financial information used in this Section is derived from and should be read in conjunction with the Audited Financial Statements and 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 as well as by public issue and issuance of equity and preference shares, inter-corporate deposits and loans from members, directors etc. Thus, our business depends and may 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 Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, as amended, issued certain guidelines with respect to private placement of non-convertible debentures (maturity more than one year) by NBFCs. 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 2026, 2025, and 2024, the capital adequacy ratio (Tier I and Tier II) of our Company was 25.64%, 24.82%, and 24.87%, respectively. Further, our total borrowing (on a standalone basis) for the Financial Years 2026, 2025 and 2024 was ₹ 35,476.53 lakh, ₹ 26,522.21 lakh, and ₹ 22,938.23 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 but excluding interest on employee loans) is the largest component of our total income, and constituted 94.06%, 95.07% and 98.86% of our total income for the Fiscals 2026, 2025, and 2024, 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 their circulars, i.e., Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, bearing reference no. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025 read together with Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, No. RBI/DOR/2025-26/163 DOR.LRG.No.82/13-10-001/2025-26 dated November 28, 2025 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 had vide its circular i.e., Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, bearing reference no. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated November 28, 2025 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 ₹ 6,687.10 lakh in the Financial Year 2026 and ₹ 5,531.28 lakh in the Financial Year 2025 from ₹ 4,189.39 lakh in the Financial Year 2024, representing a CAGR of 26.34% from Financial Year 2024 to Financial Year 2026. 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 Auditor and Erstwhile Statutory Auditor have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements, which may affect our future financial results.

As per the audit reports for standalone financial statements and consolidated Financial Statements for the financial year ended March 31, 2026, there were no EOMs.

Our Company confirms that there were no modifications, i.e., unmodified opinion given by our Erstwhile Statutory Auditor, M/s. Shah Khandelwal Jain & Associates in audit reports in respect of the Special Purpose Audited Financial Statements. Except that there were certain EOMs on conversion to Ind AS, in audit reports for the special purpose audited standalone financial statements for the financial year ended March 31, 2024 and audit reports for the special purpose audited consolidated financial statements for the financial year ended March 31, 2024.

However, the said EOMs 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 Draft 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 auditor 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 till the Financial Year ended March 31, 2026, March 31, 2025, and March 31, 2024 and we continue to pursue our expansion strategy. As of the period ended March 31, 2026, March 31, 2025 and March 31, 2024, our Company's AUM were ₹44,485.54 lakh, ₹ 33,520.54 lakh, and ₹ 28,569.77 lakh, respectively, while our AUM (for commercial real estate assets) to Company's AUM were 97.52%, 97.03%, and 91.59%, respectively.

Further, as NBFCs, we are regulated by the RBI and are required to adhere to the IRACP Directions in addition to the Ind AS accounting and provisioning requirements applicable to our Company in the ordinary course. For instance, RBI issued IRACP Directions with a view to ensuring uniformity in the implementation of IRACP Directions across all lending institutions. IRACP Directions, 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 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. IRACP Directions 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 IRACP Directions 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 IRACP Directions 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 the IRACP Directions) 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 the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 our Company's gross NPA to total AUM ratio was Nil, and our Company's net NPA to Net AUM was Nil. For the Financial Years 2026, 2025, and 2024, our Company's provisions for standard assets amounted to ₹ 111.82 lakh, ₹ 80.00 lakh, and ₹69.13 lakh, respectively. For the same periods, our Company's provision for non-performing assets amounted to Nil, Nil, and Nil, respectively. The company had no NPAs as on March 31, 2026, but there can be no assurance of NPAs not arising in the future.

As of March 31, 2026, our Company had secured borrowings of ₹28,776.36 lakh (Including Debt Securities) and unsecured borrowings of ₹6,700.00 lakh. For further details, see "Financial Indebtedness" on page 118.

The following table sets forth the classification of our Gross Loan Book as at Financial Years ending 2026, 2025 and 2024:

(₹ in lakh unless otherwise stated)

	Asset Classification as at		
	Fiscal 2026	**Fiscal 2025**	**Fiscal 2024**
Gross Loan Book (A)[#]			
Stage 1	44,381.43	33,191.57	28,569.77
Stage 2	104.11	328.97	-
Stage 3	-	-	-
Gross Loan Book	**44,485.54**	**33,520.54**	**28,569.77**
Impairment loss allowance (B)*			
Stage 1	122.02	79.17	69.13
Stage 2	0.50	0.83	-
Stage 3	-	-	-
Total Impairment loss allowance	122.52	80.00	69.13
Net Loan Book (C = A – B)			
Stage 1	44,259.41	33,112.40	28,500.64
Stage 2	103.61	328.14	-
Stage 3	-	-	-
Loan Book (Net)	**44,363.02**	**33,440.54**	**28,500.64**
Gross NPA (%)	0.00%	0.00%	0.00%
Net NPA (%)	0.00%	0.00%	0.00%

[#] *Gross Loan Books includes investments in AIF excluding employee loans and inter-corporate deposits extended to Group Companies.*

[*] *Note: Impairment loss allowance is as per IndAS 109.*

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 SBR Directions as well as Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025 bearing reference no. RBI/DOR/2025-26/347 DOR.CRE.REC.266/07-01-008/2025-26 dated November 28, 2025, as amended from time to time. 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 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. All States/UTs have notified rules under the RERA Act, except Nagaland where the notification of the rules is currently under process.

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, 2026:

(₹ 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 upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
A. OUTFLOWS											-
Capital	-	-	-	-	-	-	-	-	-	2,290.00	2,290.00
Reserves & Surplus	-	-	-	-	-	-	-	-	-	9,479.50	9,479.50
Bonds & Notes (Non Convertible Debentures)	-	-	39.24	-	-	-	-	6,661.19	18,662.09	-	25,362.52
Inter Corporate Deposits	600.00	-	-	1,000.00	-	3,540.00	-	1,560.00	-	-	6,700.00
Borrowings	39.18	-	25.59	87.50	125.00	487.50	717.80	1,299.85	500.00	131.42	3,413.84
Current Liabilities & Provisions	-	2.13	74.80	-	-	-	-	-	-	149.62	226.55
Statutory Dues	0.42	5.29	-	-	-	-	-	-	-	-	5.71
Unclaimed Deposits	-	-	-	-	-	-	-	-	-	-	-
Other Outflows	22.27	-	441.75	99.60	22.27	112.19	749.31	600.75	14.30	17.64	2,080.08
Outflows On Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	-
TOTAL OUTFLOWS	661.87	7.42	581.38	1,187.10	147.27	4,139.69	1,467.11	10,121.79	19,176.39	12,068.18	49,558.20
B. INFLOWS	-	-	-	-	-	-	-	-	-	-	-

Cash (In 1 to 30/31 day time-bucket)	0.36	-	-	-	-	-	-	-	-	-	0.36
Remittance in Transit	-	-	-	-	-	-	-	-	-	-	-
Balances With Banks	421.94	-	255.68	-	-	42.86	-	825.00	-	450.00	1,995.47
Investments	-	-	-	-	-	-	-	-	-	4,235.51	4,235.51
Advances (Performing)	364.63	-	948.65	2,092.28	3,119.85	3,490.34	4,644.93	22,453.31	3,936.05	-	41,050.04
Gross Non-Performing Loans (GNPA)	-	-	-	-	-	-	-	-	-	-	-
Inflows From Assets On Lease	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets (Excluding Assets On Lease)	-	-	-	-	-	-	-	-	-	1,613.47	1,613.47
Other Assets	36.81	-	32.85	0.22	0.40	6.63	1.75	341.00	102.43	141.25	663.34
Inflows on Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFLOWS	823.74	-	1,237.18	2,092.50	3,120.25	3,539.83	4,646.68	23,619.31	4,038.48	6,440.23	49,558.20
C. Mismatch (B - A)	161.87	-7.42	655.80	905.40	2,972.98	-599.86	3,179.57	13,497.52	-15,137.91	-5,627.95	-
D. Cumulative Mismatch	161.87	154.45	810.25	1,715.65	4,688.63	4,088.77	7,268.34	20,765.86	5,627.95	-	-
E. Mismatch as % of Total Outflows	24.46%	-100.00%	112.80%	76.27%	2018.73%	-14.49%	216.72%	133.35%	-78.94%	-46.63%	-

F. Cumulative Mismatch as % of Cumulative Total Outflows	24.46 %	2081.54%	139.37%	144.52%	3183.70%	98.77 %	495.42%	205.16 %	29.35 %	0.00%	-

***Note**: The above ALM is as per Ind AS*

11. We do not own the trademark PRACHAY GROUP we have been authorised to use it by our Promoter. Termination or withdrawal on unfavourable terms of this authorisation to use or any negative impact on the 'Prachay' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.

The trademark PRACHAY GROUP is registered with the Registrar of Trademarks in India in the name of our Promoter and is registered with the Trademarks Registry which is valid until 10 years from the date of application. Additionally, our Company operates under the brand name "Prachay", which is owned by our Promoter and not by our Company. The Company uses the said brand name pursuant a trademark royalty agreement dated July 14, 2025 executed by and between Mr. Girish Murlidhar Lakhotiya and our Company. Since the brand name is not owned by our Company, the Promoter may withdraw permission to use the brand name, license it to third parties, or impose conditions on its use. Any such action may require our Company to rebrand its operations, which may involve costs, business disruption, and loss of brand recognition. Further, any dispute with the Promoter, adverse event involving the Promoter, or negative publicity associated with the brand name may affect our continued use of the brand and the perception of our Company among customers, lenders, and investors. The absence of a legally enforceable right over the brand name may adversely affect our business, financial condition, results of operations, and ability to service and repay the NCDs. In this regard, it is relevant to note that the trademark royalty agreement dated July 14, 2025 may be terminated by the Promoter on 30 days' written notice for any reason whatsoever, and upon termination, our Company must cease all use of the brand "Prachay" and remove branding from all platforms within 30 days. There is no lock-in or restriction on the Promoter's aforementioned right to terminate. We cannot assure you that we will continue to have uninterrupted use of this trademark if we are unable to conform to the requirements under the letter. Further, termination or withdrawal of the permission may adversely affect our business, reputation, goodwill, financial condition and results of operations.

Further, some of the other companies, wherein our Promoters are interested, also use this trademark. If any of the actions of our Promoters or companies in which they hold any interest negatively affect our brand, our reputation, business and financial condition may in turn be adversely affected.

Additionally, we have made the application for trademark of the word 'Bondsmart' and 'Fixed Income Distributor' appearing in section titled "Our Business" on page 73. Currently the application for trademark registration of 'Bondsmart' and 'Fixed Income Distributor' has been applied in the name of our Promoter and PSPL respectively and has not been registered, and we cannot assure you that misuse of the same by any third party shall not be detrimental to our business.

12. 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 March 31, 2026, our outstanding borrowings (both secured and unsecured) on a standalone basis aggregated to ₹ 35,476.36 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 118. 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 118.

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 118.

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 118, 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.

13. 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 March 31, 2026, the outstanding balance of ₹ 702.82 (after EIR impact as per Ind AS) from AU Small Finance Bank. Further, as on March 31, 2026 we had outstanding term loans of ₹ 1,324.85 lakh (after EIR impact as per Ind AS) from State Bank of India and ₹ 1,386.18 lakh (after EIR impact as per Ind AS and including interest accrued but not due) 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.

14. 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 as well as by public issue 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 March 31, 2026, our debt-equity ratio on standalone basis stood at 3:1.

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 61.

15. Regulatory restrictions may prevent certain subsidiaries from making Payments to us, including dividend payments.

Regulatory, tax restrictions and other legal restrictions may limit our subsidiaries namely, Prachay Investment Managers Private Limited and 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.

16. 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 banks to 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 157 and for details of penalties levied on us pursuant to non-compliance with the Act in the past, see "Outstanding Litigations" on page 127.

Further, as of March 31, 2026, we employ 70 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 our costs 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 has obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending in the ordinary course of business. Based on our review, there are no material pending approvals, licenses, registrations, consents or permissions required for carrying on the existing business operations of the Company as on the date of this Draft Prospectus. However, the Company may, in the ordinary course of business, be required to obtain certain approvals, renewals, consents, registrations or permissions from governmental authorities, regulatory bodies or other entities in the future. Any delay in obtaining, renewing or complying with the conditions of such approvals may have an adverse effect on the business operations and financial condition of the Company.

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 expenditure 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 "Key Regulations and Policies" on page 157.

17. 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 IRACP Directions, provides for the regulatory framework governing NBFCs pertaining to provisioning for standard assets in accordance with the applicable prudential norms, guidelines, and directions issued by the Reserve Bank of India, as amended from time to time.

The level of our provisions may not be adequate to cover further increases in the amount of our non performing 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.

18. 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 observations made or fail to address or satisfactorily address these queries and clarifications in a timely manner or at all, we could be 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.

19. 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 March 31, 2026, and March 31, 2025,100% and 99.70%, 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 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. These hypothecated assets, being movable property, may be difficult to locate or seize in the event of any default by our customers.

20. 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 SBR Directions, 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.

21. 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 Draft 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	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	Nil	1	58.80
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 127.

22. 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	March 31, 2026	March 31, 2025	March 31, 2024
Net cash flows (used in)/generated from operating activities	(9,060.54)	(2,523.98)	(3,130.66)
Net cash flows (used in)/generated from investing activities	(2,174.77)	(2,803.99)	(1,305.17)
Net cash flows (used in) /generated from financing activities	11,577.13	3,747.32	5,978.31

For further details, see “Financial Information” on page 116.

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.

23. 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.

24. 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.

25. 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, including under the Digital Personal Data Protection Act, 2023 and the relevant rules framed thereunder.

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 NSDL, and AadhaarXML download from the 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. 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.

26. 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.

27. 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.

28. 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 March 31, 2026, we employed 70 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.

29. 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 Encumbrance 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.

30. 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.

31. 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 typically do not 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 such service 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 73.

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.

32. 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 which are commercially favourable to us, which may have an impact on our business, financial condition and results of operations.

33. 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 of failing 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 157.

34. 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.

35. 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.

36. 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 Financial Years 2026, 2025 and 2024, our Company's revenue derived from interest on commercial real estate loans was ₹ 6,332.23 lakh, ₹ 5,136.82 lakh, and ₹ 4,152.05 lakh, representing 89.53 %, 88.34%, and 98.01% 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.*

37. 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 Act seeking compounding of alleged violation of Section 96 of the Act, whereby the Company failed to conduct Annual General Meeting within fifteen months from its last Annual General Meeting held on May 31, 2022. The compounding fees have been paid for this violation. 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 127. Accordingly, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities 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.

38. 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.

39. 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.

40. 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 the relevant legal metrology laws of the states in which they are located. The shops and establishments statutes 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 licences, 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, we are required to comply with applicable labour and employment laws in India. These include the Maharashtra Shops and Commercial Establishments Act, 1948, the Maharashtra Labour Welfare Fund Act, 1953, and (to the extent notified and implemented and as applicable to us) the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020, and the Code on Social Security, 2020, as well as the rules, schemes and notifications issued thereunder and applicable state-specific labour legislations (including the relevant shops and establishments laws). The Company has appointed a consultant for the purposes of standardising its existing regulatory / statutory, business and support function policies and benchmarking its policies with the existing industry practices.

These laws regulate various aspects of employment and social security, including wage-related compliances, working conditions, welfare, social security contributions and benefits. To the extent applicable, we are required to maintain certain records and registers and make filings/returns under these laws, which may add to our costs. If we are subject to penalties under these labour laws, or if we do not obtain, maintain or renew the requisite registrations, approvals, exemptions or licences in a timely manner (or at all), our business, financial condition and results of operations may be adversely affected.

41. 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 Draft Prospectus, our registered office is located on leased premises which have been leased to us in terms of the leave & license agreements dated May 24, 2024, and April 17, 2025, both executed between ourselves and Next Gen Business Centre LLP. While no termination has occurred or renewal sought in respect of these leases, 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 termsand conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operationsor increased costs, or both, which may adversely affect our business, financial condition, results of operations and cash flows.

42. 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 115. 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 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 and we 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.

43. 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 Draft 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 70. 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 conditions, 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.

44. 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 70 of this Draft 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.

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 95.03%of our outstanding Equity Shares as on date of this Draft Prospectus. 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 their control, 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. Certain financial and operational information included in this Draft Prospectus is not prepared in accordance with Ind AS and may not be directly comparable with similarly titled measures presented by other companies

This Draft Prospectus contains certain industry and Company specific financial and operational measures and ratios, including, inter alia, Net Worth, AUM, total debts to total assets ratio, bad debts to loans ratio, Gross NPA (%), Net NPA (%), CRAR and certain other ratios and metrics, which have been derived from our financial statements prepared in accordance with Ind AS, management records and internal sources. Such measures are supplemental in nature and are not measures recognized under Ind AS and should not be regarded as alternatives to measures of financial performance, financial position or liquidity determined in accordance with Ind AS.

These measures may not have standardized meanings and methodologies prescribed under Ind AS or by industry practice and, accordingly, may not be comparable with similarly titled measures presented by other companies, including companies operating in the financial services sector. The manner in which such measures are calculated by us may differ from the methodologies adopted by other companies and therefore may not be directly comparable.

Further, these measures should not be considered in isolation or construed as substitutes for profit/(loss) for the year, total comprehensive income, cash flows, net worth or any other financial measure determined in accordance with Ind AS. Investors are advised to read the financial statements, together with the notes thereto and related disclosures included elsewhere in this Draft Prospectus, in their entirety and not rely solely on any particular financial or operational measure while making an investment decision.

Risks pertaining 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 Exchange. 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 "IVR BBB/Stable" (pronounced as triple B rating with stable outlook) by Infomerics Valuation and Rating Ltd. for an amount of up to ₹ 10,000 lakh by way of its letter, dated May 18, 2026 and press release for rating rationale dated May 19, 2026. 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.

The rating provided by Infomerics Valuation and Rating Ltd. 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 92 and "Annexure II" on page 245.

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 March 31, 2026, our Company's Secured Borrowings were ₹28,776.36 lakh (including debt securities). While the Security on our NCDs is *pari passu* as of the date of this Draft 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 DRR.

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Act 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, 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 as well as by public issue 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 amount of outstanding principal and interest accrued 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 NCD Holders.

The rights over the Security securing the obligations of our Company under the NCDs and the Debenture 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 insolvency professional, insolvency costs, and crystalized Government claims on accountof taxes. 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 the Applicable Laws (including the Bankruptcy Code and Reserve Bank of India Act, 1934). 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 499 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 499 of the IT Act, during the pendency of such proceedings. While the Security provided for the Issue is not classified as 'assets' under Section 499 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 499 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 thecompletion 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. For details regarding the procedure for refund / unblocking of monies, please refer to "Issue Procedure - Basis of Allotment" on page 216**.**

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 NCD Holders holding NCDs will rank *pari passu* with other secured creditors and to that extent, may reduce the amounts recoverable by the NCD Holders upon our Company's bankruptcy, winding up or liquidation.

Our Company may, subject to maintenance of the Minimum Security Cover, 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 NCD Holders holding NCDs will rank *pari passu* with other creditors.

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.

EXTERNAL RISKS

63. 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, which may 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. the ongoing conflict between United States of America and State of Israel on one hand, and Islamic Republic of Iran can impact the global economy in general and Indian;

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

vi. 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.

64. The conflict between United States of America, State of Israel, and the Islamic Republic of Iran

The ongoing conflict between the Israel in various regions, including in the Middle East and involving major global economies, including attendant disruptions to global energy markets, trade routes, and international financial conditions, may adversely affect the Indian economy and, consequently, our business, results of operations, and financial condition. Investors in our fixed income debt securities should note that the value of, and returns from, such securities are particularly sensitive to the risks described below, including movements in government securities yields, domestic interest rates, credit spreads, and the policy stance of the RBI, each of which may be materially and adversely affected by the following external risks, should any of them materialise:

i. Any disruption in global crude oil supply chains or sustained increase in crude oil prices may increase India's import bill, widen the current account deficit and contribute to inflationary pressures. This may result in tightening of monetary policy, increase in domestic interest rates and higher cost of borrowing for us, which could adversely affect our profitability and the market value of the NCDs

ii. Heightened global uncertainty may lead to capital outflows from emerging markets, including India, and increased demand for safe-haven assets. This may exert downward pressure on the Indian rupee and increase volatility in currency markets. Any significant depreciation of the Indian rupee may impact investor sentiment towards rupee-denominated debt instruments and could indirectly affect our access to capital markets.

We cannot predict the duration, severity or outcome of such geopolitical tensions or their impact on global or Indian economic conditions. Any of the foregoing factors, individually or in the aggregate, may have a material adverse effect on our business, financial condition, results of operations and our ability to service our obligations under the NCDs.

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 Competition Act could in turn adversely affect our business.

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 or a 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 financing 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 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 of any 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 favor 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.

73. A significant portion of the equity shares of our Company held by our Promoter Group entity, Prachay Capital Holdings Private Limited, are pledged in favour of Catalyst Trusteeship Limited as security for optionally redeemable convertible debentures issued by that entity.

Our Promoter Group entity, Prachay Capital Holdings Private Limited, which as of March 31, 2026, holds 52,45,025 equity shares, representing approximately 22.90% of the total issued and paid-up equity share capital of our Company, has, across four separate issuances of ORCD, pledged an aggregate of 31,25,500 equity shares of our Company in favour of Catalyst Trusteeship Limited, acting as the debenture trustee for the holders of the ORCD) as security for ORCD obligations aggregating to approximately ₹4,941 lakh. The details of the ORCD issuances, the pledged shares, and the valuation of pledged shares are set out under "Details of pledge or encumbrance of Equity Shares held by Promoter and Promoter Group as on March 31, 2026" on page 68 of this Draft Prospectus.

The maturity dates of the four ORCD tranches range from November 2026 to January 2028, all of which fall during or immediately after the expected life of our NCD programme. Upon maturity, unless Prachay Capital Holdings Private Limited exercises its call option for redemption, the outstanding ORCDs are mandatorily convertible into equity shares of Prachay Capital Holdings Private Limited. Failure by Prachay Capital Holdings Private Limited to either redeem or convert within three months of the maturity date of each series constitutes an event of default under the relevant debenture trust deed, which would entitle Catalyst Trusteeship Limited to enforce the pledge over our equity shares. We cannot assure you that Prachay Capital Holdings Private Limited will have sufficient resources to redeem the ORCDs as and when they fall due, and the materialisation of such risk could adversely affect the promoter shareholding structure of our Company during the tenor of your investment in our NCDs.

74. Risk Relating to Regulatory Actions by RBI

The RBI has prescribed a 'Prompt Corrective Action framework' applicable to certain NBFCs regulated under the SBR Regulations. Under this framework, the RBI may initiate supervisory or corrective action against an NBFC upon occurrence of prescribed trigger events, including breach of minimum CRAR, elevated net NPA levels, or deterioration in Return-on-Assets. If our Company is placed under the prompt corrective action framework, it may become subject to restrictions and enhanced supervisory measures, including restrictions on raising fresh public funds, declaration of dividends, and expansion of the loan portfolio. Any such restrictions may adversely affect our business, financial condition, results of operations, and ability to service and repay the NCDs. The applicability of the prompt corrective action framework is determined by RBI based on its regulatory assessment and supervisory findings. Any action by RBI under the prompt corrective action framework may adversely affect the interests of the NCD Holders.

75. Risk Relating to Delay in Statutory Tax Filings

Our Company is required to comply with Applicable Laws in relation to taxes, including filing of periodic tax returns and payment of statutory dues within the prescribed timelines. Our Company has, in the past, experienced delays in filing certain GST returns. Although such filings have been regularized, such delays may have attracted interest, late fees, penalties, or scrutiny by the relevant tax authorities. Similar delays may occur in the future due to operational issues, system failures, human error, or other reasons. In such cases, our Company may be exposed to interest, penalties, denial of input tax credit, blocking of GST registration, recovery proceedings, or other adverse action by tax authorities. Repeated or prolonged delays may also result in cancellation of GST registration, which could disrupt our business operations. Any adverse order, demand, penalty, or proceeding in relation to past or future tax compliance may adversely affect our business, financial condition, results of operations, cash flows, and ability to meet our obligations towards the NCD Holders.

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 Act, 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, 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. 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
- **SEBI SCORES Number**: comp00973

Registrar of Companies, Pune at Maharashtra

Sheti Mahamndal Bhavan, 1st Floor,
270, Bhamburda, Senapati Bapat Road,
Pune - 411016, Maharashtra.
Tel: +91 20 27651375
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

Corporate Office

Office No 1301 and 1401, 13th and 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 .

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Draft 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 VIT 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	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 95.

Chief Financial Officer

Alok Karkera
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: alok@prachay.com
Tel: +91 9970111598

Joint Company Secretary and Compliance Officer

Siddhi Sanjay Bothara
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: siddhi@prachay.com
Tel: +91 99707 65700

Lead Manager to the Issue

SKI Capital Services Limited
718, Dr. Joshi Road, Karol Bagh,
New Delhi – 110005
Tel: +91-11-45046000 - 30
Email: dcm@skicapital.net
Investor Grievance e-mail: ib@skicapital.net
Website: https://www.skicapital.net/
Contact Person: Ghanisht Nagpal / Manick Wadhwa
SEBI Registration Number: INM000012768
CIN: U74899DL1993PLC054443

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85, S. No. 94 & 95,
Bhusari Colony (Right), Kothrud,
Pune – 411 038, Maharashtra, India.
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: L72400MH2017PLC444072

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 UPI ID (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, Series applied for, number of NCDs applied for,amount blocked on Application and the Designated Branch or the Collection Centers of the SCSB where the ApplicationForm 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



Infomerics Valuation and Rating Limited
Tel: 022- 62396023
Email: info@infomerics.com
Website: www.infomerics.com
Contact Person: Khushal Rupwate
SEBI Registration No: IN/CRA/007/2015

Credit Rating

The NCDs proposed to be issued under the Issue have been rated "IVR BBB/Stable" (pronounced as triple B rating with stable outlook) by Infomerics Valuation and Rating Ltd. for an amount of up to ₹ 10,000 lakh by way of its letter, dated May 18, 2026. 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.

Disclaimer clause of Infomerics Valuation and Rating Limited

Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics' opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an 'as is' basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective 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, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are intended for use in accordance with applicable laws and regulatory requirements

governing credit rating agencies in India.

Legal Counsel to the Issue

Phoenix Legal
Phoenix House,
254, Okhla Industrial Estate
Phase III, New Delhi - 110 020
Tel: +91 11 4983 0000

Statutory Auditor

C.V. Chitale & Co.
Chartered Accountants,
3, Gurukrupa Apartment, 1317, Shukrawar Peth,
Near Bajirao Road, Telephone Exchange,
Pune - 411002, Maharashtra, India
E-mail: anish@cvchitale.com
Website: https://cvchitale.com
Telephone: 020 24475425
Contact Person: CA Anish Chandrashekhar Chitale
Firm Registration No.: 126338W

Banker to our Company

AU Small Finance Bank Limited
Nandadeep Ground Floor FC, Road Pune -411004, Maharashtra, India
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

As specified in the Prospectus.

Syndicate Member

Prachay Securities Private Limited
Office No 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: info@bondsmart.com
Website: www.bondsmart.com
SEBI Registration Number: INZ000322839
DP Registration Number: IN-DP-847-2026

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 Act, relating to punishment for fictitious applications. Section 38(1) of the Act 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 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 NCS Master Circular and RTA Master Circular, 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 being ₹ 5,000 lakh 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 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.

Under Section 39(3) of the Act 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 do 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 SEBI NCS Master Circular for Debenture Trustee and Regulation 11 of SEBI NCS Regulations read with the Recovery Expense Fund Circular 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 this Draft Prospectus, for taking appropriate legal action to enforce the Security, as well as for recovery from the Recovery Expense Fund, all enforcement-related costs and expenses, including consents, voting, meetings, court filings, legal fees, recovery services, and consultant appointments in the event of default, in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular.

Consents

Consents in writing of Directors of our Company, Joint Company Secretary and Compliance Officer, Company Secretary and Associate Compliance Officer, Chief Financial Officer, Statutory Auditor, Erstwhile Statutory Auditor, 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*, Syndicate Member and the Debenture Trustee to act in their respective capacities, have been obtained and will be filed along with a copy of this Draft Prospectus with the RoC as may be required under Section 26 of the Act. Further such consents have not been withdrawn up to the time of delivery of the Prospectus with RoC.

* Consents to be obtained at the Prospectus stage.

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 this Draft Prospectus. (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 Offer Document and RoC filing).	Lead Manager
2.	Co-ordination with Auditors on Auditor Deliverables and co-ordination with lawyers for legal opinion	Lead Manager
3.	Structuring of various issuance of NCDs with relative components and formalities etc.	Lead Manager
4.	Drafting and approval of all publicity material including statutory advertisement, application form, corporate advertisement, brochure, etc.	Lead Manager
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Debenture Trustee, Lead Brokers Advertising Agency and Banker(s) to the Issue	Lead Manager
6.	Preparation of road show presentation and FAQs.	Lead Manager
7.	Marketing Strategy for Investor(s)	Lead Manager
8.	Coordination with the Stock Exchange for the bidding software	Lead Manager
9.	Finalisation of refund stationery items including refund order, allotment & refund advice, letter of allotment, etc.	Lead Manager
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.	Lead Manager
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.	Lead Manager

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 70.

Issue Programme

Issue Opens on	As specified in the Prospectus
Issue Closes on	As specified in the Prospectus #
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 the 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 the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 170.

Applications Forms for the Issue will be accepted only from 10:00 am to 5:00 pm (Indian Standard Time) 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 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 March 31, 2026:

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**	
	2,29,00,000 Equity Shares of face value of ₹ 10 each at par	22,90,00,000
	0 Preference Shares of ₹ 10 each at par	-
C.	**SECURITIES PREMIUM ACCOUNT**	37,20,00,000

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 as on Cut-Off Date:**

   There have been no changes in the authorised share capital of our Company since last three financial years and current year as on Cut-Off Date.

2. **Share capital history of our Company for the last three financial years and current financial year as on Cut-Off Date**

The history of the paid-up Equity Share capital of our Company for the last three financial years and current financial year as on Cut-Off Date, 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 ₹)
July 27, 2023	8,00,000[1]	10	125	Cash	Rights Issue	2,16,50,000	21,65,00,000.00	13,45,00,000
July 21, 2025	6,66,665[2]	10	200	Cash	Rights Issue	2,23,16,665	22,31,66,650.00	26,11,66,350.00
July 31, 2025	5,83,335[3]	10	200	Cash	Rights Issue	2,29,00,000	22,90,00,000.00	37,20,00,000.00

[1] 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.

[2] Allotment of 6,66,665 Equity Shares on right issue basis to Prachay Capital Holdings Private Limited, as enlisted in the return of allotment filed.

[3] Allotment of 5,83,335 Equity Shares on right issue basis to Prachay Capital Holdings Private Limited, 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 as on Cut-Off Date.**

   Our Company has not issued any Equity Shares for consideration other than cash for the preceding three financial years and current financial year as on Cut-Off Date.

4. Shareholding Pattern of our Company

The table below presents the Shareholding pattern of our Company as on March 31, 2026

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 dematerializedform (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 Promoter Group	2	2,24,04,895	Nil	2,24,04,895	97.83	2,24,04,895	Nil	2,24,04,895	97.83	Nil	97.83	Nil	Nil	31,25,500	13.65	2,24,04,895
(B)	Public	5	4,95,105	Nil	4,95,105	2.17	4,95,105	Nil	4,95,105	2.17	Nil	2.17	Nil	Nil	NA	NA	4,95,105
(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	7	2,29,00,000	Nil	2,29,00,000	100.00	2,29,00,000	Nil	2,29,00,000	100.00	Nil	100.00	Nil	Nil	31,25,500	13.65	2,24,04,895

5. List of top 10 Equity Shareholders of our Company as on March 31, 2026:

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	74.93
2.	Prachay Capital Holdings Private Limited	52,45,025	52,45,025	22.90
3.	Roshan Rajendra Sancheti	3,11,688	3,11,688	1.36
4.	Abhinandan Ravindra Sakla	63,416	63,416	0.28
5.	Makarand S Savagaonkar	60,000	60,000	0.27
6.	Sunil Popatlal Nahar	60,000	60,000	0.26
7.	Divya Raizada	01	01	0.00
	Total	**2,29,00,000**	**2,29,00,000**	**100.00**

6. List of top ten holders of non-convertible debentures of our Company as on March 31, 2026 (on cumulative basis):

Sr. No	Name	Category of holder	Face value of holding* (Amount in ₹)	Holding as a % of total outstanding non-convertible securities of the issuer
1	Arun Townspace Private Limited	Private Limited Company	18,76,50,000.00	7.24%
2	Santosh Rajaram Bahirat	Individual	15,00,00,000.00	5.78%
3	Cybage Software Private Limited	Private Limited Company	10,00,00,000.00	3.86%
4	Ayushi Laxmikant Diggikar	Individual	6,50,00,000.00	2.51%
5	Eminence Equipments Private Limited	Private Limited Company	5,22,00,000.00	2.01%
6	Dharmendra Kevalchand Sancheti	Individual	5,00,00,000.00	1.93%
7	Jayesh Kevalchand Sancheti	Individual	5,00,00,000.00	1.93%
8	Tejal Diggikar	Individual	5,00,00,000.00	1.93%
9	Shubham Vijay Bhandari	Individual	5,00,00,000.00	1.93%
10	Zephyr Engineering And Technology Consultants LLP	Limited Liability Partnership	4,50,00,000.00	1.74%

* Actual value of holding without considering the EIR impact as per Ind AS.

7. List of top 10 holders of commercial paper as on March 31, 2026 in terms of value (on cumulative basis):

As on March 31, 2026 our Company has not issued any commercial papers.

8. Statement of Capitalization

Statement of capitalization on a consolidated basis as on March 31, 2026:

(₹ in lakhs, other than ratios)

Particulars	As on March 31, 2026	
	Pre- Issue	**Post- Issue***
Debt		
Debt Securities	25,656.71	35,656.71
Borrowings (other than Debt Securities)	10,073.84	10,073.84
Subordinated Liabilities	-	-
Total Debts	**35,730.55**	**45,730.55**
Equity		
Equity Share Capital	2,290.00	2,290.00
Other Equity		
Securities Premium	3,720.00	3,720.00
Retained Earnings	4,495.81	4,495.81
Statutory Reserve pursuant to Section 45-IC of the RBI Act	1,151.87	1,151.87
Capital Redemption Reserve	7.10	7.10
Employees Stock Options Reserve	93.48	93.48
Non-controlling Interest	765.39	765.39
Less: Prepaid Expenses	46.29	46.29
Less: Employees Stock Options Reserve	93.48	93.48
Less: Deferred Tax Assets	116.54	116.54
Less: Intangible Assets	184.89	184.89
Less: Goodwill on consolidation	70.70	70.70
Total Equity#	**12,011.75**	**12,011.75**
Debt/Equity	**2.97**	**3.81**

** 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.*

#Total equity means Net Owned Funds as defined in the RBI SBR Framework Master Directions.

Statement of capitalization on a standalone basis as on March 31, 2026:

(₹ in lakhs, other than ratios)

Particulars	As on March 31, 2026	
	Pre- Issue	**Post- Issue***
Debt		
Debt Securities	25,362.52	25,362.52
Borrowings (other than Debt Securities)	10,113.84	10,113.84
Subordinated Liabilities	-	-
Total Debts	**35,476.36**	**45,476.36**
Equity		
Equity Share Capital	2,290.00	2,290.00
Other Equity		
Securities Premium	3,720.00	3,720.00
Retained Earnings	4,489.20	4,489.20
Statutory Reserve pursuant to Section 45-IC of the RBI Act	1,169.72	1,169.72
Capital Redemption Reserve	7.10	7.10
Employees Stock Options Reserve	93.48	93.48
Less: Prepaid Expenses	38.53	38.53
Less: Employees Stock Options Reserve	93.48	93.48
Less: Deferred Tax Assets	42.45	42.45

(₹ in lakhs, other than ratios)

Particulars	As on March 31, 2026	
	Pre- Issue	Post- Issue*
Less: Intangible Assets	112.04	112.04
Total Equity#	11,483.00	11,483.00
Debt/Equity	**3.09**	**3.96**

** 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.*
#Total equity means Net Owned Funds as defined in the SBR Directions.

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 Draft Prospectus.

Except as disclosed below, 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 Draft Prospectus.

Non-convertible debentures purchased by Promoter, Promoter Group, our Directors/or their relatives and the directors of our Promoter:

(₹ in lakhs)

Name of Transferor	Name of Transferee	Name of Security	No. of Securities	Purchase	Date of Purchase	Consideration
Sujata Shroff	Prachay Capital Holdings Private Limited	Non-Convertible Debentures	100	Purchase	December 03, 2025	100.00
Shamkant Jagannath Shende	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	15000	Purchase	December 23, 2025	150.00
Yucca Promoters LLP	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	5000	Purchase	January 28, 2026	50.00
Electronica Finance Limited	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	10000	Purchase	January 31, 2026	100.00
Shamkant Jagannath Shende	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	1300	Purchase	January 31, 2026	13.00
Pranita Shroff	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	10000	Purchase	February 28, 2026	100.00
Ankita Shroff	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	10000	Purchase	March 02, 2026	100.00
Anand Somani	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	5000	Purchase	March 25, 2026	50.00
Asha Jain	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	450	Purchase	March 30, 2026	4.50
Shamkant Shende	Prachay Capital Holdings Private Limited	Non-Convertibles Debentures	1500	Purchase	March 30, 2026	15.00

Non-convertible debentures sold by Promoter, Promoter Group, our Directors/or their relatives and the directors of our Promoter:

(₹ in lakhs)

Name of Transferor	Name of Transferee	Name of Security	No. of Securities	Sale	Date of Sale	Consideration
Prachay Capital Holdings Private Limited	Mythili Subramanian	Non-Convertible Debentures	2200	Sale	December 23, 2025	22.00
Prachay Capital Holdings Private Limited	Janvi Sahil Shah	Non-Convertible Debentures	300	Sale	December 31, 2025	3.00
Prachay Capital Holdings Private Limited	Mahesh Sahab Bhadoria	Non-Convertible Debentures	500	Sale	December 31, 2025	5.00
Prachay Capital Holdings Private Limited	Kaushal Makhija	Non-Convertible Debentures	3000	Sale	January 28, 2026	30.00
Prachay Capital Holdings Private Limited	Seema Deshpande	Non-Convertible Debentures	2000	Sale	January 28, 2026	20.00
Prachay Capital Holdings Private Limited	Abhijit Mukherjee	Non-Convertible Debentures	2000	Sale	January 28, 2026	20.00
Prachay Capital Holdings Private Limited	Ashwini Chaudhari	Non-Convertible Debentures	500	Sale	January 28, 2026	5.00
Prachay Capital Holdings Private Limited	Vrushali Harish Khodaskar	Non-Convertibles Debentures	500	Sale	January 29, 2026	5.00
Prachay Capital Holdings Private Limited	Sneha Sanjay Khare	Non-Convertibles Debentures	50	Sale	January 30, 2026	0.50
Prachay Capital Holdings Private Limited	Nikhil Sham Khandelwal	Non-Convertibles Debentures	100	Sale	January 30, 2026	1.00
Prachay Capital Holdings Private Limited	Jagreeti Gautam	Non-Convertibles Debentures	100	Sale	January 30, 2026	1.00
Prachay Capital Holdings Private Limited	Satishkumar Kisanlal Agarwal	Non-Convertibles Debentures	1500	Sale	January 31, 2026	15.00
Prachay Capital Holdings Private Limited	Manju Satish Agarwal	Non-Convertibles Debentures	1100	Sale	February 03, 2026	11.00
Prachay Capital Holdings Private Limited	Suramya Chandra	Non-Convertibles Debentures	200	Sale	February 04, 2026	2.00
Prachay Capital Holdings Private Limited	Rekha Lahoti	Non-Convertibles Debentures	30	Sale	February 05, 2026	0.30
Prachay Capital Holdings Private Limited	Dimple Khandge	Non-Convertibles Debentures	50	Sale	February 06, 2026	0.50
Prachay Capital Holdings Private Limited	Shobha Dhoot	Non-Convertibles Debentures	500	Sale	February 06, 2026	5.00

Prachay Capital Holdings Private Limited	Anupama Bhootra	Non-Convertibles Debentures	2500	Sale	February 07, 2026	25.00
Prachay Capital Holdings Private Limited	Rishabh Kabade	Non-Convertibles Debentures	50	Sale	February 07, 2026	0.50
Prachay Capital Holdings Private Limited	Rishabh Kabade	Non-Convertibles Debentures	950	Sale	February 09, 2026	9.50
Prachay Capital Holdings Private Limited	Bhuvanesh Bhagat	Non-Convertibles Debentures	150	Sale	February 10, 2026	1.50
Prachay Capital Holdings Private Limited	Mangesh Shridhar Bhavkar	Non-Convertibles Debentures	300	Sale	February 13, 2026	3.00
Prachay Capital Holdings Private Limited	Pratik Prakash Desai	Non-Convertibles Debentures	500	Sale	February 13, 2026	5.00
Prachay Capital Holdings Private Limited	Roshan Rego	Non-Convertibles Debentures	500	Sale	February 13, 2026	5.00
Prachay Capital Holdings Private Limited	Devichand Poonamchand Dhoka	Non-Convertibles Debentures	1000	Sale	February 13, 2026	10.00
Prachay Capital Holdings Private Limited	Amruta Rahul Thopate	Non-Convertibles Debentures	1,000	Sale	February 18, 2026	10.00
Prachay Capital Holdings Private Limited	Rajendra Madhukar Modak	Non-Convertibles Debentures	500	Sale	February 18, 2026	5.00
Prachay Capital Holdings Private Limited	Dharamveer Ahuja	Non-Convertibles Debentures	600	Sale	February 24, 2026	6.00
Prachay Capital Holdings Private Limited	Santosh Rathore	Non-Convertibles Debentures	1,000	Sale	February 25, 2026	10.00
Prachay Capital Holdings Private Limited	Shrikumar Ramdayal Soni	Non-Convertibles Debentures	5,200	Sale	February 26, 2026	52.00
Prachay Capital Holdings Private Limited	Kaushal Makhija	Non-Convertibles Debentures	500	Sale	March 01, 2026	5.00
Prachay Capital Holdings Private Limited	Kaushal Makhija	Non-Convertibles Debentures	500	Sale	March 01, 2026	5.00
Prachay Capital Holdings Private Limited	Mansi Makhija	Non-Convertibles Debentures	500	Sale	March 02, 2026	5.00
Prachay Capital Holdings Private Limited	Pritam Medical Foundation and Research Centre	Non-Convertibles Debentures	1,000	Sale	March 02, 2026	10.00
Prachay Capital Holdings Private Limited	Sunil Kumar Mittal HUF	Non-Convertibles Debentures	1,250	Sale	March 10, 2026	12.50
Prachay Capital Holdings Private Limited	Dwarkadas Mittal HUF	Non-Convertibles Debentures	1,250	Sale	March 10, 2026	12.50

Prachay Capital Holdings Private Limited	Anil Devdas Chandak	Non-Convertibles Debentures	1,500	Sale	March 13, 2026	15.00
Prachay Capital Holdings Private Limited	Sarita Anil Chandak	Non-Convertibles Debentures	1,500	Sale	March 13, 2026	15.00
Prachay Capital Holdings Private Limited	Surendra Gulhane	Non-Convertibles Debentures	400	Sale	March 17, 2026	4.00
Prachay Capital Holdings Private Limited	Parvez Billimoria	Non-Convertibles Debentures	6,000	Sale	March 18, 2026	60.00
Prachay Capital Holdings Private Limited	Shraddha Raut	Non-Convertibles Debentures	4,200	Sale	March 24, 2026	42.00
Prachay Capital Holdings Private Limited	Abhijit Shashikant Rajwade HUF	Non-Convertibles Debentures	300	Sale	March 27, 2026	3.00
Prachay Capital Holdings Private Limited	Rahul Prakash Banthiya	Non-Convertibles Debentures	250	Sale	March 27, 2026	2.50
Prachay Capital Holdings Private Limited	Rahul Prakash Banthiya HUF	Non-Convertibles Debentures	250	Sale	March 27, 2026	2.50
Prachay Capital Holdings Private Limited	Karthikeyan A	Non-Convertibles Debentures	500	Sale	March 30, 2026	5.00
Prachay Capital Holdings Private Limited	Rupali Baban Jadhav	Non-Convertibles Debentures	2,500	Sale	March 30, 2026	25.00
Prachay Capital Holdings Private Limited	Rati Akshay Oke	Non-Convertibles Debentures	200	Sale	March 31, 2026	2.00

For details on the total outstanding debt of our Company, please refer to "Financial Indebtedness" on page 118.

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 Draft 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 Draft 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 as on March 31, 2026.

Except for 31,25,500 Equity Shares which are held by Prachay Capital Holdings Private Limited, as disclosed below, no Equity Shares held by our Promoter and Promoter Group are pledged or encumbered otherwise.

(₹ in lakh)

Sr. No.	Name of the Debenture Trustee	Name of the Issuer	No. of Equity Shares pledged	Nature of Facility	Amount Sanctioned	Amount Outstanding
1.	Catalyst Trusteeship Limited	Prachay Capital Holdings Private Limited	7,25,000	Borrowing in the nature of optionally redeemable convertible securities	1,000.00	1,000.00
2.	Catalyst Trusteeship Limited	Prachay Capital Holdings Private Limited	9,00,000	Borrowing in the nature of optionally redeemable convertible securities	1,440.00	1,440.00
3.	Catalyst Trusteeship Limited	Prachay Capital Holdings Private Limited	12,50,000	Borrowing in the nature of optionally redeemable convertible securities	2,000.00	2,000.00
4.	Catalyst Trusteeship Limited	Prachay Capital Holdings Private Limited	2,50,500	Borrowing in the nature of optionally redeemable convertible securities	501.00	501.00
	TOTAL		**31,25,500**		**4,941.00**	**4,941.00**

14. As on the date of this Draft Prospectus, 2,29,00,000 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 Draft Prospectus are set forth below:

Prachay Capital Limited Employees Stock Option Plan 2023

The Issuer instituted the 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. However, all unvested options shall stand cancelled with effect from the date of retirement.

Please refer below for the details of ESOP 2023 as on March 31, 2026:

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	52,470
6	Stock options outstanding	3,17,165
7	Exercise price (in ₹)	125.00

OBJECTS OF THE ISSUE

Our Company has filed this Draft Prospectus for a public issue of listed, rated, secured, redeemable, non-convertible debentures of face value ₹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 Act and the rules made there under. Our Company proposes to utilize the Net Proceeds towards funding the Objects as listed under this **Section III** (*Introduction*) of this Draft Prospectus.

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*	As specified in Prospectus
Net Proceeds	As specified in Prospectus

[#]*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 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 corporate bonds. iii. For the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings including Inter corporate Deposit availed by certain of our Company (subject to compliance with Applicable Law)	At least 75%
2.	General corporate purposes [Note 2]	Maximum up to 25%
	Total	**100%**

Note 1*:* Onward lending includes funding to individuals, LLP, AOP, BOI, societies, corporates etc. and investing in non-convertible debentures of other companies.

Note 2: 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 NCS Regulations, 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 will be as specified in the Prospectus.

Purpose for which there is a requirement of funds

As stated in this **Section III** (*Introduction*) of this Draft Prospectus.

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 2026, 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 Draft Prospectus

Our Company shall not, in terms of Section 27 of the Act, at any time, vary the terms of the objects for which this Draft Prospectus is issued, except as may be prescribed under the Applicable Laws and specifically under Section 27 of the 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 including ICDs. 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 99. 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 115 and 116, 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 Act.

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 Draft 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 ₹ 5,000 lakh, i.e. ₹ 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

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 21, 19 and 116 respectively of this Draft 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 Audited Financial Statements and Special Purpose Audited Financial Statements as included in this Draft 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.

Overview of the Company

Our Company is an RBI-registered non-deposit taking NBFC-ICC under the Base Layer category, bearing registration No. N-13.02198 dated October 7, 2024, catering to credit and investment needs of mid-sized businesses.

We have established an integrated financial ecosystem together with our wholly-owned subsidiaries namely, PSPL and PIMPL to provide comprehensive credit and investment solutions including private credit, corporate bonds, integrated depository-related services, including in-house account opening, securities credit, pledge creation and invocation, transmission and other investor servicing functions, facilitating issuance and trading of fixed income securities, providing investment solutions to high ticket investors and managing and debt focused AIF schemes. This structure allows us to originate, structure, invest, and distribute capital market-linked credit products, offering a comprehensive platform for both borrowers and investors.

Overview of our Business Model

The Company operates a dual-sided business model that facilitates the efficient flow of capital between investors seeking yield and businesses requiring growth-oriented financing. In essence, the Company functions as an intermediary between surplus capital and surplus opportunity, bridging the funding gap that persists for mid-sized businesses.

On the liability side, the Company is engaged in sourcing of funds through issuing HYFI securities**.** These HYFI securities are structured to offer predictable returns to the investment needs of investors and corporates with surplus investible capital. The Company aims to institutionalise HYFI securities as a distinct asset class for the investors seeking high yields.

On the asset side, the Company undertakes corporate finance activities, providing private credit and debt securities solutions to mid-sized businesses that are often underserved by traditional banking and debt capital markets. These businesses require access to appropriate and timely capital for growth, expansion, or working capital purposes.

By combining credit origination with investor access, the Company has built an integrated platform that enables:

- Capital mobilisation through issuance of HYFI instruments; and
- Capital deployment through private credit and corporate bonds.

This integrated structure positions the Company to create aligned value for both the Company's investors and its borrowers.

The Company operates through the following wholly-owned subsidiaries:

We, through our wholly owned subsidiary namely, PSPL, a SEBI-registered debt segment broker and licensed online bond platform provider operating "Bondsmart", an online bond platform for trading in privately placed and publicly issued listed fixed income securities. PSPL also acts as a lead broker for public issues of non-convertible debentures and facilitates investor access to and distribution of fixed income securities through its hybrid "phygital" (physical + digital)

distribution platform, aimed at enabling wider investor participation in public bond issuances of emerging corporate issuers.

Further, PSPL has received registration as a Depository Participant from the SEBI. The DP registration is expected to strengthen PSPL's integrated securities market infrastructure and enhance its service capabilities by enabling seamless dematerialisation, custody, servicing and investor account management in relation to listed fixed income securities and other permitted instruments.

Pursuant to the receipt of the DP registration and subject to applicable regulatory requirements and operational readiness, PSPL intends to offer integrated depository-related services, including in-house account opening, securities credit, pledge creation and invocation, transmission and other investor servicing functions, thereby enabling a more unified and efficient investor experience across the fixed income investment lifecycle.

We, through our wholly owned subsidiary namely, PIMPL, an investment manager to a SEBI registered Category – II Alternative Investment Fund (AIF), focused on structured credit and growth capital opportunities.

PIMPL currently manages a debt-focused alternative investment scheme under Prachay AIF, which is focused on structured and asset-backed credit opportunities, including secured non-convertible debentures, escrow-backed cash flow structures and hybrid debt instruments. The strategy is designed with an emphasis on downside protection, cash flow visibility and disciplined risk management, and primarily targets mid-market and emerging businesses that are underserved by traditional financing channels.

Bond Platform Business

We provide through our subsidiary, **PSPL**, the following services:

- **Trading of Listed Bonds:**
  Under the brand name "***Bondsmart'***, we operate an online bond platform for trading of privately placed and publicly issued listed fixed income securities. As of date, one pilot transaction involving the trade of bonds has been undertaken on the platform. The Buy/Sell functionality is under development and is yet to be operationalised for public at large.

- **Distribution for Public Issues of Fixed-Income Securities:**
  PSPL has developed and operationalized a hybrid "phygital" (physical + digital) distribution platform for fixed income securities, designed to enable wider investor participation in public bond issuances of emerging corporate issuers.

- **Depository Participant Services:**
  PSPL has acquired a licence to operate as a Depository Participant ("DP") from SEBI which will enable Bondsmart to open and operate demat accounts for investors. The proposed DP services are intended to facilitate seamless investor onboarding, demat account opening, custody and servicing of securities through an integrated platform experience, thereby strengthening the overall fixed income investment ecosystem being developed by Bondsmart.

AIF Debt Participation Business

Our wholly owned subsidiary, PIMPL, is registered with SEBI as the investment manager to Category II Alternative Investment Fund. The fund's inaugural scheme focuses on investing in unlisted debt securities issued by mid-sized corporates, thereby offering an additional investment and structuring platform for debt issuances in a portfolio of secured, unlisted corporate bonds.

Business

The Company's asset-side business is focused on providing credit solutions and debt securities solutions to mid-sized businesses. These corporates contribute substantially to GDP, employ majority of the formal workforce, and drive investment and exports. They are neither too small to benefit from banks and government schemes nor are large enough to raise financing through debt capital markets.

We focus on providing corporate finance solutions to this category of corporates through:

- Appropriate Finance – financing at the right time and in the right manner, through corporate credit solutions designed to be fast, flexible, and solution-oriented.
- Adequate Finance – ensuring scale by providing access to alternate sources such as corporate bonds, reducing reliance on traditional banking channels.

For more details refer to section titled "Our Business – Our Products" on page 88 of this Draft Prospectus.

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 credit 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 ₹ 28,569.77 lakh in Fiscal 2024 to ₹ 44,485.54 lakh in Fiscal 2026.

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 (B2B) corporate lending segment 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 Company's AUM has grown at a CAGR of 24.78 % from ₹ 28,569.77 lakh as at March 31, 2024 to ₹ 44,485.54 lakh, as at March 31, 2026. As on March 31, 2026, our AUM stands at ₹44,485.54 lakh. Our disbursements during Fiscal 2026, Fiscal 2025 and Fiscal 2024 were ₹ 45,822.27 lakh, ₹ 30,484.92 lakh and ₹ 36,574.89 lakh, respectively. As at March 31, 2026, our Company's Net worth (net owned funds) stands at ₹11,483.00 lakh. Our Company's CRAR stands at 25.64 % as at March 31, 2026.

On a consolidated basis, our ROE and ROA stood at 6.85 % and 1.65 % as at March 31, 2026.

Professional and experienced leadership

Our Promoter and MD is a qualified Chartered Accountant in India with extensive knowledge and understanding of the banking and finance industry. He has experience of over 16 (Sixteen) years in baking and finance industry. Due to the professional background, our Promoter and MD understands the technicalities of developing standard operating practices and control systems and plan workflow 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.

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.

Our Strategies

Acquiring presence in the corporate bond market

The corporate bond market in India is developing fast and has massive growth potential. With increasing investor participation in the equity markets, a similar trend is expected to extend to the corporate bond space in the coming years. Having already built experience through lending via unlisted corporate bonds at the local level, the Company envisages expanding into listed corporate bonds to tap this emerging opportunity.

To facilitate this, we have obtained registration as a Stock Broker with SEBI and a licence to operate an Online Bond Platform with BSE through our wholly owned subsidiary, Prachay Securities Private Limited (Bondsmart). Further, PSPL has also acquired a Depository Participant ("DP") licence, which will enable Bondsmart to open and operate demat accounts for investors and provide an integrated platform experience for onboarding, custody and servicing of fixed income securities. PSPL has also applied to NSE for license to operate as an online bond platform to further expand its market reach and distribution capabilities.

Our strategy is to actively engage with listed companies seeking to raise funds through corporate bond issuances. We plan to subscribe to a portion of such issuances, warehouse the bonds, and subsequently offer them to a wider investor base through our Online Bond Platform under the brand name "Bondsmart".

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. **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.

Though our present portfolio is concentrated in real estate segment, we have benefitted from 16 (Sixteen) 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, New Delhi and Bengaluru in addition to Pune.

Key financial and operational information

The following table sets forth the Key Operational and Financial Parameters for the financial years ending on March 31, 2026, March 31, 2025 and March 31, 2024 on a consolidated basis:

(₹ in lakh, unless otherwise stated)

Parameters	Fiscal 2026	Fiscal 2025	Fiscal 2024
Balance Sheet			
Financial Assets			
Cash and cash equivalents	1,134.86	298.59	1732.08
Bank balance other than cash and cash equivalents	1,672.87	1,779.45	459.19
Trade receivables	-	-	0.29
Other receivables	11.88	21.60	-
Loans	45,236.74	33,561.03	28,498.80
Investments	0.01	0.01	0.01
Derivative financial instruments	-	-	-
Other financial assets	116.89	61.20	16.82
Non-financial assets			
Current tax assets (net)	294.94	75.66	162.09
Deferred tax assets (net)	116.54	85.14	78.46
Investment property	165.18	-	-
Property, plant and equipment	571.27	648.12	218.31
Capital work-in-progress	-	-	-
Right to use assets	764.98	418.00	33.88
Other Intangible assets	72.95	0.16	0.26
Intangible assets under development	111.94	103.05	43.60
Goodwill on Consolidation	70.70	70.70	70.70
Other non-financial assets	118.91	37.48	5.41
Non-current assets held for sale	-	-	-
Total assets	**50,461.13**	**37,160.18**	**31,319.89**
Liabilities and Equity			
Financial liabilities			
Derivative financial instruments	-	-	-
Trade payables	-	-	-
Other payables	36.13	35.90	2.74
Finance lease obligation	-	-	-
Debt securities	25,656.71	21,375.13	12,495.00
Borrowings (other than debt securities)	10,073.84	5,188.53	10,393.23
Subordinated Liabilities	-	-	-
Lease Liabilities	885.81	467.70	34.23
Other financial liabilities	1,230.42	1,188.04	457.72
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	27.10	12.86	5.52
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	27.46	226.05	649.52
Equity (including other equity and non-controlling interest)	12,523.66	8,665.96	7,281.92
Total equity and liabilities	**50461.13**	**37,160.18**	**31,319.89**
Profit and Loss			
Total revenue	**7,222.59**	**5,862.64**	**4,253.79**
Revenue from operations	6,829.41	5,578.52	4,205.48
Other income	393.18	284.12	48.31
Total Expenses	6,237.18	4,169.84	2,773.99
Exceptional Items	-	-	-
Profit before tax	985.41	1,692.80	1,479.80
Profit after tax	725.48	1,252.68	1,102.30

Parameters	Fiscal 2026	Fiscal 2025	Fiscal 2024
Other comprehensive income	(2.74)	0.01	-
Total comprehensive income	722.74	1,252.69	1,102.30
EPS			
(a) Basic	2.98	5.79	5.14
(b) Diluted (Refer Note 1)	2.96	5.79	Refer Note 1
Cash Flow			
Net cash (used in)/ generated from operating activities	(11,187.14)	(3,487.75)	(4,035.23)
Net cash (used in)/ generated from investing activities	(134.76)	(1,823.11)	(286.14)
Net cash (used in)/ generated from financing activities	12,158.17	3,877.38	5,924.71
Add : Opening cash and cash equivalents as at the beginning of the year	298.59	1,732.08	128.74
Cash and cash equivalents as at the end of the year	1,134.86	298.59	1,732.08
Additional Information			
Net worth (Refer note 2)	12,011.76	8,322.81	7,056.14
Cash and Cash Equivalents	1,134.86	298.59	1,732.08
Assets under Management (Refer note 3)	45,352.21	33,639.57	28,561.38
Off Balance Sheets Assets		-	-
Total Debts to Total assets	0.71	0.71	0.73
Debt Service Coverage Ratios#	NA	NA	NA
Interest Income (Refer Note 4)	6,731.53	5,545.56	4,189.48
Interest Expense	3,944.80	2,929.25	2,038.30
Provisioning & Write-Offs (Refer Note 5)	122.52	80.00	69.13
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)*	25.39%	24.58%	24.62%
Tier II Capital Adequacy Ratio (%)*	0.25%	0.24%	0.24%
CRAR*	25.64%	24.82%	24.87%

**On standalone basis*

#The Company is registered under the RBI Act as Non-Banking Financial Company, hence these ratios are not applicable.

Notes:

Note 1: Due to unavailability of FMV 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 and investments in AIF but excludes employee loan.

Note 4: Interest income includes income from loans and advance and income from investment in AIF.

Note 5: Provisioning & Write-Offs represent expected credit loss as per Ind-AS 109.

The following table sets forth the Key Operational and Financial Parameters for the financial years ending on March 31, 2026, March 31, 2025 and March 31, 2024 on a standalone basis:

(₹ in lakh, unless otherwise stated)

Parameters	Fiscal 2026	Fiscal 2025	Fiscal 2024
Balance Sheet			
Financial Assets			
Cash and cash equivalents	422.30	80.48	1,661.13
Bank balance other than cash and cash equivalents	1,648.43	1,758.53	451.24
Trade receivables	-	-	-
Other receivables	-	-	-
Loans	40,932.82	31,545.74	27,483.44

Parameters	Fiscal 2026	Fiscal 2025	Fiscal 2024
Investments	4,235.51	2,146.26	1,123.76
Derivative financial instruments	-	-	-
Other financial assets	144.78	71.50	30.20
Non-financial assets			
Current tax assets (net)	286.69	71.43	155.82
Deferred tax assets (net)	42.46	70.55	77.96
Investment property	165.18	-	-
Property, plant and equipment	571.27	647.29	217.09
Capital work-in-progress	-	-	-
Right to use assets	764.98	418.01	33.88
Other intangible assets	0.10	0.16	0.26
Intangible assets under development	111.94	73.85	43.60
Other non-financial assets	109.22	41.34	5.41
Non-current assets held for sale	-	-	-
Total assets	**49,435.68**	**36,975.24**	**31,283.79**
Liabilities and Equity			
Financial liabilities			
Derivative financial instruments	-	-	-
Trade payables	-	-	-
Other payables	23.62	17.26	1.62
Finance lease obligation	-	-	-
Debt securities	25,362.52	21,318.68	12,495.00
Borrowings (other than debt securities)	10,113.84	5,203.53	10,443.23
Subordinated Liabilities	-	-	-
Lease Liabilities	885.81	467.70	34.23
Other financial liabilities	1,226.39	1,236.60	457.72
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	27.10	12.86	5.52
Deferred tax liabilities (net)			
Other non-financial liabilities	26.90	222.17	647.56
Equity (including other equity)	11,769.50	8,496.44	7,198.91
Total equity and liabilities	**49,435.68**	**36,975.24**	**31,283.79**
Profit and Loss			
Total revenue	7,073.08	5,814.78	4,236.14
From operations	6,687.10	5,531.28	4,189.39
Other income	385.98	283.50	46.76
Total Expenses	6,042.15	4,108.98	2,764.20
Exceptional Items	-	-	-
Profit/(Loss) before tax/	1,030.93	1,705.81	1,471.95
Profit/(Loss) after tax	746.88	1,261.23	1,097.30
Other comprehensive income	(2.74)	0.01	-
Total comprehensive income	744.14	1,261.24	1,097.30
EPS			
(a) Basic	3.32	5.83	5.13
(b) Diluted (Refer note 1)	3.30	5.83	(Refer note 1)
Cash Flow			
Net cash (used in)/ generated from operating activities	(9,060.54)	(2,523.98)	(3,130.66)
Net cash (used in)/ generated from investing activities	(2,174.77)	(2,803.99)	(1,305.17)
Net cash (used in)/ generated from financing activities	11,577.13	3,747.32	5,978.31
Add : Opening cash and cash equivalents as at the beginning of the year	80.48	1,661.13	118.65
Cash and cash equivalents as at the end of the year	422.30	80.48	1,661.13

Parameters	Fiscal 2026	Fiscal 2025	Fiscal 2024
Additional Information			
Net worth (Refer note 2)	11,482.99	8,267.79	7,044.32
Cash and Cash Equivalents	422.30	80.48	1,661.13
Assets under Management (Refer note 3)	44,485.54	33,520.54	28,569.77
Off Balance Sheets Assets		-	-
Total Debts to Total assets	0.72	0.72	0.73
Interest Income (Refer note 4)	6,652.97	5,528.43	4,189.39
Interest Expense	3,854.33	2,916.55	2,042.16
Provisioning & Write-Offs (Refer Note 5)	122.52	80.00	69.13
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	25.39%	24.58%	24.62%
Tier II Capital Adequacy Ratio (%)	0.25%	0.24%	0.24%
CRAR	25.64%	24.82%	24.87%

Notes:
Note 1: Due to unavailability of FMV 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 and investments in AIF but excludes employee loan.
Note 4: Interest income includes income from loans and advance and income from investment in AIF.
Note 5: Provisioning & Write-Offs represent expected credit loss as per Ind-AS 109.

Our Business Processes

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.

Our product wise split of assets under management on a standalone basis is as under:

(₹ in lakh, unless otherwise stated)

Products	AUM (standalone basis)		
	March 31, 2026	March 31, 2025	March 31, 2024
AUM			
A. Corporate Credit	32,218.27	26,814.35	23,741.97
B. Corporate Bonds	12,267.27	6,706.19	4,827.81
Total AUM	**44,485.54**	**33,520.54**	**28,569.77**

Our product wise disbursement on a standalone basis is as under:

(₹ in lakh, unless otherwise stated)

Disbursement Core Business	March 31, 2026	March 31, 2025	March 31, 2024
Corporate Credit	34,967.02	24,459.92	28,901.14
Corporate Bonds	9,976.25	6,025.00	7,673.75

A. Corporate Credit

In the ordinary course, borrowers may find that standard banking products are not aligned with their specific funding requirements. Larger financial institutions may not always be in a position to provide financing structures tailored to the particular circumstances of each borrower.

The Issuer proposes to structure financing solutions to suit the requirements of its borrowers. Such structuring is intended to enable borrowers to align their debt obligations with their business cash flows. This approach is different from traditional lending structures generally followed by banks and larger financial institutions.

As on March 31, 2026, and March 31, 2025, on a standalone basis, Corporate Credit accounted for 72.42% and 79.99% of our AUM, respectively, with an average ticket size of ₹ 847.58 lakh and ₹709.82 lakh, and a portfolio yield of 17.04 % and 17.51%, respectively.

Business Origination

We generate Corporate Credit loans through the Direct Sales Team. Loans are sourced via our website, social media platforms, walk-ins, cross-selling, or directly by the Direct Sales Team.

Our target customers are medium to large businesses, and we offer a range of loan products with suitable ticket-sizes.

Credit Approval and Disbursement

We extend loans, typically secured through mortgages, hypothecation, or pledges. Our primary customer segments include real estate developers, high-net-worth individuals, and other corporates. The lending business is scalable and may expand in line with approved business plans and market opportunities.

A Borrower's eligibility is evaluated by our in-house credit team through a comprehensive assessment process, including:

- Validation of KYC;
- Review of credit history;
- Income and financial statement analysis;
- Banking analysis; and
- Profile and contact-point verification.

Corporate credit loans are sourced by business teams focusing on real estate developers, high ticket investor. Each proposal begins with a joint discussion between the borrower and the business and credit teams to understand funding requirements in detail.

The specialized credit team then evaluates the proposal in line with approved guidelines, considering:

- Borrower's experience and capabilities;
- Past repayment history and financial discipline;
- Group strength and financial stability; and
- Market reputation and credibility.

Our in-house legal and technical teams conduct due diligence, covering title verification, approvals, technical feasibility, financial audits, and banking analysis. A detailed credit note is prepared, and loan sanction is granted only after approval from designated authorities.

Post-disbursal, loans are subject to stringent monitoring, including security perfection, continuous borrower data review, periodic audits, and escrow account monitoring.

Collection and Monitoring

Loan collection and monitoring are managed by our in-house legal team. Customers are reminded ahead of due dates through an omnichannel communication system. We also use risk-based segmentation to identify high-risk borrowers and increase follow-up intensity as days past due increase. Recovery actions are initiated promptly in case of default.

Our loan collection mechanism for project finance is managed through escrow mechanism. The EMIs are collected through NACH 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

In recent years, we have increasingly provided financing through non-convertible debentures instead of traditional loans. Unlisted privately placed non-convertible debentures have a relatively simpler compliance process and provide borrowers with flexibility to raise funds in line with their business models.

We are also encouraging businesses to consolidate their operations under a holding company structure so we can lend through Holdco Level Bonds. These bonds provide fungibility and liquidity across multiple businesses of the group.

In cases where the borrower's fund requirement exceeds our exposure limits, we structure a larger bond issue, part of which is subscribed by us, while the balance is funded by the borrower's investor base.

As on March 31, 2026 and March 31, 2025, on a standalone basis, our corporate bonds portfolio accounted for 27.58% and 20.01% of AUM, respectively, with an average ticket size of ₹ 1,826.50 lakh and ₹ 2,049.25 lakh, and a portfolio yield of 17.08 % and 19.07%, respectively.

In this business, our Company provides financing through listed and unlisted corporate bonds of ₹ 100 lakh to ₹ 2,000 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

Corporate bonds are marketed by the DSTs. Bonds are sourced through our website, social media, walk-ins, cross-selling, or directly by DSTs. Our target customers are medium to large businesses, and we offer a range of bonds with varied ticket sizes.

Credit Approval and Disbursement

Our credit policy, approved by the Board of Directors, provides a structured and transparent framework for all lending activities. It is designed to ensure regulatory compliance and effective risk management across the Company's loan products. Credit approval for our corporate bonds is undertaken by our in-house credit team in accordance with this policy.

Corporate bonds are generally secured through mechanisms such as mortgages, hypothecation, and pledges. Our key customer segments include real estate developers, high ticket borrowers. The scope of the corporate bond business is scalable and may be expanded in line with approved business plans and market opportunities.

Issuer eligibility is assessed through a comprehensive evaluation conducted by our credit team. This includes online validation of KYC documentation, review of credit history, analysis of income and financial statements, banking analysis, and profile and contact -point verification, wherever required. Only issuers meeting the prescribed parameters are processed further.

Corporate bond proposals are typically sourced by the business teams, with a focus on real estate developers, high ticket investors. Each proposal involves detailed discussions with the issuer to understand the funding requirements. The credit team then evaluates the proposal in line with laid down guidelines, assessing parameters such as the Issuer's overall experience, business capabilities, past repayment history, group financial strength, and market reputation. Our in-house legal and technical teams conduct extensive due diligence, covering aspects such as title verification, regulatory approvals, technical feasibility, financial and banking reviews, and audit checks. Following this, a detailed credit note is prepared and disbursement is made only upon approval by the requisite authorities.

All issuances are subject to strict post-disbursement monitoring by the credit team. This includes ensuring perfection of security, regular financial and banking data analysis, periodic audits, escrow account monitoring, and other measures to safeguard credit quality and mitigate risks.

Monitoring

Our monitoring is 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. The degree of engagement increases with increase in number

of days past due.

The corporate bonds are generally monitored through tripartite escrow agreements between the issuer, the debenture trustee (on behalf of investors), and the escrow bank.

C. Listed Corporate Bonds

We aim to expand into listed corporate bonds and a registration as a Stock Broker with SEBI and, licence to operate an Online Bond Platform with BSE through our wholly owned subsidiary, Prachay Securities Private Limited (Bondsmart). Further, PSPL has also recently acquired a DP licence, which will enable Bondsmart to open and operate demat accounts for investors and provide an integrated platform experience for onboarding, custody and servicing of fixed income securities. PSPL has also applied to NSE for license to operate as an online bond platform to further expand its market reach and distribution capabilities.

Our strategy is to actively engage with listed companies seeking to raise funds through corporate bond issuances. We plan to subscribe to a portion of such issuances, warehouse the bonds, and subsequently offer them to a wider investor base through our Online Bond Platform under the brand name "Bondsmart".

Our Company's Lending Policy

The loan policy of our Company adopted vide a resolution of the Board dated September 6, 2024 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). Our customer segments are differentiated into (a) loans against property; (b) equipment finance loans; (c) loans against personal wealth; (d) discounting of future cash flows including rent receivables; (e) customised finance to the real estate sector; (f) seasonal trade loans; (g) bridge funding; (h) last-mile funding; (i) inventory funding. 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: 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 as part of the financing documents and are not added as an additional interest. Penal charges are divided into (i) penal charges levied upon occurrence of a payment default under the financing documents; and (ii) penal charges levied upon occurrence of any other events of default.

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. Provisioning for sub-standard assets is 10% of the total outstanding amount.

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.

Release of Immovable Property Documents: The Company ensures the release of all original immovable property documents and removal of charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account

7. Grievance Redressal Mechanism

The Company has a detailed grievance redressal policy whereby a customer may contact a specified telephone number and e-mail ID (as identified in the relevant sanction letter) for filing their complaints. After examining the matter, the Company sends its response to the within 4 weeks and informs the customer on how to escalate the complaint to a higher level. The complaints can be forwarded either through email or by post to the grievance redressal officer appointed by the Company.

8. 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 as well as ensuring compliance with the Applicable Law requirements including, but not limited to, the (i) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025; and (ii) Reserve Bank

of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025.

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 27.86% on a YoY basis over the last 3 (three) Fiscals.

Fiscal Year	Capital (₹ in lakh)
2026	11,769.50
2025	8,496.44
2024	7,198.91

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 24.78% over the last 3 (three) years.

Fiscal Year	AUM (₹ in lakh)
2026	44,485.54
2025	33,520.54
2024	28,569.77

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 ₹ 36,574.89 lakh in Fiscal 2024 to ₹ 44,943.27 lakh in Fiscal 2026 as under:

Fiscal Year	Yearly Disbursements (₹ in lakh)
2026	44,943.27
2025	30,484.92
2024	36,574.89

(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 4:1.

Fiscal Year	TOL/ NOF
2026	3.28
2025	3.44
2024	3.42

(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 17.06%.

Most loans granted are of short tenure, with approximately 80.00% 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)
2026	17.06%
2025	17.82%
2024	16.38%

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
2026	7.18%
2025	8.43%
2024	8.40%

(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
2026	12.43%
2025	11.79%
2024	9.99%

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 2.82% - 5.61% of the average AUM.

Fiscal Year	Operating Cost as % of Average AUM
2026	5.61%
2025	3.84%
2024	2.82%

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 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)
2026	746.88
2025	1,261.23
2024	1,097.30

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 1.73% to 4.02 % of the total assets.

Fiscal Year	ROTA as % of Average Total Assets
2026	1.73%
2025	3.70%
2024	4.02%

Return on Equity 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 7.37% over the last 3 (three) years.

Fiscal Year	ROE as % of Average Equity
2026	7.37%
2025	16.07%
2024	17.88%

CAPITAL RISK ADEQUACY RATIO

As per Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 bearing reference no. RBI/DOR/2025-26/345 DOR.CAP.REC.264/21-01-002/2025-26 dated November 28, 2025 (Updated as on April 01, 2026), 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 "Key Regulations and Policies" on page 157.

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 March 31, 2026	As at March 31, 2025	As at March 31, 2024
Tier I Capital (A)	11,482.99	8,267.79	7,044.32
Tier II Capital (B)	111.82	80.00	69.13
Total Capital (A+B)	11,594.81	8,347.79	7,113.45

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Risk Weighted Assets	45,217.59	33,633.11	28,606.50
CRAR %	25.64%	24.82%	24.87%
CRAR % - Tier I Capital %	25.39%	24.58%	24.62%
CRAR % - Tier II Capital %	0.25%	0.24%	0.24%

Our Products

Appropriate Finance – Corporate Credit

The Company provides structured credit solutions to mid-sized Indian businesses that demonstrate a track record of operations, maintain market credibility, and possess adequate asset and cash flow coverage. The credit facilities extended by the Company are generally secured in nature, with collateral typically comprising real estate or other identifiable and enforceable assets.

The Company operates within the wholesale (B2B) lending segment, with individual credit exposures generally exceeding ₹ 1 crore per transaction. Following are the appropriate finance products offered by the Company to its customers.

Customised Financial Solutions ("Clinic Loans")

The Company adopts a solution-oriented underwriting approach, wherein the borrower's specific financial problem is assessed in detail, and the loan is structured to ensure that the debt proceeds are applied towards productive business activities. These activities are expected to generate sufficient internal cash flows that support timely repayment of debt. As part of the credit delivery process, the Company provides borrowers with transparent disclosure regarding their obligations, repayment timelines, and responsibilities under the sanctioned facility.

Real Estate Finance

The Company has conducted a comprehensive study of the real estate development lifecycle and identified various stages where capital requirements typically arise. Based on this research, the Company has developed a suite of use-case-specific credit products tailored to the operational dynamics of real estate developers. These products are intended to ensure timely availability of funds aligned to project milestones, thereby enabling continuity and timely delivery of underlying projects.

Growth Finance

Recognising the evolving mindset of growth-oriented entrepreneurs who view capital as a lever for strategic expansion, the Company partners with such businesses to co-create innovative financing models. These structures are designed to benefit both the borrower and the borrower's customer ecosystem. Key outcomes include:

- **Revenue Enhancement:** Financing schemes that enable convenient payment schedules, resulting in increased customer conversion and sales volume for the borrower and the borrower's customer.
- **Credit Risk Mitigation:** Structuring transactions that convert trade liabilities for the borrower and the borrower's customer into financial liabilities, thereby enhancing collection discipline and recoverability.

Bridge Finance

In the course of business, certain funding needs may arise that are temporary, event-linked, or time-sensitive. The Company offers bridge financing solutions to its customers to address such short-term liquidity mismatches — particularly in scenarios where inflows from long-term financing are pending but imminent.

Adequate Finance – Corporate Bonds

In line with the Company's objective to broaden access to capital for mid-sized enterprises, the Company facilitates the mobilisation of debt capital through investment in corporate bonds. These instruments provide borrowers with an alternate source of finance and reduce their overdependence on conventional banking channels.

Through its activities, the Company seeks to contribute meaningfully to the development of India's corporate bond market — particularly in the mid-market segment — by enabling issuers to access a growing pool of investors and progressively build an independent investor base.

Unlisted Corporate Bonds

The Company structures and invests in privately placed, unlisted non-convertible debentures issued by eligible corporate borrowers. These instruments offer flexibility in terms of structuring, pricing, and compliance, thereby aligning with the bespoke requirements of mid-sized issuers.
Some of the transaction structures are as under:

- **Lending in the Form of Debentures:**
  Instead of traditional loan instruments, the Company facilitates credit exposure through investment in debentures issued by borrowers. This structure enables the issuer to begin building capital markets familiarity while retaining flexibility in structuring.

- **HoldCo Bonds:**
  The Company encourages consolidation of related group entities under a holding company structure, enabling enterprise-level fund mobilisation. This approach allows funds to be utilised across multiple business initiatives or projects, subject to appropriate disclosures and risk controls.

- **Prachay-led, Invested Bond Issuances:**
  In select transactions, the Company participates as an anchor investor, investing a portion of the total issue. This co-investment model enhances confidence for external investors due to the Company's:
  - Risk-sharing approach;
  - Rigorous due diligence framework;
  - Expertise in structuring and execution; and
  - Post-investment monitoring and recovery mechanisms.

- **Debt AIF Participation:**
  The Company's wholly owned subsidiary, PIMPL, is registered with SEBI as the Investment Manager to a Category II Alternative Investment Fund. The fund's inaugural scheme focuses on investing in unlisted debt securities issued by mid-sized corporates.

Listed Corporate Bonds

The Company seeks to enhance market access for mid-sized businesses by facilitating high-yield listed bond issuances that can offer attractive risk-adjusted returns to investors, including retail participants.

These activities are proposed to be undertaken through the Company's wholly owned subsidiary, PSPL, which is registered with SEBI as a debt segment stockbroker and licensed online bond platform provider.
Key services envisaged to be offered by PSPL include:

- **Private Placement of Listed Bonds:**
  The Company operates, an online bond platform under the brand name ***"BondsMart",*** facilitating the issuance and trading of privately placed listed bonds by mid-sized businesses.

- **Public Listing and Distribution:**
  The Company is developing a hybrid "phygital" (physical + digital) distribution model for fixed income securities, aimed at enabling wider investor participation in public bond issuances of emerging corporate issuers.

- **Depository Participant Services:**
  PSPL has recently acquired a licence to operate as a Depository Participant ("DP") from SEBI which will enable Bondsmart to open and operate demat accounts for investors. The proposed DP services are intended to facilitate seamless investor onboarding, demat account opening, custody and servicing of securities through an integrated platform experience, thereby strengthening the overall fixed income investment ecosystem being developed by Bondsmart.

Our Diversified Sources of Funding

The Company raises its funding by offering fixed-income investment products designed to cater to a broad investor base, including retail investors, corporates, high ticket investors. These offerings are structured to deliver risk-adjusted returns, regular income streams, and portfolio diversification for the investors. The funds are raised from such investors through listed debentures, inter-corporate deposits, pooled AIF structures.

1. Prachay Bonds (Listed, Secured, Redeemable Non-Convertible Debentures)

The Company has issued and listed Prachay Bonds on BSE debt segment. These instruments are structured to provide fixed coupon payouts to investors. These bonds are secured by way of security over receivables and investments of the Company, with a security cover of 100%.

Following are the illustrative terms of Prachay Bonds:

- Eligible Investor: Retail individuals, HNIs, corporates, and institutions
- Interest Rate: 12.5% to 13% p.a. monthly (Annualised yield: 13.24% to 13.79%)
- Tenure: 3 to 5 years
- Minimum Investment: ₹10,000
- Payout Frequency: Monthly
- Security: Secured by receivables and investments with pari-passu charge
- Transferability: Freely transferable on the exchange

2. Inter-Corporate Deposits (ICDs) (Unsecured, Flexible, Treasury-Linked Float Management)

The Company mobilised funds through unsecured, shot-term ICDs from corporate entities, aimed at effective treasury deployment. These are demand-and-supply-driven instruments offering flexibility on tenure and returns.

Following are the illustrative terms of ICDs:

- Eligible Investors: Corporates only
- Return Profile: Fixed; typically ranges from 10% – 15% p.a.
- Tenure: Flexible (7 days to 365 days)
- Minimum Investment: ₹10 lakhs
- Payout Frequency: Monthly
- Security: Unsecured
- Transferability: Non-transferable

The company has created a digital platform - www.icd.prachay.com for facilitating ICD transactions.

The liabilities-wise profile of our Company for the financial years ended as on March 31, 2026, March 31, 2025, and March 31, 2024 is as follows:

(₹ in lakh unless otherwise stated)

Sr. No.	Total Borrowings	As at					
		March 31, 2026		March 31, 2025		March 31, 2024	
		Amount	%	Amount	%	Amount	%
1.	Bank Loans - (A)	3,413.84	9.62%	4,668.53	17.60	3,808.12	21.24
2.	Debt Securities - Secured - (B)	25,362.52	71.49%	21,318.68	80.38	5,636.50	31.43
3.	Inter-corporate Deposits - (C)	6,700.00	18.89%	535.00	2.02	0.00	0.00
4.	Subordinated/ any other liabilities - (D)	-	-	0.00	0.00	8,486.31	47.33
	Total (A+B+C+D)	**35,476.36**	**100.00**	**26,522.21**	**100.00**	**17,930.94**	**100.00**

As at March 31, 2026, March 31, 2025 and March 31, 2024 our total borrowings were ₹ 35,476.36 lakh, ₹ 26,522.21 lakh and ₹ 22,938.23 lakh, respectively and our average cost of borrowings for Fiscal 2026, Fiscal 2025 and Fiscal 2024 was 12.43%, 11.79%, and 9.99% respectively.

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.

Our Leadership

Our leadership team comprises of experienced professionals with diverse backgrounds in finance, banking, credit, and business management. Our Promoter and Manging Director, Girish Lakhotiya, is a first-generation finance entrepreneur who commenced the group's operations in 2017 with the objective of providing comprehensive capital solutions to mid-sized businesses. Each member contributes to the Company's strategic vision, institutional discipline, and operational execution. For details on our leadership please refer to Section titled "Our Management - Brief Profile of Directors of our Company" on page 100 of this Draft Prospectus.

Over time, the group has evolved into a multi-entity platform offering end-to-end financial services across advisory, lending, investment management, and market access.

For the key milestones in the group's evolution please refer to Section titled "Our History and Certain Other Corporate Matters - Key Milestones and Major Events" on page 96 of this Draft Prospectus.

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.

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, ALCO 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 ALCO 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 at amortised cost.	Credit worthiness of borrower and review monitoring, recovery process. Obtain fixed deposits with highly rated banks.
Liquidity risk	Debt securities and other liabilities.	Fixed repayment, asset liability management and periodic reviews by the Board of Directors 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	Non-convertible debentures	20,000.00	CRISIL BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (Assigned)
CRISIL Ratings Limited	Non-convertible debentures	5,000.00	CRISIL BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (Reaffirmed)
CRISIL Ratings Limited	Non-convertible debentures	21,000.00	CRISIL BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (Reaffirmed) (Reduced from ₹ 25,000 lakh)
CRISIL Ratings Limited	Bank loan facilities	7,100.00	CRISIL BBB-/ Stable (pronounced as CRISIL triple B minus rating with stable outlook) (Reaffirmed) (Enhanced from ₹ 6,100 lakh)
Infomerics Valution and Rating Private Limited	Long term fund based bank facilities	10,000.00	IVR BBB/Stable (IVR Tripple B with stable outlook)
Infomerics Valution and Rating Private Limited	Non-Convertible Debentures	10,000.00	IVR BBB/Stable (IVR Tripple B with stable outlook)

Corporate Social Responsibility

Our Company has constituted a corporate social responsibility committee in compliance with the requirements of the Act 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 March 31, 2026, we had 70 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.

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 EDs 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 Draft Prospectus other than our registered office 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, and our corporate office situated at Office No 1301 and 1401, 13th and 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 our Company does not have any other branches/place of business. Further, the Company has also leased the premises situated at Office No 1302, 13th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 411016 Maharashtra and the premises situated at Office No. 309 and 310, 3rd Floor, City Square Apartment, Shivajinagar (Bhamburda), Pune-411005.

Insurance

Our Company has obtained a keyman insurance policy, namely the ABSLI DigiShield Plan (Policy No. 009658422), issued by Aditya Birla Sun Life Insurance Company Limited on December 16, 2024, in favour of the Company, covering our Promoter and Managing Director, Mr. Girish Murlidhar Lakhotiya. The policy provides for a lump-sum death benefit of ₹35,00,00,000 (Rupees Thirty-Five Crore only) upon the demise of the insured person during the policy term of 15 years, commencing from December 16, 2024 and ending on December 16, 2039.

The key exclusions under the policy include: (i) any pre-existing disease diagnosed or treated within 36 months prior to the policy issue date; (ii) suicide, attempted suicide or self-inflicted injury, irrespective of mental condition; (iii) participation in any criminal, unlawful or illegal activity; (iv) consumption or absorption of intoxicating liquor, narcotic drugs, sedatives, poison or non-prescribed medication; (v) nuclear contamination or radioactive hazards; (vi) war, invasion, civil war, rebellion, military action, riot or civil commotion; and (vii) participation in any flying activity other than as a bona fide fare-paying passenger on a recognised commercial airline operating on regular scheduled routes. The policy will lapse if premiums are not paid within the applicable grace period of 30 days and may be revived subject to satisfactory evidence of insurability.

Intellectual Property

Our trademark PRACHAY GROUP 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 the license to use the said trademark and brand name pursuant a trademark royalty agreement dated July 14, 2025 executed by and between Mr. Girish Murlidhar Lakhotiya and our Company.

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 07, 2017, as Pracaya Financial Services Private Limited, a private limited company under the Act, 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 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 RBI dated August 11, 2017, bearing registration number N-13.02198, allowing us to carry out activities as a NBFC without accepting public deposits under Section 45IA 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.

Corporate Office

Office No 1301 and 1401, 13th and 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

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 a private limited company to a 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
2025	First public issue of listed, rated, secured, redeemable, non-convertible debentures.

Subsidiaries of our Company

As on the date of this Draft Prospectus, we have two subsidiaries, in accordance with the Act:

1. Prachay Investment Managers Private Limited

Corporate Information

PIMPL is a private limited company incorporated under the Act, 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

Corporate Information

PSPL is a private limited company incorporated under the Act, 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. 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.

Nature of Business

PSPL, a SEBI-registered debt segment broker and licensed online bond platform provider operating “Bondsmart”, an online bond platform for trading in privately placed and publicly issued listed fixed income securities. PSPL also acts as a lead broker for public issues of non-convertible debentures and facilitates investor access to and distribution of fixed income securities through its hybrid “phygital” (physical + digital) distribution platform, aimed at enabling wider investor participation in public bond issuances of emerging corporate issuers.

Further, PSPL has received registration as a Depository Participant from SEBI. The DP registration is expected to strengthen PSPL’s integrated securities market infrastructure and enhance its service capabilities by enabling

seamless dematerialisation, custody, servicing and investor account management in relation to listed fixed income securities and other permitted instruments.

Pursuant to the receipt of the DP registration and subject to applicable regulatory requirements and operational readiness, PSPL intends to offer integrated depository-related services, including in-house account opening, securities credit, pledge creation and invocation, transmission and other investor servicing functions, thereby enabling a more unified and efficient investor experience across the fixed income investment lifecycle.

As on the date of this Draft 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.

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 Draft Prospectus our Company does not have any holding company.

Associate of our Company

As on the date of this Draft Prospectus our Company does not have any associate company.

Joint Venture

As on the date of this Draft Prospectus, our Company has not formed any joint ventures.

Key terms of Material Agreements

As on the date of this Draft 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 one-year immediately preceding the date of this Draft 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 one year immediately preceding the date of this Draft 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 Act 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 Draft Prospectus, we have six Directors on our Board of Directors, comprising of one MD, two EDs, 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 Draft 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	42	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 Capital Holdings Private Limited 4. Prachay Foundation 5. Prachay Securities Private Limited **Foreign Companies** Nil
Roshan Rajendra Sancheti **Designation:** Executive Director **DIN:** 07707109	40	Flat No – 504, J Building, Shanti Nagar Society, Gangadham Katraj Road, Near VIT Hostel, Pune – 411 048, Maharashtra India.	September 12, 2024	**Indian Companies** 1. Prachay Holding Private Limited 2. Prachay Investment Managers Private Limited 3. Prachay Capital Holdings Private Limited 4. Prachay Foundation 5. Prachay Securities Private Limited **Foreign Companies** Nil
Divya Raizada **Designation:** Executive Director **DIN:** 10432172	35	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

Name, Designation and DIN	Age (in years)	Address	Date of Appointment/ reappointment	Details of other Directorship
				3. Prachay Capital Holdings Private Limited **Foreign Companies** Nil
Nilesh Rameshchandraji Saboo **Designation:** Non-Executive Independent Director **DIN:** 07078878	42	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:** Non-Executive Independent Director **DIN:**10673171	62	Row House 15, Hermes Heritage, Phase 1 Shastri Nagar, Near Sahyadri Hospital, Yerwada, Pune – 411 006, Maharashtra India.	June 27, 2024	**Indian Companies** 1. Insyght Analytics Labs Private Limited **Foreign Companies** Nil
Vinita Bhattacharjee **Designation:** Non-Executive Independent Director **DIN:** 10871076	62	Unit No.503, Tower 16, Lodha Belmondo, Off Mumbai Pune Expressway Gahunje – 412 101, Maharashtra India.	July 18, 2025	**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 16 years of experience in the banking and finance industry. He has been with the Company since its incorporation. He is a Chartered Accountant 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 from the Institute of Chartered Accountants of India. He leads the Credit and Risk Team, with nearly 14 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 11 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 MD. 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 Sant Gadge Baba Amravati University and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has also earned a Bachelor of Laws (LLB) degree from Savitribai Phule Pune University. 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 a 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 MD 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 July 18, 2025, and in terms of the agreement dated July 1, 2024.

Particulars	Terms of remuneration
Period	5 Years
Remuneration	1,80,00,000/- per annum

**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 2026, Fiscal 2025, and Fiscal 2024:

(₹ in lakh)

Particulars	For Current Financial Year till Cut-Off Date	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Remuneration	23.48	135.00	3.00	3.00
Reimbursements	-	7.43	1.58	-
Dividend	-		-	0.039
Professional fees	-		36.00	36.00
Royalty	-	6.00	6.00	-

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 2026, 2025 and 2024:

(₹ in lakh)

Particulars	For Current Financial Year till Cut-Off Date	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Remuneration	9.05	69.00	48.30	49.00

The following table sets forth terms of remuneration to Roshan Rajendra Sancheti, Executive Director, with effect from April 01, 2025, as approved by the Board of Directors in the Board meeting held on April 28, 2025.

Particulars	Terms of remuneration
Period	-
Remuneration	₹ 6,00,000.00 per month*

**Excluding incentives, allowances, other benefits and perquisites. The remuneration for Roshan Rajendra Sancheti is capped at ₹ 97 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 2026, Fiscal 2025 and Fiscal 2024:

(₹ in lakh)

Particulars	For Current Financial Year till Cut-Off Date	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Remuneration	6.25	48.00	35.78	24.53
Bonus	-	3.00	2.00	1.50
Reimbursement	-	-	-	0.13

** 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 April 01, 2025, as approved by the Board of Directors in the Board meeting held on April 28, 2025.

Particulars	Terms of remuneration
Period	-
Remuneration	₹ 4,00,000 per month*

**Excluding incentives, allowances, other benefits and perquisites. The remuneration for Divya Raizada is capped at ₹ 73 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 2026, Fiscal 2025 and Fiscal 2024:

(₹ in lakh)

Name of Director	Designation	Current Financial Year till Cut-Off Date	March 31, 2026	March 31, 2025	March 31, 2024
Archna Rastogi*	Non-Executive Independent Director	0.22	0.87	1.44	-
Nilesh Rameshchandraji Saboo#	Non-Executive Independent Director	0.16	0.81	0.79	-
Vinta Bhattacharjee$	Non-Executive Independent Director	0.20	1.03	0.20	-

** 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 and confirmed as an Independent Director on July 18, 2025.

Remuneration paid to the Directors for the current year and Fiscals 2026, 2025 and 2024 by our Subsidiaries and Associates

Except as disclosed below, no remuneration (of any kind) has been paid to the Directors of the Company by our Subsidiaries and associates.

(₹ in lakh)

Name of Director	Name of Subsidiary	Nature of fee paid	For Current Financial Year till Cut-Off Date	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Roshan Rajendra Sancheti	Prachay Investment Managers Private Limited	Professional fees	-	-	-	-
Girish Murlidhar Lakhotiya	Prachay Investment Managers Private Limited	Professional fees	-	-	42.00	-
Girish Murlidhar Lakhotiya	Prachay Investment Managers Private Limited	Royalty	0.50	6.00	6.00	-

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 ECGC 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 Draft 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 Draft 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 Draft Prospectus, our Company has no associate companies.

Borrowing powers of our Board of Directors

Pursuant to the resolution passed by the Shareholders at their Annual General Meeting held on July 18, 2025 and in accordance with provisions of Section 180(1)(c) of the Act and all other applicable provisions of the Act 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 ₹ 100,000 lakh.

The aggregate value of the NCDs offered under this Draft 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 116 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 115, 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 in the six-month preceding the date of this Draft Prospectus, refer “Capital Structure” on page 61.

Shareholding of our Directors

Except as stated below, none of our directors hold any Equity Shares as on the date of this Draft Prospectus.

Name of the Director	Number of Equity Shares Held	Percentage of Equity Shares Held
Girish Murlidhar Lakhotiya	1,71,59,870	74.93%
Roshan Rajendra Sancheti	3,11,688	1.36%
Divya Raizada	01	0.00%

Shareholdings of Directors in Subsidiaries and Group Companies, as on the date of this Draft Prospectus

Except as mentioned below, as of the date of this Draft 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	0.00%
Girish Murlidhar Lakhotiya *(Nominee on behalf of Prachay Capital Limited)*	Prachay Securities Private Limited	1	0.00%
Girish Murlidhar Lakhotiya	Prachay Holding Private Limited	22,27,500	99.00%
Roshan Rajendra Sancheti	Prachay Holding Private Limited	22,500	1.00%
Roshan Rajendra Sancheti (*Nominee on behalf of Prachay Capital Limited*)	Prachay Investment Managers Private Limited	1	0.00%
Roshan Rajendra Sancheti (*Nominee on behalf of Prachay Capital Limited*)	Prachay Securities Private Limited	1	0.00%
Divya Raizada (*Nominee on behalf of Prachay Capital Limited*)	Prachay Investment Managers Private Limited	1	0.00%
Divya Raizada (*Nominee on behalf of Prachay Capital Limited*)	Prachay Securities Private Limited	1	0.00%

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 Draft Prospectus.

Except as disclosed below, none of our Directors' relatives have been appointed to an office or place of profit of our Company:

Name of the Relative	Name of the Director	Position
Sneha Dhoot	Girish Murlidhar Lakhotiya	Investor Relationship Advisor

Appointment of any relatives of Directors to an Office or place of profit of our Company's Subsidiaries or associate company

None of our Directors' relatives have been appointed to an office or place of profit of our Company's subsidiaries or associate company**.**

Debentures/ subordinated debt holding of our directors

Except as mentioned below, as on March 31, 2026, 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	Face Value	Amount (₹)
Divya Raizada	1,40,000	10.00	14,00,000.00
Roshan Sancheti HUF	25	1,00,000.00	25,00,000.00
Roshan Sancheti HUF	1,30,000	10.00	13,00,000.00

Changes in our Directors of our Company during the preceding three financial years and as on date of this Draft Prospectus.

The changes in Board of Directors of our Company in the preceding three financial years and as on date of this Draft 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:** Non-Executive Independent Director **DIN:** 10871076	December 16, 2024	July 18, 2025	-	-	Regularise as an Independent Director

Key Managerial Personnel of our Company

In addition to Girish Murlidhar Lakhotiya, *MD*, our Company's Key Managerial Personnel include Alok Karkera, *CFO,* Sonal Gupta, *Company Secretary and Associate Compliance Officer and* Siddhi Sanjay Bothara*, Joint Company Secretary and Compliance Officer* as of the date of this Draft Prospectus.

Mr. Alok Karkera is the CFO of the Company. He is a chartered accountant with over 24 years of extensive experience spanning traditional banking and technology-driven retail lending. He has held senior roles at reputed institutions including Axis Bank, where he held senior leadership roles, built and scaled a Bharat-focused business from the ground up, at city he also worked on evolving credit models and customer-first distribution strategies and Citibank, where he spent a significant portion serving a wide spectrum of clients including public and private sector banks, NBFCs, HFCs, MFIs, & Mutual Funds.

Sonal Gupta is the Company Secretary & Associate Compliance Officer of the Company. She has been previously

associated with M/s Saral Law and M/s Vrunda & Associates. In her current role she ensures organizational compliance with statutory requirements while strengthening governance standards.

Ms. Siddhi Sanjay Bothara is the Joint Company Secretary & Compliance Officer of the Company with over 2 years of experience in Corporate Laws, SEBI Regulations, and Corporate Governance. She has played a key role in the Company's public issuances of non-convertible debentures and has been actively involved in ensuring smooth execution and regulatory compliance. She has also contributed significantly towards managing post-listing compliances and coordination with key market intermediaries, demonstrating strong attention to detail and a disciplined approach to compliance and governance.

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 debentures and 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 Draft Prospectus.

Name of the KMP	Number of Equity Shares Held	Percentage of Equity Shares Held
Girish Murlidhar Lakhotiya	1,71,59,870	74.93%

Debentures/ subordinated debt holding of our Key Managerial Personnel

Except as mentioned below, as on date of this Draft Prospectus, none of the Key Managerial Personnel of our Company hold any debentures issued by our Company:

Name of the Key Managerial Personnel	Number of debentures held	Face Value (₹)	Amount (₹)
Alok Karkera	4,200	1,000.00	42,00,000.00
Siddhi Sanjay Bothara	10,000	10.00	1,00,000.00

Senior Managerial Personnel of our Company

In addition to Alok Karkera, the Chief Financial Officer, Siddhi Sanjay Bothara, the Joint Company Secretary & Compliance Officer and, Sonal Gupta, the Company Secretary & Associate Compliance Officer who are also designated as our Company's Senior Management Personnel and/or Key Managerial Personnel, the details of the Senior Management of our Company, are set out below:

Sr. No.	Name	Designation
1.	Uday Dangra	Credit Team Lead
2.	Shweta Shrivastava	Business Development Manager
3.	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 to the extent of the debentures held by them or their dependents in our Company, if any, and otherwise disclosed in this Draft 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 Draft 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 Senior Management

None of our Senior Management hold any Equity shares in our Company as on the date of this Draft Prospectus.

Debentures/ subordinated debt holding of our Senior Management

Except as mentioned in 'Shareholding of our Company's Key Managerial Personnel', on page 106, and below, as on date of this Draft Prospectus, none of the Senior Management of our Company hold any debentures issued by our Company:

Name of the Senior Management	Number of Debentures Held	Face Value(₹)	Amount (₹)
Shweta Shrivastava	50,000	10.00	5,00,000.00
Shweta Shrivastava	200	1,000.00	2,00,000.00
Shweta Shrivastava	10	1,00,000.00	10,00,000.00
Anuradha Advani	10,000	10.00	1,00,000.00

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" page 115.

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 Act, 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 Act.

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

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	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 Act.

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 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 Act;
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 Act & 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

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
Shweta Shrivastava	Member	NA
Uday Dangra	Member	NA

The Risk Management Committee was constituted by the Board of Directors at their meeting held on August 21, 2017, and subsequently reconstituted on May 21, 2025.

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

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
Alok Karkera	Member	CFO
Shweta Shrivastava	Member	Business Development Head
Uday Dangra	Member	Credit Head
Chaitanya Laddha	Member	Legal Consultant

The ALCO was constituted by the Board of Directors at their meeting held on August 21, 2017, and subsequently reconstituted on January 21, 2026.

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.
iv. Overseeing the liquidity positions of all branches.

Stakeholder Relationship Committee

The members of the Stakeholder Relationship Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Archna Rastogi	Chairperson	Non-Executive Independent Director
Roshan Sancheti	Member	Executive Director
Lokesh Pedhiwal	Member	Accounts Associate
Eshika Agrawal	Member	Compliance Manager

The Stakeholder Relationship Committee was constituted by the Board of Directors at their meeting held on January 21, 2026

The broad terms of reference of the SRC are:

i. To consider, review and ensure timely resolution of grievances of the shareholders, debenture holders and other securities holders of the Company.
ii. To monitor and review investor compliant received by the Company through SEBI, Stock Exchanges, SEBI Complaints Redress System (SCORES), or any other regulatory platform.
iii. To monitor the performance, service standards, and compliance of the Registrar and Share Transfer Agent.
iv. To facilitate effective exercise of rights by stakeholders, including participation and voting in general meetings, e-voting, ballot processes, and other communication facilities.
v. To review matters relating to declaration, payment and timely receipt of dividends, interest and other dues, including monitoring of unclaimed/unpaid amounts, transfer to IEPF and facilitation of investor claims.
vi. To promote and safeguard the corporate image of the Company among existing and potential stakeholders.
vii. To ensure compliance with Act, SEBI Regulations and other Applicable Laws and regulations.
viii. To undertake periodic self-evaluation of the functioning of the Committee and identify areas for improvement in stakeholder management and governance practices.

ix. To perform any other responsibilities as may be prescribed under law or delegated by the Board.

Employee Stock Option Plan 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.

Liabilities Management Committee ("LMC")

The members of the LMC Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship/Designation
Girish Murlidhar Lakhotiya	Member	Managing Director
Roshan Rajendra Sancheti	Member	Executive Director
Divya Raizada	Member	Executive Director
Alok Karkera	Member	CFO

The LMC Committee was constituted by the Board of Directors at their meeting held on November 21, 2024 and subsequently reconstituted on May 21, 2025, with effect from May 22, 2025.

The broad terms of reference of the LMC Committee are:

i. to determine terms and conditions and number of the debentures to be issued including issue size (not exceeding the limits approved by the Board from time to time, the timing), nature, type, pricing, and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc.;
ii. to approve and make changes/ modifications to the draft offer documents, to approve the offer documents, including draft prospectus, prospectus, general information document, key information document, information memorandum any corrigendum, amendments supplements thereto;
iii. to appoint and finalize the terms and conditions of the appointment of merchant bankers, arrangers, lead managers, a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository, registrar to the Issue, syndicate members, brokers, consortium members, independent chartered accountant(s), statutory auditors

(both current and previous), anchor investors, escrow banks, public issue account banks, sponsor banks, refund banks, as may be applicable, in respect of issue of debentures and such other intermediaries as may be required including their successors and their agents thereof, including any change of intermediaries appointed;

iv. to issue and allot the debentures and authorize such person to file necessary e-forms with Registrar of Companies with respect to creation or modification of charge and to approve all other matters relating to the issue of debentures and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue of debentures, objects of the issue, issue schedule, issue-structure, as it may deem expedient, extension of issue of debentures and/or early closure of the issue of debentures and such other papers as may be necessary or incidental for the purpose of giving effect to the aforesaid responsibilities and in connection therewith;

v. seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the debentures;

vi. to direct any officers of the Company to do such things and to take such actions as the Company is entitled to do or take (as the case may be) in respect of issue of debentures, including but not limited to:
    a. creating and maintaining a recovery expense fund with the relevant stock exchange in accordance with the requirements of Chapter IV of the SEBI Debenture Trustee Master Circular, as amended;
    b. to enter into and execute all such agreements arrangements as may be required including ratification of all appointments of intermediaries, if any, for appointing merchant bankers, arrangers, lead managers, a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository, registrar to the Issue, syndicate members, brokers, consortium members, independent chartered accountant(s), statutory auditors (both current and previous), escrow banks, public issue account banks, sponsor banks, refund banks, as may be applicable, and such other intermediaries, printers, advertising agency(ies) and such other persons/agencies/ intermediaries as may be involved or concerned in such offerings of debentures and to remunerate all such Persons/ agencies, including by the payment of commission, brokerage, fees, etc. as may be deemed fit or according to the terms and conditions, as mentioned in their respective appointment letters;
    c. to file the draft offer document, final offer document and other documents with the SEBI, the Registrar of Companies, RBI, stock exchange(s) as may be required and to apply for the listing of debentures in one or more recognized stock exchange(s) in India, as may be required by Applicable Laws and to sign and execute listing application(s), various agreements including but not limited to deed of hypothecation, any encumbrance, debenture trust deed, debenture trustee agreement, listing agreement, registrar agreement, issue agreement, syndicate agreement, broker/consortium agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all such other requisite documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with an incidental to the offering of debentures including compliance to the post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of debentures as may be deemed fit;
    d. to make such changes, as may be required to the draft offer document and/or final offer document as may be approved by the Board/ Liabilities Management Committee and to sign and issue the draft offer document and/or final offer document, finalise and sign statutory advertisements, for and on behalf of the Company and sign such agreements, documents, papers, certificates, affidavits, declarations, etc., and to do all such acts, deeds and things as may be necessary or incidental;
    e. to create and register charges and execute such other documents as may be required in connection with security creation for the issue of debentures;
    f. to pay stamp duty and any other fees or charges as may be required to be paid for the issue, offer and allotment of the debentures (including the transaction documents) in accordance with the laws of India;

vii. to create such mortgages, charges, hypothecation or encumbrances on all or any part of loan receivables, immovable or movable properties of the Company wherever so situated, present and future and any other properties of Company or other entities as permitted under the Applicable Laws, such charge to rank exclusive/ pari-passu in favour of the debenture holders or debenture trustee/secured lenders of the Company, as may be required from time to time, in accordance with the terms of the instrument offered to such debenture holders/ secured lenders, to secure all amounts borrowed from them along with interest, cost, charges and other incidental expenses and to register all security documents with the required authority(ies) and make all necessary filings, and reporting for the perfection of such security;

viii. to do all acts necessary for the issue, offer and allotment of the debentures in accordance with the terms set out in the offer documents and other transaction documents; and

ix. to generally do any other acts or deeds in relation to the issue, offer and allotment of the debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the issue, offer and allotment of the debentures.

OUR PROMOTER

Girish Murlidhar Lakhotiya is the Promoter of our Company.

As of March 31, 2026, our Promoter and Promoter Group, holds together 2,24,04,895 Equity Shares equivalent to 97.83% of the paid-up Equity Share capital of our Company.

Details of our Promoter



Girish Murlidhar Lakhotiya, aged 42 years old, is the sole Promoter and MD 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 16 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 99.

Promoter Group

Promoter Group Entities

- Prachay Holding Private limited
- Prachay Capital Holdings Private Limited
- Acclivus Advisors LLP
- Avyay Legal and Financial Advisors LLP
- SBTL Recyclers Private Limited
- 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 61, as disclosed under "Our Management" on page 99 and as disclosed under "Related Party Transactions" on page 115, 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 115.

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 Draft Prospectus.

Our Promoter and the relatives of the Promoter as per the 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 127.

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 Draft 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 115.

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 115, 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 Draft 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 99 and "Promoter Group Entities" on page 113 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 61 our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years and current Financial Year.

RELATED PARTY TRANSACTION

For details of the related party transactions for the last three financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 in accordance with the requirements under SEBI NCS Regulations, as amended from time to time, see "Financial Information" on page 116. Further refer to: (i) page F55 – Note 47; (ii) page F122 – Note 47; (iii) page F178– Note 48; (iv) page F238 – Note 48; (v) page F279 – Note 36, (vi) page 325 – Note 38 for related party transactions: (i) for the period ended March 31, 2026 on standalone basis; (ii) for the period ended March 31, 2026 on consolidated basis; (iii) for the period ended March 31, 2025 on standalone basis; (iv) for the period ended March 31, 2025 on consolidated basis (v) for the period ended March 31, 2024 on standalone basis; (vi) for the period ended March 31, 2024 on consolidated basis, respectively.

Related party transactions entered during the current financial year till Cut-Off Date, Fiscal 2026, Fiscal 2025 and Fiscal 2024 with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of Related Party	Fiscal	Loans Made	Guarantees given	Securities provided
Not Applicable	Current financial year till Cut-Off Date	-	-	-
Prachay Securities Private Limited	2026	150.00##	-	-
Not Applicable	2025	-	-	-
Prachay Investment Managers Private Limited	2024	3.00#	-	-

An inter-corporate deposit of ₹ 150.00 lakh was made by Prachay Capital Limited with Prachay Securities Private Limited on September 25, 2025, which was fully repaid by Prachay Securities Private Limited on September 29, 2025. Further, Prachay Capital Limited has received an interest amount of ₹ 0.25 lakh against the said inter corporate deposit in Fiscal 2026.

 # It indicates inter corporate deposit made by Prachay Capital Limited with Prachay Investment Managers Private Limited on April 04, 2023, which was fully repaid by Prachay Investment Managers Private Limited by June 19, 2023. Further, Prachay Capital Limited has received an interest amount of ₹ 0.73 lakh against the said inter corporate deposit in the Fiscal 2024.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Audited standalone financial results for the financial year ended March 31, 2026	F1
2.	Audited consolidated financial results for the financial year ended March 31, 2026	F74
3.	Audited standalone financial statements for the financial year ending March 31, 2025	F128
4.	Audited consolidated financial statements for the financial year ending March 31, 2025	F192
5.	Special Purpose Audited standalone financial statements for the financial year ending March 31, 2024	F247
6.	Special Purpose Audited consolidated financial statements for the financial year ending March 31, 2024	F295

Please refer to Annexure IV *(Financial Statements)* below.

MATERIAL DEVELOPMENTS

Tshere have been no material developments since April 1, 2026 till the date of filing of this Draft 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.

FINANCIAL INDEBTEDNESS

As on March 31, 2026, our Company had outstanding total borrowings of ₹ 35,476.36 lakh (including debt securities):

Sr No.	Nature of Borrowings	Amount Outstanding as on March 31, 2026 (₹ in lakh)	%
1.	Secured Borrowings	28,776.36	83.47%
2.	Unsecured Borrowings	6,700.00	16.53%
	Total Borrowings	**35,476.36**	**100%**

Set forth below, is a summary of the borrowings by our Company outstanding as on March 31, 2026, together with a brief description of certain significant terms of such financing arrangements.

A. Secured Borrowings

Our Company's secured outstanding borrowings as on March 31, 2026 amounts to ₹ 28,776.36 lakh (including debt securities), are after EIR impact as per Ind AS. The details of the Secured Borrowings are set out below:

(i) Borrowings from Banks/ Financial Institutions:

(₹ in lakh)

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned	Principal outstanding as on March 31, 2026[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
1.	AU Small Finance Bank Limited	Drop Line Overdraft Facility	August 14, 2024 read with March 4, 2023	2,000.00[*]	705.85	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 Girish Murlidhar Lakhotiya and Roshan Rajendra Sancheti	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/ Stable from Infomerics Valuation and Rating Pvt. Ltd.
2.	State Bank of India	Term Loan	March 02, 2022	1,000.00	399.39	August 31, 2023: ₹ 100 lakh February 29, 2024: ₹ 100 lakh August 31, 2024: ₹ 100 lakh February 28, 2025: ₹ 100 lakh August 31, 2025: ₹ 100 lakh February 28. 2026: ₹ 100 lakh August 31, 2026: ₹ 100 lakh February 28,	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 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	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/Stable from Infomerics Valuation and Rating Pvt. Ltd. CRISIL BBB-/Stable CRISIL BBB-/Stable

(₹ in lakh)

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned	Principal outstanding as on March 31, 2026[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
						2027: ₹ 100 lakh August 31, 2027: ₹ 100 lakh February 28, 2028: ₹ 100 lakh		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	
3.	State Bank of India	Term Loan	March 28, 2023	1,250.00	749.19	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		
4.	State Bank of India	Term Loan	March 28, 2023	375.00	186.73	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	Nil		

(₹ in lakh)

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned	Principal outstanding as on March 31, 2026[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
						lakh 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		Square Feet 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.	

(₹ in lakh)

S. No.	Lender's Name	Type of Facility[$]	Date of Sanction	Amount Sanctioned	Principal outstanding as on March 31, 2026[#]	Repayment Date/ Schedule	Prepayment	Security and Guarantee	Credit Rating, if applicable
								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 Girish Murlidhar Lakhotiya v. Personal Guarantee of Girish Murlidhar Lakhotiya and Roshan Rajendra Sancheti	
5.	Indian Overseas Bank	Term Loan	October 29, 2024	1,500.00	1,395.83	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 Girish Murlidhar Lakhotiya and Roshan Rajendra Sancheti	CRISIL BBB-/Stable from Crisil Ratings Limited and IVR BBB/Stable from Infomerics Valuation and Rating Pvt. Ltd.
Total				**6,125.00**	**3,436.99**				

Particulars	**Amount (in Lakhs)**
Total Principal Outstanding	3,436.99
Less: Unamortised Expenses	(27.91)
Add: Accrued Interest	4.76
Add: Unclaimed	-
Amount Outstanding as per Ind AS	**3,413.84**

[$] Asset classification - Standard
[#]The above outstandings are before Ind AS-EIR impact.
**As per original sanction letter dated August 14, 2024 (sanctioned amount - Rs. 2,000 lakhs)*

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 financial follow-up report 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% p.a. 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 fails 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 Company 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.

Right of Recall: Some of the facility documents executed by the Company stipulates certain events as triggering a right of recall by the lender, pursuant to which the relevant lender may recall the facility. Such events include, but are not limited to:

a. Mr. Girish Lakhotiya or Mr. Roshan Sancheti step down as promoter and, or director respectively or are no longer holding any executive position in the Company.
b. The Company redeems its non-convertible debentures (including any fresh issue) for an amount exceeding ₹ 1,000 lakh in any financial year.
c. The Company's exposure to developers outside Pune (including Pimri Chinchwad) exceeds 20% of its AUM PROVIDED THAT exposure under the equipment lease finance product may be up to 50% of its AUM.

The Company's exposure to any one developer exceeds 15% of its AUM.

(ii) Secured Redeemable Non-Convertible Debentures

A) Our Company has issued secured, privately placed, unlisted, redeemable non-convertible debentures under various series of which ₹ 1,466.00 lakh is outstanding as on March 31, 2026, after EIR impact as per Ind AS, the details of which are set forth below**:**

(₹ in lakh)

Sr. No.	ISIN	Principal Amount Outstanding as on March 31, 2026[#]	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating
SERIES C							
1.	INE0IID07207	107.50	July 15, 2022	5 years	13	July 15, 2027	NA
2.	INE0IID07215	173.00	September 05, 2022		13	September 05, 2027	
3.	INE0IID07223	105.00	September 20, 2022		13.5	September 20, 2027	
4.	INE0IID07231	62.00	November 22, 2022		13	November 22, 2027	
5.	INE0IID07249	105.00	January 14, 2023		13	January 14, 2028	
6.	INE0IID07264	92.50	March 06, 2023		13	March 06, 2028	
7.	INE0IID07272	175.00	May 16, 2023		14	May 16, 2028	
8.	INE0IID07280	110.00	June 17, 2023		13	June 17, 2028	
9.	INE0IID07306	110.00	July 14, 2023		13	July 14, 2028	
10.	INE0IID07314	200.00	October 18, 2023		14	October 18, 2028	
11.	INE0IID07322	120.00	October 26, 2023		13	October 26, 2028	
Series D							
12.	INE0IID07348	106.50	November 11, 2023	5 years	13	November 11, 2028	NA
Total Principal Outstanding (INR in Lakhs)							1,466.50
Less: Unamortised Expenses							0.00
Add: Accrued Interest							0.00
Add: Unclaimed							-
Amount Outstanding as per Ind AS (INR in Lakhs)							1,466.50

[#]*The above outstandings are before Ind AS-EIR impact.*

Security for Secured Non-Convertible Debentures:- 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.

B) Our Company has issued secured, privately placed and listed, redeemable non-convertible debentures under various series of which ₹ 2,767.08 lakh is outstanding as on March 31, 2026, after EIR impact as per Ind AS, the details of which are set forth below**:**

(₹ in lakh)

Sr. No.	ISIN	Principal Amount Outstanding as on March 31, 2026[#]	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating
1.	INE0IID07637	500.00	January 18, 2024	5 Years	14	January 18, 2029	CRISIL BBB-/Stable
2.	INE0IID07702	131.00	February 23, 2024		13	February 23, 2029	
3.	INE0IID07587	100.00	March 01, 2024		14	March 01, 2029	
4.	INE0IID07629	112.00	March 23, 2024		13	March 23, 2029	

(₹ in lakh)

Sr. No.	ISIN	Principal Amount Outstanding as on March 31, 2026[#]	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating
5.	INE0IID07686	500.00	March 28, 2024		13	March 28, 2029	
6.	INE0IID07736	129.00	June 21, 2024		13	June 21, 2029	
7.	INE0IID07710	800.00	August 14, 2024		14	August 14, 2029	
8.	INE0IID07694	500.00	September 19, 2024		14	September 19,2029	
Total Principal Outstanding (INR in Lakhs)						2,772.00	
Less: Unamortised Expenses						(4.92)	
Add: Accrued Interest						-	
Add: Unclaimed						-	
Amount Outstanding as per Ind AS (INR in Lakhs)						**2,767.08**	

[#]*The above outstandings are before Ind AS-EIR impact.*

Security for Secured Non-Convertible Debentures:- 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.

C) Our Company has issued secured, listed, rated, redeemable non-convertible debentures by way of public issue of which ₹ 21,128.94 lakh is outstanding as on March 31, 2026, after EIR impact as per Ind AS, the details of which are set forth below**:**

(₹ in lakh)

Sr. No.	ISIN	Principal Amount Outstanding as on March 31, 2026[#]	Date of Allotment	Tenure/ Period of Maturity	Coupon (p.a.) in %	Redemption date/ schedule	Credit Rating
1.	INE0IID07553	5306.00	March 20, 2025	5 years	13	March 20, 2030	CRISIL BBB-/Stable
2.	INE0IID07744	2870.1	December 29, 2025	3 years	12.5	December 29, 2028	
3.	INE0IID07751	87.39	December 29, 2025	4 years	12.75	December 29, 2029	
4.	INE0IID07769	6045.780	December 29, 2025	5 years	13	December 29, 2030	
5.	INE0IID07793	1075.73	March 16, 2026	3 years	12.5	March 16, 2029	
6.	INE0IID07777	58.85	March 16, 2026	4 years	12.75	March 16, 2030	
7.	INE0IID07785	6248.19	March 16, 2026	5 years	13	March 16, 2031	
Total Principal Outstanding (INR in Lakhs)						21,692.04	
Less: Unamortised Expenses						(602.34)	
Add: Accrued Interest						39.24	
Add: Unclaimed						-	
Amount Outstanding as per Ind AS (INR in Lakhs)						**21,128.94**	

[#]*The above outstandings are before Ind AS-EIR impact.*

Security for Secured Non-Convertible Debentures:- 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 non-convertible debentures and all interest due and payable thereon is maintained at all times until the redemption of non-convertible debentures.

(iii) External Commercial Borrowings

As on March 31, 2026, our Company has no outstanding external commercial borrowings.

***(iv) Collateralised* borrowing and lending obligation**

As on March 31, 2026, 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 March 31, 2026.

(ii) Inter-Corporate Loans and Deposit

Following are the details of the inter corporate loans and deposits availed by the Company as at March 31, 2026:

(₹ in lakh, unless otherwise stated)

S. No.	Lender's Name	Type of Facility	Amount Sanctioned (₹ in lakh)	Principal outstanding as on March 31, 2026 (₹ in lakh)	Repayment Date/ Schedule	Credit Rating, if applicable
1.	Prachay Investment Managers Private Limited	Intercorporate Deposit	50.00	40.00	Sep 26, 2026	NA
2.	Advik Hitech Private Limited	Intercorporate Deposit	1,000.00	1,000.00	July 01, 2026	NA
3.	D J Malpani Private Limited	Intercorporate Deposit	1,000.00	1,000.00	July 01, 2026	NA
4.	Prachay Capital Holdings Private Limited	Intercorporate Deposit	2,500.00	1,560.00	July 21, 2028	NA
5.	Rainbow Veltrix Private Limited	Intercorporate Deposit	1,000.00	1,000.00	July 01, 2026	NA
6.	Pride Capital Limited	Intercorporate Deposit	1,000.00	1,000.00	May 31, 2026	NA
7.	Eka Buildcon Private Limited	Intercorporate Deposit	2,000.00	500.00	July 01, 2026	NA
8.	Narayani Business Ventures Private Limited	Intercorporate Deposit	600.00	600.00	April 06, 2026	NA
		Total	**9,150.00**	**6,700.00**		

(iii) Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on March 31, 2026.

C. Corporate Guarantee

Our Company has not issued any corporate guarantee as on March 31, 2026.

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 Draft 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 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 March 31, 2026.

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 March 31, 2026.

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 March 31, 2026.

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 March 31, 2026.

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 (total outside liabilities / adjusted tangible net worth) 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 the fixed asset coverage ratio 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/multiple banking arrangement 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.

As per the Materiality Threshold, other than for the purposes of (i) to (iii) above, all:

(a) Pending litigation proceedings/ arbitration proceedings:

(i) Involving the Company and group companies, other than criminal proceedings, outstanding statutory and regulatory actions and taxation matters, shall be considered material if the quantified monetary amount of the claim by or against the Company in any such pending proceeding exceeds, lower of the following: (i)2% of the turnover, as per the last audited standalone financial statements; or (ii)5% of the average of absolute value of profit or loss after tax, as per the last three audited standalone financial statements i.e. currently lower of INR 133.742 or INR 51.7568 lakh, respectively, i.e., INR 51.7568 lakh;

(ii) In the event of pending civil litigation/ arbitration proceeding wherein a monetary liability is not quantifiable, such litigation proceeding/ arbitration proceeding shall be considered as material in the event that the outcome of such litigation proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality or reputation of the Company; and

(b) Pending litigation proceedings/ arbitration proceedings involving the Directors of the Company, outstanding statutory and regulatory actions and taxation matters, shall be considered material in the event that the outcome of such litigation proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality or reputation of the Company, has been considered as 'material litigation' and accordingly has been disclosed in this Draft 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, all notices received from the relevant parties, from third parties (excluding statutory, regulatory, tax authorities or notices threatening criminal action) shall not be evaluated for materiality until such time that the relevant parties are impleaded as defendants/ respondents in litigation proceedings before any judicial or arbitral 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 Draft 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 Act or any previous companies law in the three years immediately preceding the year of this Draft 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 Draft 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 Draft 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 Draft Prospectus

As on the date of this Draft 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:

Bhagwan Govind Balwadkar and others Vs M/s Samarth Builders and others – Regular Civil Suit No. 75/2021 before Civil Court, Pune and Miscellaneous Civil Appeal No. 102/2023 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 Draft Prospectus

As on the date of this Draft 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 Draft Prospectus

As on the date of this Draft 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 Draft Prospectus

As on the date of this Draft 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

(a) By our Subsidiaries

Nil

(b) 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 Draft Prospectus

As on the date of this Draft Prospectus, following are the material litigations involving our Group Companies:

(i) Material Civil Litigation

(a) By Group Companies

Prachay Capital Holdings Private Limited had submitted its claim aggregating to approximately ₹ 58.80 lakhs in the CIRP of Starconn Mobility Private Limited initiated in accordance with the provisions of the IBC. Pursuant to admission and verification of claims, Prachay Capital Holdings Private Limited constituted the sole financial creditor and member of the CoC of Starconn Mobility Private Limited.

Initially, the CIRP proceedings culminated into liquidation of Starconn Mobility Private Limited vide order dated August 11, 2020 passed by the NCLT, Mumbai Bench. However, the said liquidation order was subsequently challenged before the NCLAT by DIESL as an operational creditor. The NCLAT, vide its order dated January 31, 2022, set aside the liquidation order and remanded the matter back to the NCLT for reconsideration and continuation of CIRP proceedings.

Thereafter, vide order dated June 19, 2025, the NCLT appointed Mr. Dinesh Gopal Mundada as the resolution professional and directed continuation/re-initiation of the CIRP process. Pursuant thereto, the resolution professional issued fresh public notices and 'Form G' inviting "*Expressions of Interest*" from prospective resolution applicants for submission of resolution plans in respect of Starconn Mobility Private Limited.

In response to the said process, resolution plans were received from prospective resolution applicants, including Mr. Sumit Roshanlal Bansal. The resolution plan submitted by Mr. Sumit Roshanlal Bansal, providing for an aggregate resolution amount of approximately ₹ 92.40 lakhs, was evaluated and subsequently approved by the CoC with 100%

(hundred percent) voting share in accordance with the provisions of the IBC and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Pursuant thereto, the resolution professional has filed an application before the NCLT seeking approval of the aforesaid resolution plan. The said application is presently pending adjudication before the NCLT and the final outcome thereof is awaited

(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 Draft 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 Draft 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 Act or any previous companies' law in the last three years immediately preceding the year of issue of this Draft 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 Draft Prospectus.*

Other than disclosed below, there are no inquiries, inspections or investigations initiated or conducted under the Act or any previous companies' law in the last three years immediately preceding the year of issue of this Draft 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 Draft 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 Act for non-compliance under Section 96 of the Act.

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) have been paid 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, other matters or adverse remarks of auditors for the last three Fiscals immediately preceding the year of issue of this Draft 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 Erstwhile Statutory Auditor in their audit opinion relating to our Audited Financial Statements and Special Purpose Audited Financial Statements. However, there are following emphasis of matter in audit reports for the standalone and consolidated financial results for the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024.

Period/ year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter, other matters 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
2025-2026	Standalone - Audited	The audit of standalone financial statements for the year ended March 31, 2025 was carried out by Shah Khandelwal & Jain, Chartered Accountants (ICAI Firm Registration No.: 142740W) who have expressed unmodified opinion vide their Audit report dated May 21, 2025. Our opinion is not modified in respect of this matter.	Nil	Nil
2025-2026	Consolidated - Audited	The audit of consolidated financial statements for the year ended March 31, 2025 was carried out by Shah Khandelwal & Jain, Chartered Accountants (ICAI Firm Registration No.: 142740W) who have expressed unmodified opinion vide their Audit report dated May 21, 2025. Our opinion is not modified in respect of this matter.	Nil	Nil
2024-2025	Standalone - Audited	Nil	Nil	Nil
2024-2025	Consolidated - Audited	Nil	Nil	Nil
2023-2024	Standalone - Audited	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	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, other matters 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
		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.	
2023-2024	Consolidated - Audited	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 Draft 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 Draft 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 Draft 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 Draft 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

The Board of Directors through its resolution passed at the meeting held on May 15, 2026 has approved the Public Issue of Listed, Rated, Secured, Redeemable, Non-Convertible Debentures amounting to ₹ 60,000 lakhs (including green shoe option). In furtherance of the same, Liabilities Management Committee in its meeting held on May 21, 2026 has approved the current public issue of Listed, Rated, Secured, Redeemable, Non-Convertible Debentures having face value ₹ 1,000 each, for an amount aggregating up to ₹ 5,000 lakh with an option to retain oversubscription up to ₹ 5,000 lakh, cumulatively aggregating up to ₹ 10,000 lakh**.**

Further, the present borrowing is within the borrowing limits of ₹ 100,000 lakh under Section 180(1)(c) of the Act, duly approved by the members vide their resolution passed at their Annual General Meeting held on July 18, 2025.

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 Draft 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 Draft 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 Confirmed 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 Draft 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 SEBI Listing Regulations, 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 Draft 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 Draft 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.

DRAFT PROSPECTUS DISCLAIMER

THIS IS A DRAFT PROSPECTUS AND HAS NOT BEEN APPROVED BY SEBI OR ANY REGULATORY AUTHORITY.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. IT IS SUBJECT TO MATERIAL CHANGES, INCLUDING REVISIONS TO TERMS, FINANCIAL INFORMATION, AND DISCLOSURES, AND HAS NOT BEEN FILED WITH OR APPROVED BY THE SEBI OR ANY OTHER REGULATORY AUTHORITY.

NO RELIANCE SHOULD BE PLACED ON THIS DRAFT PROSPECTUS FOR INVESTMENT DECISIONS.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT PROSPECTUS 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, SKI CAPITAL 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, SKI CAPITAL SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•], WHICH READS AS FOLLOWS:

[•]

DISCLAIMER CLAUSE OF BSE

BSE HAS GIVEN, VIDE ITS APPROVAL DATED [•] 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 DATED AUGUST 11, 2017 BEARING REGISTRATION NO. N-13.02198 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45IA OF THE RBI ACT. A COPY OF THIS DRAFT PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA. IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT 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 obtained a fresh certificate under Section 45IA of the RBI Act 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.

DISCLAIMER CLAUSE OF CREDIT RATING AGENCY

INFOMERICS RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER ON AN 'AS IS WHERE IS' BASIS. INFOMERICS CREDIT RATINGS ARE AN OPINION ON THE CREDIT RISK OF THE ISSUE / ISSUER AND NOT A RECOMMENDATION TO BUY, HOLD OR SELL SECURITIES. INFOMERICS RESERVES THE RIGHT TO CHANGE OR WITHDRAW THE CREDIT RATINGS AT ANY POINT IN TIME. INFOMERICS RATINGS ARE OPINIONS ON FINANCIAL STATEMENTS BASED ON INFORMATION PROVIDED BY THE MANAGEMENT AND INFORMATION OBTAINED FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. THE CREDIT QUALITY RATINGS ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL OR HOLD ANY SECURITY. WE, HOWEVER, DO NOT GUARANTEE THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY INFORMATION, WHICH WE ACCEPTED AND PRESUMED TO BE FREE FROM MISSTATEMENT, WHETHER DUE TO ERROR OR FRAUD. WE ARE NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS OR FOR THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION. MOST ENTITIES WHOSE BANK FACILITIES/INSTRUMENTS ARE RATED BY US HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/INSTRUMENTS. IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS/ASSOCIATION OF PERSONS (AOPS), THE RATING ASSIGNED BY INFOMERICS IS BASED ON THE CAPITAL DEPLOYED BY THE PARTNERS/PROPRIETOR/ AOPS AND THE FINANCIAL STRENGTH OF THE FIRM AT PRESENT. THE RATING MAY UNDERGO CHANGE IN CASE OF WITHDRAWAL OF CAPITAL OR THE UNSECURED LOANS BROUGHT IN BY THE PARTNERS/PROPRIETOR/ AOPS IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS.

DISCLAIMER STATEMENT FROM THE LEAD MANAGER

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT 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 NCS Master Circular, are available at the following website:

Name of Lead Manager	Website
Ski Capital Services Limited	https://www.skicapital.net

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT 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 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 DRAFT 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 21 OF THIS DRAFT PROSPECTUS.

THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT 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 DRAFT 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 DRAFT PROSPECTUS IS CONTRARY TO THE PROVISIONS OF THE ACT, 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 ₹ 75,000 payable one time on acceptance of Offer Letter and an annuity fee of ₹ 60,000 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/26-27/246 dated May 05, 2026 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 this Draft Prospectus, 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, IU, 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 NCDs, 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 NCDs, 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 PCA will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- the PCA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any Encumbrances or necessary permission / consent / no objection certificate has been obtained from all existing charge holders.
- the PCA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- the 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 a due diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- the 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 Laws, 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 MAY 21, 2026, 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 Act as on the date of this Draft 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 70.

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 Act;
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 Draft Prospectus in the Section titled 'Objects of the Issue' on page 70 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 Act;
    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 Draft Prospectus; and
9. If allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 3 Working Days of Issue Closure 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 Exchange, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of this Draft 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 3 Working Days of Issue Closure.

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.

The Issuer shall pay interest at 15% p.a. or such rate as prescribed under Applicable Laws, if allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 2 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 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

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

* Consents to be obtained at the Prospectus stage.

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 C.V. Chitale & Co., Chartered Accountants, to include its name as required under Section 26(1) of the Act in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Act to the extent and in its capacity as a statutory auditor, in respect of Audited Financial Statements for the financial year ended March 31, 2026. The consent of the Statutory Auditor has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from the Erstwhile Statutory Auditor, namely Shah Khandelwal Jain & Associates, Chartered Accountants, to include its name as required under Section 26(1) of the Act in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Act to the extent and in its capacity as a statutory auditor, in respect of (a) Audit report dated May 21, 2025 along with audited standalone financial statements for the financial year ending March 31, 2025; (b) Audit report dated May 21, 2025 along with audited consolidated financial statements for the financial year ending March 31, 2025; (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. The consent of the Erstwhile Statutory Auditor has not been withdrawn as on the date of this Draft Prospectus.

Filing of the Draft Prospectus

A copy of this 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. This Draft Prospectus has also been submitted with SEBI for record purpose.

Filing of the Prospectus

A copy of the Prospectus shall be filed with the ROC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Act, 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 hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV of the SEBI Debenture Trustee Master Circular and Regulation 11 of SEBI NCS Regulations read together with the Recovery Expense Fund Circular, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV of the SEBI Debenture Trustee Master Circular and Regulation 11 of SEBI NCS Regulations read together with the Recovery Expense Fund Circular, to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security.

Underwriting

This Issue will not be underwritten.

Delay in listing

There has been no delay in listing.

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 Act, 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 Act, which have made any public capital issuances during the previous three years from the date of this Draft Prospectus.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares in the last three years.

Previous Public Issues of Non-Convertible Debenture

Except, as disclosed in this Draft Prospectus, 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. Except as disclosed below, our Company has not declared any dividends during the current financial year and the last three Fiscals.

On Preference Shares

(₹ in Lakhs)

Particulars	Current year till Cut-off Date	As at Fiscal		
		2026	2025	2024
On preference shares (including dividend distribution tax)	Nil	Nil	Nil	0.56

Details regarding the lending done by the issuer out of the issue proceeds of debt securities in last three years

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 proceeds from the previous issuance of non-convertible debentures by the Company have been utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, inter alia, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company.

Date of Opening	Friday, February 28, 2025
Date of Closing	Thursday, March 13, 2025
Total Issue Size	₹ 10,000 lakhs
Amount raised in the issue	₹ 5,306 lakhs
Date of Allotment	Thursday, March 20, 2025
Utilisation of Proceeds	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]

	iv. General corporate purposes.

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*.

Date of Opening	Thursday, December 11, 2025
Date of Closing	Wednesday, December 24, 2025
Total Issue Size	₹ 15,000 lakhs
Amount raised in the issue	₹ 9,003.27 lakhs
Date of Allotment	Monday, December 29, 2025
Utilisation of Proceeds	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] iv. General corporate purposes.

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*.

Date of Opening	Thursday, February 26, 2026
Date of Closing	Thursday, March 12, 2026
Total Issue Size	₹ 10,000 lakhs
Amount raised in the issue	₹ 7,382.77 lakhs
Date of Allotment	Monday, March 16, 2026
Utilisation of Proceeds	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. iv. General corporate purposes. [Note 2]

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

Note 2: *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% (twenty five) of the gross proceeds, in compliance with the SEBI NCS Regulations*.

iii. **Previous private placement of non-convertible debentures by the Company**

(a) Previous unlisted private placement of non-convertible debentures by the Company

Our Company has issued unlisted 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 118 and 117, respectively.

(b) Previous listed private placement of non-convertible debentures by the Company

Other than disclosed below, our Company has not issued any listed non-convertible debentures by way of private placements.

Date of Opening	11/01/2024
Date of Closing	17/01/2024
Total Issue Size *(₹ in lakh)*	500.00

Amount raised in the issue *(₹ in lakh)*	500.00
Date of Allotment	18/01/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	13/02/2024
Date of Closing	22/02/2024
Total Issue Size *(₹ in lakh)*	131.50
Amount raised in the issue *(₹ in lakh)*	131.50
Date of Allotment	23/02/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	28/02/2024
Date of Closing	29/02/2024
Total Issue Size *(₹ in lakh)*	100.00
Amount raised in the issue *(₹ in lakh)*	100.00
Date of Allotment	01/03/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	19/03/2024
Date of Closing	22/03/2024
Total Issue Size *(₹ in lakh)*	114.50
Amount raised in the issue *(₹ in lakh)*	112.00
Date of Allotment	23/03/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	27/03/2024
Date of Closing	27/03/2024
Total Issue Size *(₹ in lakh)*	500.00
Amount raised in the issue *(₹ in lakh)*	500.00
Date of Allotment	28/03/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	18/06/2024
Date of Closing	20/06/2024
Total Issue Size *(₹ in lakh)*	174.50
Amount raised in the issue *(₹ in lakh)*	129.00
Date of Allotment	21/06/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	12/08/2024
Date of Closing	13/08/2024
Total Issue Size *(₹ in lakh)*	800.00
Amount raised in the issue *(₹ in lakh)*	800.00
Date of Allotment	14/08/2024

Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

Date of Opening	18/09/2024
Date of Closing	18/09/2024
Total Issue Size *(₹ in lakh)*	500.00
Amount raised in the issue *(₹ in lakh)*	500.00
Date of Allotment	19/09/2024
Utilisation of Proceeds	The proceeds from these debentures have been utilised by the Company for the purpose of enhancing the long-term resources, capital and investment in securities.

For further details of such non-convertible debentures, see "Financial Indebtedness" and "Material Development" beginning on page 118 and 117 respectively.

The issue proceeds of the previous issues of non-convertible debentures issued on private placement basis made on or after April 1, 2022 till the Cut-off Date, 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 61. 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**

Except as disclosed below, Prachay Securities Private Limited has not undertaken the rights issue of equity shares in the last three years.

(₹ in lakh)

Name of allottee(s)	Date of allotment	No. of shares allotted	Nominal Value	Premium per Share	Total Amount
Prachay Capital Limited	October 31, 2025	15,00,000	10	-	150.00
Prachay Capital Limited	February 02, 2026	20,00,000	10	10	400.00

The proceeds of the equity shares have been utilised by Prachay Securities Private Limited for the purpose of enhancing the long-term resources, and capital.

(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 Capital Holdings Private Limited

i. **Public issue of equity shares by Prachay Capital Holdings Private Limited**

Prachay Capital Holdings 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 Capital Holdings Private Limited**

Prachay Capital Holdings Private Limited has not undertaken the public issues of non-convertible debentures.

iii. **Previous private placement of non-convertible debentures by Prachay Capital Holdings Private Limited in the last three years**

Prachay Capital Holdings Private Limited has not undertaken the private placement of non-convertible debentures.

iv. **Rights issue by Prachay Capital Holdings Private Limited**

Prachay Capital Holdings Private Limited has not undertaken the rights issue of equity shares in the last three years.

v. **Previous private placement of Equity Shares by Prachay Capital Holdings Private Limited in the last three years:**

Other than disclosed below, Prachay Capital Holdings Private Limited has not undertaken the private placement of equity shares:

(₹ in lakh)

Name of allottee(s)	Date of allotment	No. of shares allotted	Nominal Value	Premium per Share	Total Amount
Eminence Equipments	March 30,	1,75,000	10	190	350.00

Private Limited	2026				
Leena Makarand Savagaonkar	March 30, 2026	50,000	10	190	100.00

vi. **Optionally redeemable convertible debentures issued by Prachay Capital Holdings Private Limited:**

Other than disclosed below, Prachay Capital Holdings Private Limited has not undertaken issue of optionally redeemable 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**.**

For Fiscal 2026:

Particulars	
Date of opening	July 18, 2025
Date of closing	July 19, 2025
Total issue size *(₹ in lakh unless otherwise stated)*	1,440.00
Date of allotment	July 19, 2025
Utilisation of proceeds	The Investment amount shall be utilized by the Company, inter alia, for the purposes of infusion of equity capital in Prachay Capital Limited and general corporate purposes

Particulars	
Date of opening	July 30, 2025
Date of closing	July 30, 2025
Total issue size (₹ in lakh unless otherwise stated)	2,000.00
Date of allotment	July 30, 2025
Utilisation of proceeds	The Investment amount shall be utilized by the Company, inter alia, for the purposes of infusion of equity capital in Prachay Capital Limited and general corporate purposes.

Particulars	
Date of opening	January 29, 2026
Date of closing	January 30, 2026
Total issue size (₹ in lakh unless otherwise stated)	501.00
Date of allotment	January 30, 2026
Utilisation of proceeds	The Investment amount shall be utilized by the Company, inter alia, for the purposes of infusion of equity capital in Prachay Capital Limited and general corporate purposes.

(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 73 of this Draft 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, 2026 is as follows:

Sr No.	Nature of Advances	Gross AUM (₹ in lakh)	Gross AUM %
1	Secured Advances	44,485.54	100%
2	Unsecured Advances	-	--
Total assets under management (AUM)		44,485.54	100%

Denomination of loans outstanding by LTV as on March 31, 2026:

LTV band	% of AUM
Upto 40%	50.19%
Between 40-50%	11.70%
Between 50-60%	10.82%
Between 60-70%	7.03%
Between 70-80%	6.01%
Between 80-90%	11.15%
More than 90%	3.10%
Total	**100.00%**

Sectoral Exposure

The sectoral exposure of loans given by the Company as on March 31, 2026 is as follows:

Sr No.	Segment- wise breakup of AUM	% of AUM
A	Retail	
1	Mortgages (home loans and loans against property)	-
2	Gold loans	-
3	Vehicle finance	-
4	MFI	-
5	MSME	-
6	Capital market funding (loans against shares, margin funding)	-
B	Others	
1	Wholesale	-
2	Infrastructure	-
3	Real estate (including builder loans)	98.33%
4	Promoter funding	-
5	Any other sector (as applicable)	1.67%
Total		**100.00%**

Denomination of loans outstanding by ticket size as on March 31, 2026:

Sr No.	Ticket Size (at the time of origination)	% of AUM
1	Upto Rs. 2 lakh	-
2	Rs. 2-5 lakh	-

3	Rs. 5 - 10 lakh	-
4	Rs. 10 - 25 lakh	-
5	Rs. 25 - 50 lakh	-
6	Rs. 50 lakh - 1 crore	0.29%
7	Rs. 1 - 5 crore	4.25%
8	Rs. 5 - 25 crore	83.30%
9	Rs. 25 - 100 crore	12.16%
10.	>Rs. 100 crore	-
Total		**100.00%**

Geographical classification of AUM as on March 31, 2026:

Sr No.	States	% of AUM
1	Maharashtra	85.50%
2	Telangana	3.08%
3	Odisha	4.10%
4	Karnataka	4.30%
5	Haryana	3.02%
Total		**100.00%**

Details of loans overdue and classified as non – performing in accordance with the RBI guidelines as on March 31, 2026:

Movement of gross NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	-
(b) Additions during the year	-
(c) Reductions during the year	-
(d) Closing balance of gross NPA	-

Movement of net NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	-
(b) Additions during the year	-
(c) Reductions during the year	-
(d) Closing balance of gross NPA	-

Movement of provisions for NPAs	Amount (₹ in lakh)
(a) Opening gross NPA	-
(b) Additions during the year	-
(c) Reductions during the year	-
(d) Closing balance of gross NPA	-

Segment wise gross NPA as on March 31, 2026 is as follows:

Sr No.	Segment- wise breakup of gross NPA	Gross NPA %
A	Retail	-
1	Mortgages (home loans and loans against property)	-
2	Gold loans	-
3	Vehicle finance	-
4	MFI	-
5	MSME	-
6	Capital market funding (loans against shares, margin funding)	-
B	Others	
1	Wholesale	-
2	Infrastructure	-
3	Real estate (including builder loans)	-
4	Promoter funding	-
5	Any other sector (as applicable)	-
Total		-

**Segment wise Gross NPA as % of total Gross NPA*

Promoter Shareholding

Please see 'Capital Structure' beginning on page 61 for details with respect to Promoter shareholding in our Company as on the date of this Draft Prospectus.

Residual maturity profile of assets and liabilities as on March 31, 2026

(₹ 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	1,313.28	2,092.28	3,119.85	3,490.34	4,644.93	22,453.31	3,936.05	-	41,050.04
Investments	-	-	-	-	-	-	-	4,235.51	4,235.51
Borrowings	704.01	1,087.50	189.83	5,115.00	842.80	13,548.54	19,879.89	9,652.45	35,476.**36**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

Note: The above figures are as per Ind AS

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2026:

	Amount (₹ in lakh)
	Secured
Total Advances to twenty largest borrowers (in ₹ lakh)*	28,465.35
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	63.99%

** Includes loans and advances and interest accrued thereon.*

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2026:

	Amount (₹ in lakh)
	Secured
Total exposure to twenty largest borrowers / customers (in ₹ lakh) *	31,227.52
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers	64.85%

** Includes loans and advances and interest accrued thereon.*

Classification of loans/advances given to Group Companies as on March 31, 2026:

	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, 2026:

(₹ 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 upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
A. OUTFLOWS											-
Capital										2,290.00	2,290.00
Reserves & Surplus										9,479.50	9,479.50
Bonds & Notes (Non Convertible Debentures)	-	-	39.24	-	-	-	-	6,661.19	18,662.09	-	25,362.52
Inter Corporate Deposits	600.00	-	-	1,000.00	-	3,540.00	-	1,560.00	-	-	6,700.00
Borrowings	39.18	-	25.59	87.50	125.00	487.50	717.80	1,299.85	500.00	131.42	3,413.84
Current Liabilities & Provisions	-	2.13	74.80	-	-	-	-	-	-	149.62	226.55
Statutory Dues	0.42	5.29	-	-	-	-	-	-	-	-	5.71
Unclaimed Deposits											-
Other Outflows	22.27	-	441.75	99.60	22.27	112.19	749.31	600.75	14.30	17.64	2,080.08
Outflows On Account of Off Balance Sheet (OBS) Exposure											-
TOTAL OUTFLOWS	661.87	7.42	581.38	1,187.10	147.27	4,139.69	1,467.11	10,121.79	19,176.39	12,068.18	49,558.20
B. INFLOWS											

Cash (In 1 to 30/31 day time-bucket)	0.36										0.36
Remittance in Transit	-										-
Balances With Banks	421.94	-	255.68	-	-	42.86	-	825.00	-	450.00	1,995.47
Investments	-	-	-	-	-	-	-	-	-	4,235.51	4,235.51
Advances (Performing)	364.63	-	948.65	2,092.28	3,119.85	3,490.34	4,644.93	22,453.31	3,936.05	-	41,050.04
Gross Non-Performing Loans (GNPA)	-	-	-	-	-	-	-	-	-	-	-
Inflows From Assets On Lease											-
Fixed Assets (Excluding Assets On Lease)										1,613.47	1,613.47
Other Assets	36.81	-	32.85	0.22	0.40	6.63	1.75	341.00	102.43	141.25	663.34
Inflows on Account of Off Balance Sheet (OBS) Exposure											-
TOTAL INFLOWS	823.74	-	1,237.18	2,092.50	3,120.25	3,539.83	4,646.68	23,619.31	4,038.48	6,440.23	49,558.20
C. Mismatch (B - A)	161.87	-7.42	655.80	905.40	2,972.98	-599.86	3,179.57	13,497.52	-15,137.91	-5,627.95	-
D. Cumulative Mismatch	161.87	154.45	810.25	1,715.65	4,688.63	4,088.77	7,268.34	20,765.86	5,627.95	-	
E. Mismatch as % of Total Outflows	24.46%	-100.00%	112.80%	76.27%	2018.73%	-14.49%	216.72%	133.35%	-78.94%	-46.63%	
F. Cumulative Mismatch as % of Cumulative Total Outflows	24.46%	2081.54%	139.37%	144.52%	3183.70%	98.77%	495.42%	205.16%	29.35%	0.00%	

***Note**: The above ALM is as per Ind AS*

Mechanism for redressal of investor grievances

The Registrar Agreement dated May 21, 2026 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: L72400MH2017PLC444072

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

Company Secretary and Associate 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, Maharashtra 411016 India
E-mail: cs@prachay.com
Tel: 9970765700

Joint Company Secretary and Compliance Officer

Siddhi Sanjay Bothara
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: siddhi@prachay.com
Tel: 9970765700

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
C.V. Chitale & Co.	3, Gurukrupa Apartment, 1317, Shukrawar Peth, Near Bajirao Road, Telephone Exchange, Pune - 411002, Maharashtra, India	July 18, 2025

Change in Auditors of our Company during the last three years

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
Shah Khandelwal Jain and Associates Chartered Accountants	Level 3, Riverside Business Bay, Pune – 411 001, Maharashtra, India	April 1, 2020	July 18, 2025	NA

Pre-Issue Advertisement

Subject to Section 30 of the Act, 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 Draft 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 Act 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 Act 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.

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 Code on Social Security, 2020 and Code on Wages, 2019, 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 07, 2019 in lieu of original certificate. Following the conversion to a public limited company, we received a fresh certificate of registration on October 07, 2024 under Section 45-IA of the RBI Act.

Regulations governing NBFCs

RBI Act:

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

i. a financial institution which is a company;
ii. a non-banking institution which is a company and which has as its principal business the 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 Bank 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 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 April 8, 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.

NBFCs are primarily governed by the RBI Act and SBR Directions 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.

NBFCs lend and make investments and hence these activities are akin to that of banks, however, there are a few important and key differences. The most important distinctions as per the RBI Frequently Asked Questions on 'All you wanted to know about NBFCs (updated as on February 10, 2026)' are:

i. An NBFC cannot accept deposits repayable on demand;
ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
iii. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

Types of NBFCs

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to commence any of the aforementioned activities. The major regulations governing our Company are detailed below:

On November 28, 2025, the RBI issued the SBR Regulations. A revised regulatory framework for NBFCs whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFCs-BL;
ii) NBFCs-ML;
iii) NBFCs-UL; and
iv) NBFCs-TL.

The NBFCs- 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 NBFCs- ML consist of (a) all deposit taking NBFCs, 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 (NBFCs-IFCs).

The NBFCs-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 SBR Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFCs-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 NBFCs-UL. Such NBFCs shall move to the NBFCs-TL from the NBFCs-UL.

As the regulatory structure envisages scale based as well as activity-based regulation under the SBR Directions, the following prescriptions shall apply in respect of the NBFCs:

i. NBFC-P2P, NBFC-AA, NOFHC and NBFC not availing public funds and not having any customer interface will always remain in the Base Layer of the regulatory structure.
ii. NBFC-D, CIC, NBFC-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., NBFC-ICCs, NBFC-MFIs, NBFC-Factors and Mortgage Guarantee Companies 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 NBFCs-ML. The SBR Directions provide that from October 01, 2022 all references to NBFC-ND (i.e, non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be. SBR Directions 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 NBFCs-Middle Layer) will be known as NBFC-BL. The reporting requirements as prescribed by department of supervision of the Reserve Bank shall be adhered to by all NBFCs.

Regulatory Requirements of an NBFC under the RBI Act

We are a Base Layer, Non-Deposit taking (which does not accept public deposits) NBFC. As on date of filing of this Draft Prospectus the Company falls under the category of NBFCs-BL, as its assets size is below ₹ 1,00,000 lakh, as per the last audited balance sheet.

NBFCs-BL

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. NBFCs-BL will henceforth be those NBFCs-BL which have asset size of below ₹ 1,00,000 lakh as per the last audited balance sheet.

Under the Prudential Norms, all NBFCs-BL shall maintain a leverage ratio of not more than 7 at any point of time.

Rating of NBFCs-BL

Pursuant to Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 dated November 28, 2025, all NBFCs with asset size of more than ₹ 10,000 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

Under the 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.

Corporate governance norms

As per the SBR Directions, read with the applicable master directions issued by the RBI, *inter alia*, all NBFCs-BL are required to adhere to certain corporate governance norms, including constitution of an asset liability management committee and risk management committee. NBFCs shall communicate to the RBI not later than one month from the occurrence of any change in the complete postal address, telephone number/s and fax number/s of the registered/ corporate office, the names and residential addresses of the directors of the company, the names and the official designations of its principal officers; the names and office address of the auditors of the company; and the specimen signatures of the officers authorised to sign on behalf of the company. The statement submitted by NBFC for the quarter ending March 31, shall be certified by the auditors.

Concentration of credit/ investment

The erstwhile credit concentration limits prescribed for NBFCs were separate for lending and investments, however, under the Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Directions, 2025 dated 28 November 2025 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

Under the IRACP Directions, every NBFC (except microfinance loans of NBFC-MFIs), 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.

NBFCs-BL shall make provision for standard assets at 0.25% 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. For project finance exposures, an NBFC shall maintain a general provision on a portfolio basis on the funded outstanding at the following rates:

Category	Construction Phase (in %)	Operational Phase – after commencement of repayment of interest and principal (in %)
Commercial Real Estate	1.25	1.00
Commercial Real Estate – Residential Housing	1.00	0.75
All others	1.00	0.40

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 ₹ 500 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 ₹ 500 lakhs by March 31, 2025; and (ii) ₹ 1000 lakhs by March 31, 2027.

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) other intangible assets; and further reduced by the amounts representing,

i. investment of 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 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 NBFC-ND 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

As per Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, 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:

Under Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, an NBFCs-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.

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 NBFCs 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

Under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025, an NBFC shall prepare its balance sheet and profit and loss account, as prescribed under the Act, as on March 31 every year. NBFCs that are required to implement Ind AS as per the Ind AS 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 SBR Directions. Disclosure requirements for notes to accounts specified in the SBR Directions shall continue to apply. Other NBFCs shall comply with the requirements of notified AS insofar as they are not inconsistent with SBR Directions. 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 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

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 AS 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 NBFCs-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, AS, 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 Act on the accounts of an NBFCs-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, AS, asset classification and provisioning for bad and doubtful debts as applicable to it.

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 Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 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.

Norms for excessive interest rates

As per the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated 28 November 2025, 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 Prudential Norms, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) NBFCs shall have met the minimum capital requirements (including leverage ratio wherever applicable) prescribed under these Directions in each of the last three financial years including the financial year for which the dividend is proposed.; (ii) prescribed levels of net NPA; (iii) compliance with provisions of Section 45IC of the Reserve Bank of India Act; 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 NBFCs-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 NBFC-ND provided under the Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Direction, 2024, as amended, 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 31 of that particular year. Further, in addition to the auditor's report under Section 134 of the Act 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 DNBS-10 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Asset Liability Management

NBFCs, in terms of Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated 28 November 2025, are required to have in place an ALM system that offers a comprehensive and dynamic framework for measuring, monitoring, and managing liquidity, interest rate, equity, and foreign exchange risks. The system shall involve the identification and assessment of various types of risks and enable dynamic adjustment of balance sheet items (assets and liabilities) to manage these risks effectively.

An NBFC shall implement the ALM system based on the following three pillars: (1) ALM Information Systems comprising: (i) MIS; and (ii) information availability, accuracy, adequacy and expediency. (2) ALM Organisation comprising: (i) Structure and responsibilities; and (ii) Level of top management involvement. (3) ALM Process comprising: (i) Liquidity risk management; and (ii) Interest rate risk management.

It shall also be the duty of the Board to set up an ALCO headed by the CEO / MD or the ED. An NBFC shall set up ALCO headed by the CEO / MD or the ED. The ALCO shall include the heads of investment, credit and strategy, treasury risk management, and economic research and other members as deemed suitable. The ALCO shall be responsible for ensuring adherence to the policies and limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The ALCO shall also decide on the 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.

The ALM Support Group consisting of the operating staff shall be responsible for analysing, monitoring, and reporting the liquidity risk profile to the ALCO. Such support groups will be constituted depending on the size and complexity of liquidity risk management in an NBFC. An NBFC shall have appropriate internal controls, systems, and procedures to ensure adherence to various liquidity risk management policies and procedures. These internal controls shall be subjected to supervisory review. Management should ensure that an independent party regularly reviews and evaluates the various components of the NBFC's liquidity risk management process. The policy note recorded by the NBFCs on treatment of the investment portfolio for the purpose of ALM and approved by their Board / ALCO shall be forwarded to the Regional Office of the Department of Supervision of the Reserve Bank under whose jurisdiction the registered office of the company is located.

Within each time bucket, an NBFC shall monitor mismatches arising from cash inflows and outflows, including mismatches upto one year, which are early warning signals of impending liquidity problems. The primary focus shall be on short-term mismatches viz. 1-30 / 31 days. The net cumulative negative mismatches in the Structural Liquidity Statement in the maturity buckets shall not exceed 10 per cent in the 1-7 days bucket, 10 per cent in 8-14 days bucket, and 20 per cent in 15-30 days bucket, measured as percentage of cumulative cash outflows in the respective time buckets.

DRT Act

The DRT Act provides for establishment of 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

Under RBI KYC Directions, NBFC's policy framework for the 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 under rule 3 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, all NBFCs are advised 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; (vi) all cross border wire transfers of the value of more than ₹5 lakh or its equivalent in foreign currency where either the origin or destination of fund is in India; and (vii) all purchase and sale by any person of immovable property valued at ₹50 lakh or more.

Further, under the RBI KYC Directions, 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 five 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 are to be made available to the competent authorities upon request.

Under the RBI KYC Directions all regulated entities (including NBFCs) are to comply with the Financial Action Task Force (FATF) Recommendations and related guidance on anti-money laundering and combating the financing of terrorism (AML/CFT), including periodic updates thereto.

SARFAESI Act

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 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 Bankruptcy Code (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Bankruptcy Code 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. 652(E) dated February 12, 2021, 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.

Bankruptcy Code

The Bankruptcy Code consolidates laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all Persons, including companies, individuals, partnership firms and LLPs. The Bankruptcy Code has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The Bankruptcy Code prescribes a timeline of 330 days for the CIRP, 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 Bankruptcy 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 (which can be extended upto 330 days). 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 Bankruptcy 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 Bankruptcy 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 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.

IBC Rules 2019

The Bankruptcy Code, which regulates the CIRP 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 Bankruptcy Code. "Financial services" is broadly defined in the Bankruptcy 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 January 20, 2025) and as amended from time to time, read with the FDI POLICY

Foreign investment in Indian securities is regulated through the FDI Policy and 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 FEMA Debt Regulations, 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 January 20, 2025). 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 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/ 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 (Non-Banking Financial Companies– Credit Facilities) Directions, 2025

The RBI through its notification bearing number RBI/DOR/2025-26/347 DOR.CRE.REC.No.266/07-01-008/2025-26 dated November 28, 2025, has attempted to strengthen the internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards of NBFCs.

The NBFCs shall formulate suitable loan policy with the approval of their Boards of Directors within the prudential guidelines and exposure norms prescribed by the Reserve Bank to extend various kinds of credit facilities subject to the condition of the activities.

Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025

The RBI through its notification bearing number RBI/DOR/2025-26/154- DOR.CRE.REC.73/07-01-001/2025-26 dated November 28, 2025, has attempted to strengthen the internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards of banks and NBFCs.

Banks shall formulate suitable loan policy with the approval of their boards of directors within the prudential guidelines and exposure norms prescribed by the RBI to extend various kinds of credit facilities to NBFCs subject to the condition of the activities.

Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

The RBI through its notification bearing number RBI/DOR/2025-26/347 DOR.CRE.REC.No.266/07-01-008/2025-26 dated November 28, 2025, has set limits on the Alternative Investment Funds that 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 NBFC shall liquidate its investment in such scheme within 30 days from the date of such downstream investment by the AIF. 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.

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. Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025; Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025; Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025;
b. SBR Directions;
c. IRACP Directions;
d. RBI's Notification on Prompt Corrective Action Framework for NBFCs dated December 14, 2021;
e. Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025 dated November 28, 2025;
f. Master Direction - Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023;
g. Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026 dated January 14, 2026; and
h. 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;
b. Information Technology Act, 2000 and the rules made thereunder; and
c. The Digital Personal Data Protection Act, 2023.

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. CGST and various state-wise legislations made thereunder;
b. IGST;

c. IT Act, 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

Under the provisions of local shops and establishments legislations applicable in the states in which such establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of fixation of working hours, rest intervals, wages of overtime work, holidays, leave policy, health and safety measures, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Labour Laws

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

i. Factories Act, 1948*
ii. Employees' Provident Funds and Miscellaneous Provisions Act, 1952*
iii. Employees' State Insurance Act, 1948*
iv. Minimum Wages Act, 1948*
v. Payment of Bonus Act, 1965*
vi. Payment of Gratuity Act, 1972*
vii. Payment of Wages Act, 1936*
viii. Maternity Benefit Act, 1961*
ix. Industrial Disputes Act, 1947*
x. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
xi. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979*
xii. Industrial (Development and Regulation) Act, 1951
xiii. Employees' Compensation Act, 1923*
xiv. The Industrial Employment (Standing Orders) Act, 1946*
xv. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
xvi. The Equal Remuneration Act, 1976*
xvii. The Trade Unions Act, 1926*
xviii. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. *
xix. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
xx. Contract Labour (Regulation & Abolition) Act, 1970*

**The Government of India implemented the following: Code on Wages, 2019, Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, through Gazette notifications dated November 21, 2025. Further, the Government of India notified the Wage Code (Central) Rules, 2026, the Industrial Relations (Central) Rules, 2026, the Occupational Safety, Health and Working Conditions (Central) Rules, 2026, and the Social Security (Central) Rules, 2026, effective May 8, 2026. Upon commencement of the applicable Central Rules, the above starred legislations stand subsumed under the respective Codes at the Central level. Compliance obligations of employers are now governed by the Codes and the Central Rules. Notification of counterpart State rules is separately awaited and, once notified, will govern State-level procedural requirements. The Company has appointed a consultant for the purposes of standardising its existing regulatory / statutory, business and support function policies and benchmarking its policies with the existing industry practices.*

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

a. ***Code on Wages, 2019***, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The Code on Wages (Central) Rules, 2026 have been notified by the Ministry of Labour and Employment, effective May 8, 2026, operationalising all provisions of the Code on Wages, 2019.

b. ***Industrial Relations Code, 2020***, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It received the assent of the President of India on September 28, 2020. All provisions of this code have been brought into effect by the Ministry of Labour and Employment through a notification dated November 21, 2025. It has subsumed the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. The Industrial Relations (Central) Rules, 2026 have been notified, effective May 8, 2026, covering works committees, grievance redressal committees, trade union recognition, standing orders, retrenchment and closure procedures, the worker re-skilling fund, and model standing orders for manufacturing and service sectors.

c. ***Code on Social Security, 2020***, which received the assent of the President of India on September 28, 2020. Through its notification dated November 21, 2025, the Ministry of Labour and Employment had brought into effect certain provisions of this code. The Social Security (Central) Rules, 2026 have been notified effective May 8, 2026, bringing into force the remaining provisions of the code.. It amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972.

d. ***Occupational Safety, Health and Working Conditions Code, 2020***, received the assent of the President of India on September 28, 2020, which amends and subsumes certain existing legislations, including Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. This code provides for, among other things, standard for health, safety and working conditions for employees of establishment and has come into effect on November 21, 2025. The Occupational Safety, Health and Working Conditions (Central) Rules, 2026 have been notified, effective May 8, 2026, covering registration of establishments, appointment letters, safety committees, contractor licensing, working hours, welfare facilities, and accident reporting obligations.

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. 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 Act, various SEBI Regulations and circulars and notifications issued by SEBI as applicable, and other applicable statutes for its day-to-day operations.

SECTION VII: ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Our Board of Directors, through its resolution passed in its meeting held on May 15, 2026 read with the resolution passed in the meeting of the Liabilities Management Committee of the Board of Directors dated May 21, 2026 have approved the public issue of the NCDs, for an amount aggregating up to the Base Issue Size with a Green Shoe Option, cumulatively aggregating up to Issue Limit**.**

Further, the present borrowing is within the borrowing limits of ₹ 100,000 lakh under Section 180(1)(c) of the Act, duly approved by the members vide their resolution passed at their Annual General Meeting held on July 18, 2025.

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 180.

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 Act, the RBI Act, the terms of this Draft 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.)	12.25% Listed, Rated, Secured, Redeemable, Non-Convertible Debentures 2029 (Maturity: 3 years) 12.50% Listed, Rated, Secured, Redeemable, Non-Convertible Debentures 2030 (Maturity: 4 years) 12.75% Listed, Rated, Secured, Redeemable, Non-Convertible Debentures 2031 (Maturity: 5 years)
Type of instrument (Secured or Unsecured)	Secured
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	SKI Capital 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
Listing and timeline for Listing	The NCDs shall be listed within 3 Working Days of the Issue Closing Date.
Depositories	NSDL and CDSL
Description regarding security	The principal amount of the NCDs to be issued in terms of this draft Prospectus

(where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft 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 onward lending in the form of loans, NCDs or in any other form, 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, 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 this Draft Prospectus.
Security Cover	Our Company shall maintain the Minimum Security Cover at all times till the Final Settlement Date
Eligible Investor (Who can apply)*	**Category I Investors - Institutional Investors** • Public financial institutions as defined in Section 2(72) of the Act, 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 Investors - Non-Institutional Investor** • Companies falling within the meaning of Section 2(20) of the Act; 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 • Any other incorporated and/ or unincorporated body of persons. **Category III Investors - High Net-worth Individual Investors** • Resident Indian individuals or HUFs through the Karta applying for an amount aggregating to above ₹ 2,00,000 across all series of NCDs in this Issue and shall include Resident Indian individuals or HUFs through the Karta, who have submitted bid for an amount not more than ₹ 5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism. **Category IV Investors - Retail Individual Investors*** • Resident Indian individuals or HUFs through the Karta applying for an amount aggregating up to and including ₹2,00,000 across all series of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism. ** applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 5 lakh shall be made only under the UPI Mechanism.*
Rating of Instrument	

Rating Agency	Instrument	Rating symbol	Date of credit rating letters	Amount rated (in ₹ lakh)	Rating Definition
Infomerics Valuation and Rating Limited	Non-Convertible Debentures	IVR BBB/ Stable	May 18, 2026	10,000	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.
Pay-in date	Application Date. The entire Application Amount is payable on submitting the Application
Application money	The entire Application Amount is payable on submitting the Application
Mode of payment	Please see "*Issue Procedure*" on page 193.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) 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.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Please refer chapter titled "*Terms of the Issue - Company's Covenants*" on page 180.
Issue Schedule	As specified in Prospectus
Objects of the Issue	<table><tr><th>Sr. No.</th><th>Objects of the Issue</th><th>Percentage of amount proposed to be financed from Net Proceeds</th></tr><tr><td>1</td><td>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 corporate bonds. iii. For the purpose of repayment / pre-payment, in full or in part, of certain outstanding borrowings including Inter corporate Deposit availed by certain of our Company (subject to compliance with Applicable Law)</td><td>At least 75%</td></tr><tr><td>2</td><td>General corporate purposes [Note 2]</td><td>Maximum up to 25%</td></tr><tr><td></td><td>Total</td><td>100%</td></tr></table> **Note 1**: Onward lending includes funding to individuals, LLP, AOP, BOI, Societies, Corporates etc. and lending in the form of non-convertible debentures of other companies. **Note 2**: 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. Please also refer to the chapter titled "*Objects of the Issue*" on page 70.
Put Option	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	Issuer's right (but not obligation) to recall or redeem outstanding NCDs (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, on the Call Date, by providing the Call Option Notice to all the NCD Holders and Debenture Trustee. It is hereby clarified that in case of partial recall or redemption, the NCDs shall be recalled or redeemed on proportionate basis only. It is further clarified that such right to exercise Call Option by the Company is available and exercisable separately for each series of the NCDs, i.e., exercisable separately at each ISIN level.
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 relevant NCD Holders), communicating the intent of the Issuer to exercise the Call Option.
Call Option Exercise Period	Not applicable, as the relevant outstanding NCDs 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 NCS 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 70.
Coupon rate and redemption premium	Please refer to the chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 177.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Monthly
Coupon Payment Dates	Last day of each calendar month starting from the Deemed Date of Allotment till the Redemption Date.
Coupon types (fixed, floating or other structure)	Fixed
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	As specified in Prospectus
Issue Closing Date	As specified in Prospectus
Date of earliest closing of the issue, if any.	As specified in Prospectus
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 the 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 the Issue Closing Date. For further details please refer to the chapter titled "*Issue Related Information*" on page 170.
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the default interest payable to the Applicant shall be at least equal to 2% (two percent) per annum 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 relevant NCD Holders under the Debenture Trust Deed and the other Transaction Documents, in event of failure of the Company to recall or redeem the relevant outstanding NCDs, as specified in the Call Option Notice, on the Call Date(s), the Company shall pay interest at the rate of 15% (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 177.
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 as a result of such discount.	Not Applicable
Redemption Amount	The Principal Amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption Date	Please refer chapter titled '*Issue Structure - Specific Terms of NCDs*' on page 177.
Redemption premium/ discount	Not Applicable

Transaction documents	This Draft Prospectus read with any notices, corrigenda, addendum 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 241.
Affirmative and Negative covenants precedent and subsequent to the Issue	Please refer chapter titled "*Terms of the Issue- Company's Covenants*" on page 183.
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 subsequent 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 183.
Creation of recovery expense fund	Our Company hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV of the SEBI Debenture Trustee Master Circular and Regulation 11 of SEBI NCS Regulations read together with the Recovery Expense Fund Circular, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV of the SEBI Debenture Trustee Master Circular and Regulation 11 of SEBI NCS Regulations read together with the Recovery Expense Fund Circular, to enable the Debenture Trustee to take prompt action in relation to the enforcement of 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 183.
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 182.
Risk Factors pertaining to the Issue	Please refer to the chapter titled "*Risk Factors*" on page 21.
Settlement Mode of Instrument	Please refer to the chapter titled "*Terms of the Issue - Payment on Redemption*" on page 190.
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 the 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 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 Draft 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.

Deviations from the format specified for the trust deed under Form No. SH12.

As specified in Prospectus.

For further details, please refer to "*Issue Procedure*" on page 193.

Specific terms of NCDs

Tenure	36 months	48 months	60 months
Nature	Listed, Rated, Secured, Redeemable and Non-Convertible Debentures		
Series	I	II	III
Frequency of interest Payment	Monthly		
Minimum Application	10 NCDs (₹10,000) (across all series of NCDs)		
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 188		
Coupon rate % Per Annum	12.25%	12.50%	12.75%
Effective Yield % Per Annum	12.96%	13.24%	13.52%
Redemption Amount of ₹ 1000	1,000.00	1,000.00	1,000.00
Maturity / Redemption Date	The same shall be updated before filing of the Prospectus.		
Coupon Type	Fixed		
Put Option	Not applicable		
Call Option	The Issuer shall have the right (but not an obligation) to recall or redeem outstanding NCDs (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. It is further clarified that such right to exercise Call Option by the Company is available and exercisable separately for each series of the NCDs, i.e., exercisable separately at each ISIN level.		
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 relevant NCD 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 relevant 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 relevant NCD Holders shall be sent in the following manner:

a. soft copy of such notice shall be sent to all the relevant NCD 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 relevant NCD 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 the Designated Stock Exchange, for dissemination on website of the Designated Stock Exchange.

The Company shall exercise its right to recall or redeem the relevant NCDs on the Call Date at the Call Price and after the completion of such right, the Company shall:

a. submit a report to the Designated Stock Exchange where the relevant NCDs are listed for public dissemination regarding the details of relevant NCDs redeemed on the Call Date and details of redemption thereof;

b. inform the Debenture Trustee regarding the NCDs redeemed on the Call Date and details of redemption thereof; and

c. inform the Depositories for extinguishing the relevant NCDs that have been redeemed.

Without prejudice to the other rights of the Debenture Trustee and relevant NCD Holders under the Debenture Trust Deed and the other Transaction Documents, in event of failure of the Company to recall or redeem the outstanding NCDs, 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.

Interest and Payment of Interest

Interest would be paid monthly under series I, II and III at the following rates of interest in connection with the relevant categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holder	Rate of Interest (p.a.) for the following tenures		
	Series I	Series II	Series III
	36 months	48 Months	60 Months
All categories (%)	12.25%	12.50%	12.75%

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft 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 188.

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 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 Draft 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 193.

TERMS OF THE ISSUE

Authority for the Issue

Our Board of Directors, through its resolution passed in its meeting held on May 15, 2026 read with the resolution passed in the meeting of the Liabilities Management Committee of the Board of Directors dated May 21, 2026 has approved the public issue of Listed, Rated, Secured, Redeemable, Non-Convertible Debenture having face value ₹ 1,000 each, for an amount aggregating up to the Issue Limit**.**

Further, the present borrowing is within the borrowing limits of ₹ 100,000 lakh under Section 180(1)(c) of the Act, duly approved by the members vide their resolution passed at their Annual General Meeting held on July 18, 2025.

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 Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, The Draft 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 the Minimum Security Cover 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 Draft 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 onward lending in the form of loans, NCDs or in any other form, 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 NCD Holders holding the NCDs on the assets to ensure 1 (one) time of the outstanding Principal Amounts of the NCDs and all interest due and payable thereon at all times.

Our Company has entered into the Debenture Trustee Agreement and in furtherance thereof intends to enter into the 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 NCD 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 Draft 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 of the NCD Holders, 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 Act,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 read with the Recovery Expense Fund Circular, the creation of the Recovery Expense Fund shall be in accordance with the aforementioned framework, 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 ISIN level assigned to the respective series of NCDs issued.

Settlement Guarantee Fund

Our Company is not required to deposit amounts in the settlement guarantee fund.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Act and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holder

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Act, 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 Act, the NCD Holders shall be entitled to a copy of the balance sheet and copy of the Debenture 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 Holders or in case of joint-holders, the one whose name stands first in the Register of NCD 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 Act, the Memorandum and Articles of Association of our Company, the terms of this Draft 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 Act, the register and index of beneficial owners 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 Act 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 Draft Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed Catalyst Trusteeship 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 Act 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 NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is the duty of the debenture trustee to monitor the Minimum Security Cover is maintained, however, the recovery of 100% of the amount shall depend on the value realisable from the Hypothecated Assets 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 Minimum 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 May 21, 2026 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://www.prachay.com/files/DebentureTrusteeAgreementjune26.pdf

Company's Covenants

As specified in Prospectus.

Events of Default and Consequences of Events of Default

As specified in Prospectus.

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 NCDs to be due and payable forthwith and the NCDs 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 dematerialised form in multiples of one NCD. For details of allotment, see "*Issue Procedure*" on page 193.

Nomination facility to NCD Holder

In accordance with Rule 19 and Section 72 of the Act, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one Person 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 Act, 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.

The NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any Person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as 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 NCD 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 the 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 193.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Act. 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 NCD 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 Regulation 7 of the SEBI NCS Regulations, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

The person for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it.

No transfer of title of NCD will be valid unless and until entered on the Register of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories. 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 Act/ the relevant provisions of the Act applicable as on the date of this Draft 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 NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the NCD, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs 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 NCD 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 NCD Holder. He shall approach the respective Depository Participant of the NCD 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 NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to 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	As specified in Prospectus
ISSUE CLOSING DATE	As specified in Prospectus#

[#] *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 the 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. (Indian Standard Time) 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 the relevant 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. 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 Draft 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 (at the Coupon Rate) and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such Tenor, coupon (at the Coupon Rate) 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 coupon / Redemption Amount will be made to those NCD Holders whose names appear in the Register of NCD 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 NCD 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 188.

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 IT 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 IT 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 Draft 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 NCS 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 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 the IT Act or any statutory modification or re-enactment thereof for the time being in force. In case the Final Settlement 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 NCS Master Circular shall be disclosed in this Draft Prospectus.

Maturity and Redemption

As specified in Prospectus.

Application Size

As specified in Prospectus.

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 Draft 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 185.

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 IFSC Code, 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 NCD 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 NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements.

Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD 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 NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the Register of NCD 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 NCD 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. NCD 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 NCD Holders whose names stand in the register of NCD 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 190.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of 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.form

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the Register of NCD 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 NCD 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 Amount would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD 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 NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the Redemption Date of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Act, 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 NCD 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 NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper 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, 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 Minimum Security Cover is maintained on the NCDs.

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 Act 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 Act 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 Act, 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 this Draft Prospectus with the RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE. Our Company will obtain an 'in-principle' approval for the Issue from the BSE. 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 3 Working Days of Issue closure. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series 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 Draft 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 2025-26, 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 NCD Holder against pledge of such NCDs as part of the funding.

.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI NCS Master Circular, all Applicants are required to apply for 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 NCS 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 NCS 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 NCS Master Circular 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 211.

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 Draft Prospectus.

Please note that this Section has been prepared based on the requirements notified by the SEBI NCS 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 Draft Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Draft 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 Draft 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 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 (Institutional Investors)

- Resident public financial institutions as defined in Section 2(72) of the Act, 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 (Non-Institutional Investors)

- Companies falling within the meaning of Section 2(20) of the Act; 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
- Any other incorporated and/ or unincorporated body of persons.

Category III (High Net-worth Individual Investors)
- Resident Indian individuals or HUFs through the Karta applying for an amount aggregating to above ₹ 2,00,000 across all series of NCDs in this Issue and shall include Resident Indian individuals or HUFs through the Karta, who have submitted bid for an amount not more than ₹ 5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

Category IV (Retail Individual Investors)*
- Resident Indian individuals or HUFs through the Karta applying for an amount aggregating up to and including ₹2,00,000 across all series of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

  ** applications through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) up to a value of ₹ 5 lakh shall be made only under the 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 Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to 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 213 for information on rejection of Applications.

Method of Application

In terms of the SEBI NCS 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 NCS Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, a Direct Online Application Mechanism. In this regard, SEBI has, through the SEBI NCS Master Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI NCS Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI NCS Master Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI NCS 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 NCS 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, 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 199.

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 NCS 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;

ii. Applicants can enter order for a single Application having different series 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 204.

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 Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Issue Period until the Cut-Off Time. 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 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 a daily basis, up to 5 pm on T day for a validated bid (T being issue closing date).

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.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 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 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 204.

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 198.

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 Mutual Funds Master Circular, 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.

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 NCS Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the 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 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 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 Draft 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 Draft 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 59. 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 of NCDs in the Application Form that they wish to apply for. Applications for all the series 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 Draft 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 HUF 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 series or across different series;
- 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 Draft 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 Draft 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 RTA Master Circular and Applicants residing in the state of Sikkim who in terms of a SEBI KYC Circular may be exempt from specifying their PAN for transacting in the securities market. In accordance with RTA Master Circular, 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 series of NCDs, subject to a minimum Application size as specified in this Draft Prospectus and in multiples of thereafter as specified in this Draft 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 ₹ 2,00,000, such individual Applicant shall be deemed 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 HUF 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 Draft 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 NCDs 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 is 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 HUF 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 59.

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 KYC Circular) 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 series of NCDs in the Application Form that you wish to apply for.

In terms of SEBI NCS Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for 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 197.

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 213 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 Issue Closing date), 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 3 Working Days of Issue Closure. 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.

(b) 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.

(c) 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 59.

(d) 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;
- Number of NCDs Applied for in each series of NCD;
- Price per NCD;
- Bank code for the SCSB where the ASBA Account is maintained;
- Bank account number;
- Location; and
- Application Amount.

(e) 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; and
- Application Amount.

(f) 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.

(g) 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.

(h) 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 Draft Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(i) **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 Draft Prospectus and as per the instructions in the Application Form and this Draft 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 on the Issue closing date; 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 Basse Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Allocation ratio for NCD

As specified in Prospectus.

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 3 Working Days of Issue Closure. The Company shall not be liable for delay in unblocking of such funds.

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 3 Working Days of Issue Closure.

Application Amount shall be unblocked within 3 Working Days of Issue Closure 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 198.

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 NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

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 dematerialized 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 Draft Prospectus. Specific attention of investors is invited to the statement of '*Risk factors*' on page 21.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the issuer and the issue, that the information contained in this Draft 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 Act;

(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 Holders, 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 this Draft 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 3 (three) Working Days of Issue Closing Date 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 3 (three) Working Days of Issue Closure;

(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 Draft 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 Draft 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 Act shall not apply to the Company except so far as expressly incorporated herein below or made applicable by the said Act.

Interpretation

1. In these regulations -

   A. "The Act" means the Act 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 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 by 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 thereto 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 thereof 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 certificates 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 upon 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 law 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 to be 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, for 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 for 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.

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 of 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 or 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. (i) 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.

(ii) 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 Company 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 at which any call was made nor that the meeting at 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 Rules 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 transferee 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 such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and

(c) 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, an application for registration is made 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 effecting 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 Act 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, if 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) If 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, at 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 remains 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 of 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 sale 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 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 Act, 1956, and which has been granted a certificate of registration to act as a 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 Act, 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 shall be issued for the securities held by the Depository.

5. Nothing contained in Sections 88, 89 and 186 of the Act 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 Act 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 the Act, 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 same 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 part 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 free for 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, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of 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 the 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 capitalised 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 cash or 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 an 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 the 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 Act 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 any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

58. Subject to any rights or restrictions for 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 an 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 made 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 an 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. Mr. Girish Lakhotiya
2. Mr. 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 fill 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 thinks 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 Institutions, Banks, 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.

(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 same 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 so 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 have a second or casting vote.

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 committees 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 votes 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 thinks 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 of 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 may appoint for 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 such sums as 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) as 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 dividends, 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 date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a 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 made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a 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. The 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 any 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 book or document of the company except as conferred by law or authorised by the Board or by 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 property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair 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 any liability.

Indemnity

99. Every officer of the company shall be indemnified out of the assets of the company against any 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 who 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 general 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 if 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 MD(s) / joint MD/ 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 MD / joint MD/ 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 Directors 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 MD or joint MD/ 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 an 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 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 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 as 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 and Corporate Office of our Company situated at Office No 1301 and1401, 13th and 14th Floor, Next Gen Avenue, Wing B, CTS No2850, S No.103, Bahiratwadi, Near ICC Tower, Senapati Bapat Road, Model Colony, Pune, 411016 Maharashtra, India, between 10 AM to 5 PM on any working days from the date of the filing of this Draft Prospectus with the Stock Exchange until the date of closure of the Issue.

Material Contracts

1. Issue Agreement dated May 21, 2026, between our Company and the Lead Manager;
2. Registrar Agreement dated May 21, 2026, between our Company and the Registrar to the Issue;
3. Debenture Trustee Agreement dated May 21, 2026, between our Company and Catalyst Trusteeship Limited, the Debenture Trustee;
4. Public Issue Account and Sponsor Bank Agreement dated [•], executed by our Company, the Registrar, the Public Issue Account Bank(s), Sponsor Bank and Lead Manager*;

   * To be executed at Prospectus stage.
5. Tripartite Agreement dated December 24, 2024 between CDSL, our Company and Registrar to the Issue;
6. Tripartite Agreement dated December 24, 2024 between NSDL, our Company and Registrar to the Issue;
7. Syndicate Agreement dated May 21, 2026, executed by the Company, Lead Manager and the Syndicate Member; and
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 September 4, 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 October 7, 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;
7. Credit rating letter dated May 18, 2026, from Infomerics Valuation and Rating Limited, granting credit rating to the NCDs, for the proposed non-convertible debenture issue.
8. Copy of Shareholders' resolution on July 18, 2025 under Section 180(1)(c) of the Act on overall borrowing limits of the Board of Directors of our Company;
9. Copy of Shareholders' resolution on July 18, 2025 under Section 180(1)(a) of the Act on overall borrowing limits of the Board of Directors of our Company;
10. Copy of the Board Resolution vide its meeting dated Friday, May 15, 2026, approved the issuance of NCDs of face value of 1,000 each for an amount aggregating up to ₹ 60,000 lakh (including green shoe option).

11. Copy of the resolution dated Thursday, May 21, 2026 passed by Liabilities Management Committee 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;

12. Copy of the resolution dated Thursday, May 21, 2026 passed by Liabilities Management Committee, approving this Draft Prospectus.

13. Consents of the Directors, Auditor, Lead Manager, Debenture Trustee, Credit Rating Agency for the Issue, Legal Counsel to the Issue, Joint Company Secretary and Compliance Officer, Chief Financial Officer, Company Secretary and Associate Compliance Officer, 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 Draft Prospectus.

    * To be executed at Prospectus stage.

14. The written consent from the Erstwhile Statutory Auditor, namely Shah Khandelwal Jain & Associates, Chartered Accountants, to include its name as required under Section 26(1)(a) of the Act in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Act to the extent and in its capacity as a statutory auditor, in respect of the: (a) Audit report dated May 21, 2025 along with audited standalone financial statements for the financial year ending March 31, 2025; (b) Audit report dated May 21, 2025 along with audited consolidated financial statements for the financial year ending March 31, 2025; (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. The consent of the Erstwhile Statutory Auditor has not been withdrawn as on the date of this Draft Prospectus.

15. The written consent from the Statutory Auditor, namely C.V. Chitale & Co., Chartered Accountants, to include its name as required under Section 26(1) of the Act in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Act to the extent and in its capacity as a statutory auditor, in respect of Audited Report dated May 15, 2026 along with Audited Financial Results for the Financial Year ended March 31,2026. The consent of the Statutory Auditor has not been withdrawn as on the date of this Draft Prospectus.

16. Annual Reports of the Company for last three Financial Years;

17. Audited Financial Statements: (a) Audit report dated May 21, 2026 along with audited standalone financial statements for the financial year ending March 31, 2026; (b) Audit report dated May 21, 2026 along with audited consolidated financial statements for the financial year ending March 31, 2026;

18. Special Purpose Audited Financial Statements of the Company: (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;

19. Due diligence certificate dated May 21, 2026 from Debenture Trustee to the Issue;

20. Due diligence certificate dated [•], filed with SEBI by the Lead Manager*; and

    * To be executed at Prospectus stage.

21. In-principle listing approval letter dated [•] issued by BSE, for the Issue*.

    * To be executed at Prospectus stage.

Any of the contracts or documents mentioned in this Draft 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 Act and other relevant statutes.

DECLARATION

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 Draft 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 Draft Prospectus and in the attachments thereto 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 Draft 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 Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus and in the attachments thereto 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 Draft 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
Non-Executive Independent Director
DIN: 10871076

Date: 21/05/2026
Place: Pune

ANNEXURE I- DAY COUNT CONVENTION

As specified in Prospectus

ANNEXURE II- CREDIT RATING LETTER AND RATIONALE

APPENDED OVERLEAF

INFOMERICS VALUATION AND RATING LTD.

Integrated Financial Omnibus Metrics Research of International Corporate Systems

(Formerly Infomerics Valuation And Rating Pvt. Ltd.)

Mr. Girish Lakhotiya

Managing Director

Prachay Capital Limited

309/310, City Square, K.M. Gandhi Path, Behind Pride Hotel,

Shivaji Nagar, Pune – 411005, Maharashtra

May 18, 2026

Dear Sir,

Credit rating for bank facilities/NCDs

After taking into account all the relevant recent developments including operational and financial performance of your company for FY26 (Provisions),

1. Our Rating Committee has reviewed the following ratings:

Total Bank Loan Facilities Rated	**Rs. 100.00 Crore (Enhanced from Rs 75.00 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB/Stable (Rating Reaffirmed)**	**RBI**

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator^
NCD	100.00	IVR BBB/Stable	Rating Assigned	SEBI
Total	**Rs. 100.00 Cr. (Rupees Hundred Crore Only)**			

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

2. Details of the rated facilities are provided in Annexure I and list of activities / instruments and names of regulators are given in Annexure II.
3. For rating symbols for long term and short-term rating, definitions, criteria, methodologies and appeal policy please refer to our website www.infomerics.com.
4. The press release for the rating(s) will be communicated to you shortly.
5. The above rating is normally valid for a period of one year from the date of the rating committee (that is **May 14, 2027**).

Head Office : Flat No. 104/108, First Floor Golf Apartments, Sujan Singh Park, Maharishi Ramanna Marg, New Delhi - 110003, (INDIA)
Phone : 011 - 41410244, 40154576, 24611910, 24654796 Fax : 011 - 24627549
Corporate Office : Office No. 1102,1103,1104, B-Wing, Kanakia Wall Street, Off. Andheri Kurla Road,Andheri East, Mumbai-400093, (INDIA)
Phone No. : 022 - 62396023, 62396053 E-mail : info@infomerics.com, Website : www.infomerics.com
CIN : U32202DL1986PLC024575

6. If the proposed long term is not availed within a period of six months the date of this letter, then the rating may please be revalidated from us before availing the facility.
7. INFOMERICS reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
9. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail**. The NDS shall be mailed every month to nds@Infomerics.com and to the mail id of the undersigned.
10. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring**.
11. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
12. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
13. Users of this rating may kindly refer our website www.infomerics.com for latest update on the outstanding rating.

Continuation Sheet No.

14. Further, this is to mention that all the clauses mentioned in the initial rating letter **dated October 23, 2019** also stand applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Pratham Daya
Designation: Analyst
Email: pratham.daya@infomerics.com

Jayshree Purohit
Designation: Senior Manager – Ratings
Email: jpurohit@informerics.com

Disclaimer: Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics' opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an 'as is' basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective 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, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are intended for use in accordance with applicable laws and regulatory requirements governing credit rating agencies in India.

Continuation Sheet No.

Infomerics Ratings

Annexure I

Lender Name	Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
State Bank of India	Term Loan	NA	NA	NA	NA	3.99 (Reduced from 6.00)	IVR BBB/ Stable	NA	RBI	Simple
	Term Loan	NA	NA	NA	NA	7.49 (Reduced from 9.99)	IVR BBB/ Stable	NA	RBI	Simple
	Term Loan	NA	NA	NA	NA	1.87 (Reduced from 2.24)	IVR BBB/ Stable	NA	RBI	Simple
Indian Overseas Bank	Term Loan	NA	NA	NA	NA	13.75 (Reduced from 15.00)	IVR BBB/ Stable	NA	RBI	Simple
AU Small finance Bank	Dropline Overdraft	NA	NA	NA	NA	6.00 (Reduced from 14.33)	IVR BBB/ Stable	NA	RBI	Simple
Proposed	Proposed Term Loan	NA	NA	NA	NA	66.90 (Enhanced from 27.44)	IVR BBB/ Stable	NA	RBI	Simple
Proposed	NCD	-	-	-	-	100.00	IVR BBB/ Stable	To be listed	SEBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Continuation Sheet No.

Infomerics Ratings

Annexure II: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

Continuation Sheet No.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

@ *These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.*

Prachay Capital Limited

(Erstwhile known as Prachay Capital Private Limited)

May 19, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 100.00 Crore (Enhanced from Rs 75.00 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB/Stable (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator^
NCD	100.00	IVR BBB/Stable	Rating Assigned	SEBI
Total	**100.00 (Rupees Hundred Crore Only)**			
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.				

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics 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.*

Rationale

The ratings for Prachay Capital Limited ("PCL or company") factors in the healthy earnings profile and adequate capitalisation, supported by a net worth of Rs. 116.65 crore and Capital Adequacy Ratio (CRAR) of 25.67% as of March 31, 2026. However, these rating strengths remain constrained by vulnerable asset quality on account of customer concentration risk, a highly leveraged capital structure, a concentrated funding base, and significant sectoral as well as geographic concentration risks.

Outlook: Stable

Stable outlook reflects growth momentum in asset acquisition and recoveries on the back of strong capitalisation and established track record of the company.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone

Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- **Adequate capital position**

  PCL's capitalisation remains comfortable, supported by a CRAR of 25.67% and net worth of Rs. 116.65 crore as on March 31, 2026 (Prov), driven by steady internal accruals. This position is supported by consistent internal accruals and a proactive approach to capital management.

- **Healthy earnings profile and asset quality**

  PCL's earnings profile remains supported by its scale of operations, with Net Interest Income (NII) improving to Rs. 28.06 crore in FY2026 from Rs. 26.16 crore in FY2025 (Audited), driven by higher disbursements during the year. The company's Assets Under Management (AUM) grew to Rs. 406.85 crore as on March 31, 2026 (Prov), compared to Rs. 314.19 crore at the end of FY2025 (Audited), with higher disbursements coming primarily from Loan against Property, Equipment purchase finance, and Non-Convertible Debentures. The Net Interest Margin (NIM) moderated to 7.74% in FY2026 from 8.86% in FY2025, primarily due to an increase in the cost of capital. PCL's asset quality remains strong, as reflected in nil GNPA and NNPA since inception, supported by its adequate credit appraisal processes, focus on secured lending with adequate collateral coverage, and monitoring mechanisms. Additionally, the company's structured repayment mechanisms (including escrow arrangements) and prudent collection efficiency ensure timely recoveries and preventing slippages.

Weaknesses

- **Customer concentration risk**

  Though, PCL has reported NIL GNPA since inception due to effective recovery mechanisms. However, PCL's portfolio is largely concentrated to real estate sector and majority of the lending is in Pune Region which posses higher risk as any downtrend in the real estate sector in the region would significantly impact the asset quality of the entity. However, as per management, PCL is diversifying its operations in the other region over a medium term.

- **High leveraged structure and concentrated funding profile**

  As on March 31, 2026, the company had outstanding debt of Rs. 354.76 crore, of which ~Rs. 320.63 crore comprising of Non-Convertible Debentures (NCDs) and Inter-Corporate Deposits (ICDs), bearing an average interest cost on borrowed funds of 12.43%. The balance debt includes term loans and other borrowings. The company's capital structure remains leveraged, with a gearing of 3.04 times as on FY26, given its current scale of operations. Going forward, the ability of the company to diversify its funding profile and secure borrowings at more competitive rates remains a key monitorable.

- **Geographical concentration risk**

  As on March 31, 2026, ~98.19% of the company's assets under management (AUM) were concentrated in the real estate sector, making its earnings profile susceptible to adverse regulatory or market developments in the sector. Additionally, PCL's operations remain primarily concentrated in Maharashtra, which accounted for 84.19% of the total portfolio as of FY26, heightening geographical concentration risk. However, the company has begun diversifying its footprint by adding exposure in a new state during FY26, specifically in the Haryana (Gurugram) region. While the company's strategic tie-up with Knest, a leading Aluform manufacturer, supports further diversification by facilitating customer acquisition across these and other geographies, the benefits of this initiative are likely to accrue over the medium term.

Liquidity – Adequate

PCL's liquidity remains adequate with a total CRAR of 25.67% as on March 31, 2026, supported by a tangible net worth of Rs. 116.65 crore. During FY26, the company received a total equity infusion of Rs. 25.00 crore from its parent, PCHPL, which has further strengthened its net worth. The Asset-Liability Management (ALM) profile as on March 31, 2026, indicates no cumulative mismatches in any of the maturity buckets.

Rating Sensitivities

Upward Factors

- Substantial growth in its assets under management (AUM), supported by a gradual diversification across geographies while maintain asset quality

Downward Factors

- Substantial degrowth in the scale of operations and/or deterioration in asset quality and profitability of PCL.

About the Company:

PCL is a Pune-based Non-Banking Financial Company (NBFC), incorporated in 2017 and promoted by Girish Lakhotiya, who possesses extensive experience in the financial services sector. The company is engaged in providing secured short- to medium-term credit facilities primarily to MSMEs and real estate developers. PCL's lending operations are focused on structured financing solutions such as business loans, last-mile funding, and inventory funding, typically backed by adequate collateral coverage. Its product portfolio includes loan against property (LAP), receivable financing, and equipment finance. The company's loan book is characterised by relatively high-ticket exposures, generally exceeding Rs. 8 crore, with loan tenors extending up to 24 months and principal moratoriums of up to 18 months, depending on project cash flow requirements. Geographically, PCL's operations remain concentrated in Maharashtra, particularly Pune, while the company has been gradually expanding its presence into select other states.

Key Financial Indicators: Standalone

(Rs. crore)

For the year ended* / As on	31-03-2025	31-03-2026
	Audited	Provisional
Total Operating Income	58.15	70.73
PAT	12.61	7.55
Tangible Net worth	84.22	116.65
Total Asset	367.81	492.92
Ratios		
NIM (%)	8.86	7.74
ROTA (%)	3.78	1.78
Total CRAR (%)	24.82	25.67
Gross NPA [Stage III] (%)	0.00	0.00
Net NPA [Stage III] (%)	0.00	0.00

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Criteria for assigning Rating outlook

Policy on Default Recognition and Post Default Curing Period

Complexity Level of Rated Instruments/Facilities

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					August 21, 2025	May 25, 2024	-
1.	Fund based facilities	LT	100.00	IVR BBB/ Stable	IVR BBB /Stable	IVR BBB /Stable	-
2.	NCDs	LT	100.00	IVR BBB/ Stable	-	-	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
Term Loan	NA	NA	NA	NA	3.99	IVR BBB/ Stable	NA**	RBI	Simple
Term Loan	NA	NA	NA	NA	7.49	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	NA	1.87	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	NA	13.75	IVR BBB/ Stable	NA	RBI	Simple
Dropline Overdraft	NA	NA	NA	NA	6.00	IVR BBB/ Stable	NA	RBI	Simple
Proposed Term Loan	NA	NA	NA	NA	66.90	IVR BBB/ Stable	NA	RBI	Simple
Proposed NCD – (Public Issue)	-	TBD*	TBD	TBD	100.00	IVR BBB/ Stable	Proposed to be listed	SEBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.
*TBD – To Be Decided
**Not Applicable

Annexure 2: Facility wise lender details
https://infomericstorage.blob.core.windows.net/uploads/Len_Prachay_Capital_19_May26_64b22827fe.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: None

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

Analytical Contact

Name: Amey Joshi

Tel: (022) 62396023

Email: amey.joshi@infomerics.com

About Infomerics

Infomerics Valuation and Rating Ltd. ("Infomerics") [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating

agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

For more information and definitions of ratings, please visit www.infomerics.com.

Disclaimer: Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics' opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at

any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an 'as is' basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective 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, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are intended for use in accordance with applicable laws and regulatory requirements governing credit rating agencies in India.

ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE

APPENDED OVERLEAF

CTL/DEB/26-27/26292 Date: 15th May, 2026

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 Rated Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5000 lakh ("Base Issue"), with an option to retain over-subscription up to ₹ 5000, aggregating up to ₹ 10,000 lakh ("Issue") by Prachay Capital Limited ("Company").

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:

Name:	Catalyst Trusteeship Limited
Address:	GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra, India, 411038
Tel:	+91 22 4922 0555
Fax:	+91 22 4922 0505
Email:	ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Mail:	grievance@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi, Managing Director
Compliance Officer:	Ms. Kalyani Pandey
SEBI Registration No:	IND000000034
CIN:	U74999PN1997PLC110262
Logo:	CATALYST Believe in Yourself... Trust Us!

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 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 (as defined below) 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



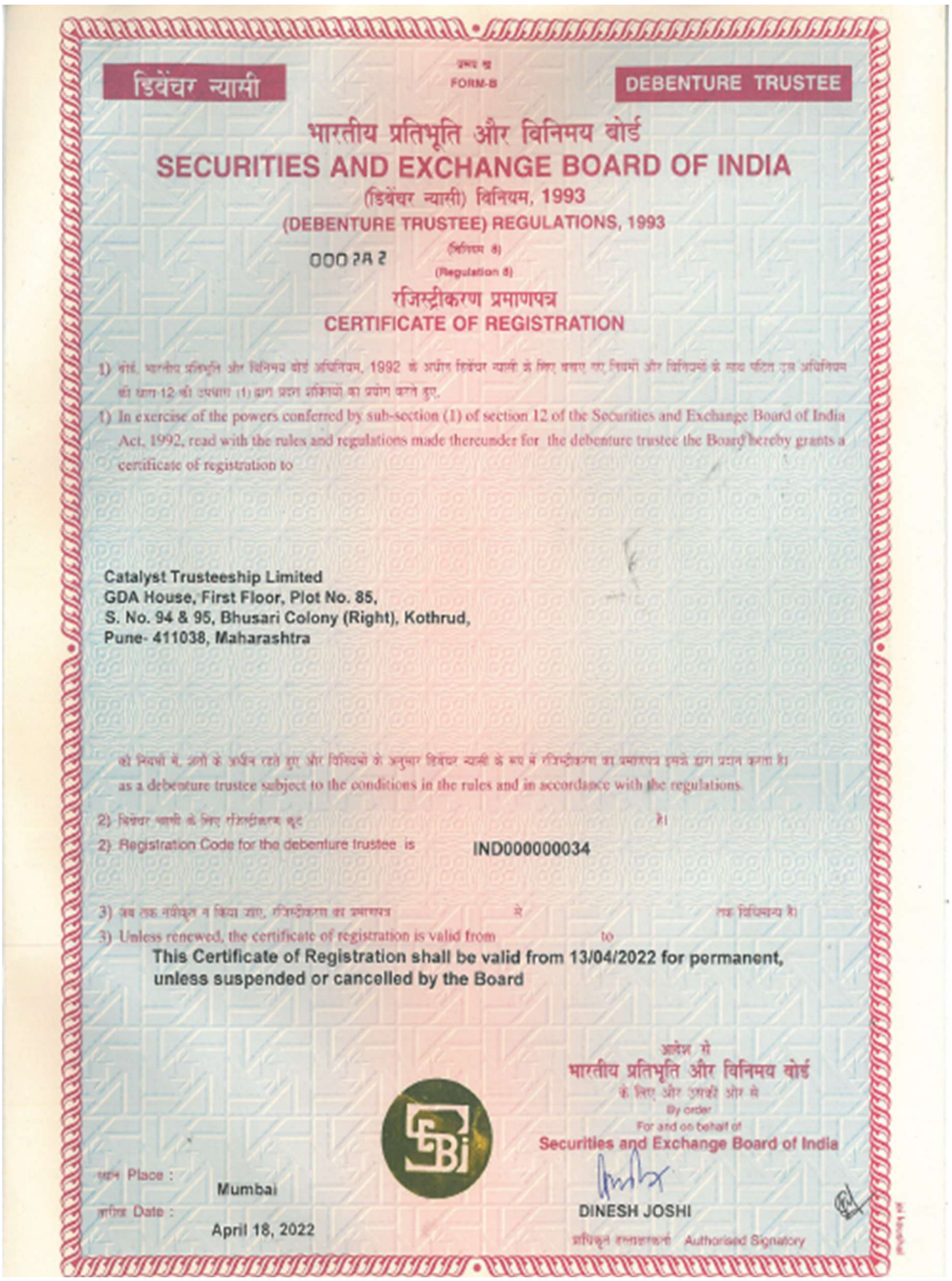
Name: Sandesh Lahoti
Designation: Manager

CC:

SKI Capital Services Limited ("**Lead Manager**")
718, Main Jashi Road, Karol
Bagh, Delhi, India, 110005

Phoenix Legal
Phoenix House,
254, Okhla Industrial Estate
Phase III, New Delhi - 110 020
Tel: +91 11 4983 0000

Annexure A



डिबेंचर न्यासी

प्रपत्र घ
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 ?A ?

(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, जो 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

स्थान Place : Mumbai
तारीख Date : April 18, 2022

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

CTL/DEB/26-27/26292 Date: 15th May, 2026

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 Rated Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 5000 lakh ("Base Issue"), with an option to retain over-subscription up to ₹ 5000, aggregating up to ₹ 10,000 lakh ("Issue") by Prachay Capital Limited ("Company" 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	SEBI had passed an order dated 28.02.2024 in relation to a legacy matter pertaining to an AIF for the inspection period 2019–20, when trusteeship was handled by Milestone Trusteeship Services Pvt. Ltd., which subsequently merged into Catalyst Trusteeship Ltd. in May 2022. The matter was challenged before the Securities Appellate Tribunal and thereafter before the Hon'ble Supreme Court of India. By final order dated 05.01.2026, the Hon'ble Supreme Court after recording that no prejudice or loss had been caused to investors, remedial steps taken by Catalyst including repayment of amounts to the investors, set aside the order dated 28.11.2025 of SAT. Further, taking note that a stay had operated throughout, expressly stated that Catalyst shall be at liberty to undertake any such new assignments.
6.	Any enquiry/ investigation being conducted by SEBI	Show-cause notice dated 5th January, 2026 was issued by SEBI in the mater of thematic inspection of Catalyst Trusteeship Ltd.("Catalyst") w.r.t. action

		taken in case of event of default by issuer. The reply to the said notice was filed by Catalyst on 19th January 2026. The matter was listed for hearing on 13th March, 2026.Same has been reserved for order.
7.	Details of any penalty imposed by SEBI	Spandana Sphoorty Financial Limited (SSFL) – SEBI Order (2024) upheld by SAT (2025): SEBI imposed a monetary penalty of Rs.1.00 lakh on Catalyst for certain procedural lapses relating to documentation of investor notifications and the evidence of meetings held in connection with covenant breaches by SSFL. On an appeal preferred by Catalyst, the Securities Appellate Tribunal (SAT), by order dated 28 November 2025, upheld SEBI's order. The monetary penalty of ₹1.00 lakh has been duly paid by Catalyst. No continuing directions or restrictions were issued. Matter stands closed.

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 Company, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication from us, the Company and the Stock Exchange may rely on this certificate for the purposes of the listing and trading of the non-convertible debentures on the relevant Stock Exchange.

For **Catalyst Trusteeship Limited**

Catalyst Trusteeship Limited

Name: Sandesh Lahoti
Designation: Manager

ANNEXURE IV- FINANCIAL STATEMENTS

APPENDED OVERLEAF

C. V. Chitale & Co.,
Chartered Accountants
3, Gurukrupa 1317, Shukrawar Peth, Bajirao Road, Pune - 411 002.
Email ID: anish@cvchitale.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Prachay Capital Limited (formerly known as "Prachay Capital Private Limited")

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Prachay Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Rules"), the relevant circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026; its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined the matter described below to be the key audit matter to be communicated in our report. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	How the Matter was Addressed in our Audit
Indian Accounting Standard 109 - Financial Instruments ('Ind AS 109') requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and	Our audit procedures in respect of this area included, but not limited to: a. We read and assessed the Company's policies for Impairment on financial assets and their compliance with Ind AS 109.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events. The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of buckets based on common risk characteristics; • Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3); • Factoring in future macro-economic and industry specific estimates and forecasts; • Past experience and forecast data on customer behaviour on repayments; • Varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. Considering the significance of the above matter to the financial statements and complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets this matter required significant attention to test the calculation of expected credit losses, we identified this as a key audit matter for the current year audit.	b. We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa. c. We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested the controls around the data extraction and validation. d. Tested the ECL model, including assumptions and underlying computation. e. Tested the arithmetical accuracy of computation of ECL (expected credit loss) provision performed by the Company; f. Tested the completeness of loans included in the ECL calculations as of March 31, 2026 by reconciling such data with the balances as per loan book register; g. Assessed the appropriateness of the disclosures made by the management as per the requirements of Ind AS 109 -'Financial Instruments' in the Standalone Financial Statements and h. Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information Other Than The Financial Statements And Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities Of Management And Those Charged With Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and, the RBI Guidelines and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors of the Company 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.



ACC

d. Conclude on the appropriateness of the management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If, based on the audit evidence obtained, we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Other Matter

The audit of standalone financial statements for the year ended March 31, 2025 was carried out by Shah Khandelwal & Jain, Chartered Accountants (ICAI Firm Registration No.: 142740W) who have expressed unmodified opinion vide their Audit report dated May 21, 2025.

Our opinion is not modified in respect of this matter.

Report On Other Legal And Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income) the standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

C. V. CHITALE & CO
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

ACC

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

g. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid / provided remuneration to its directors during the year in accordance with the provisions of, and the limits laid down under, Section 197 read with Schedule V to the Act.

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has pending litigation as at March 31, 2026. However, it does not have impact on its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 52(6) and 52(7) of notes to the accounts that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries' , with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 52(6) and 52(7) of notes to the accounts that, no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(iii) Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of Rule 11(e), as provided above, contain any material misstatement.

e. The company has not declared and paid dividend during the year.

<This space has been left blank intentionally>

C. V. CHITALE & CO
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

ACC

f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention].

3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For C. V. Chitale & Co.,
Chartered Accountants
Firm Registration No: 126338W
Peer Review No: 018049





Anish Chandrashekhar Chitale
Partner
Membership No: 187399
UDIN: 26187399NUFZLS6774

Place: Pune
Date: May 15, 2026

C. V. Chitale & Co.,
Chartered Accountants
3, Gurukrupa 1317, Shukrawar Peth, Bajirao Road, Pune - 411 002.
Email ID: anish@cvchitale.com

Annexure A referred to in paragraph 1 (f) under the heading "Report on other Legal and Regulatory requirements" of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) ("the Company") as of March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. The Guidance Note requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company;

c. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C. V. Chitale & Co.,
Chartered Accountants
Firm Registration No: 126338W
Peer Review No: 018049





Anish Chandrashekhar Chitale
Partner
Membership No: 187399
UDIN: 26187399NUFZLS6774

Place: Pune
Date: May 15, 2026

C. V. Chitale & Co.,
Chartered Accountants
3, Gurukrupa 1317, Shukrawar Peth, Bajirao Road, Pune - 411 002.
Email ID: anish@cvchitale.com

Annexure B

To the Independent Auditor's Report of even date to the members of Prachay Capital Limited on the standalone financial statements of Prachay Capital Limited for the year ended March 31, 2026

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Sub-section 11 of section 143 of Companies Act, 2013 ("the Act")

i. (a) (A). The company has maintained proper records showing full particulars including quantitative details and the situation of Property, Plant and Equipment and relevant details of Right of use assets.

(B). The company has maintained proper records showing full particulars of Intangible Assets and Intangible Assets under Development.

(b). According to the information and explanations given to us, the Company physically verifies its Property, Plant and Equipment, Investment Property and Right-of-Use Assets over a period of three years, which is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such verification, certain assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c). According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d). According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or any intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e). According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has no ongoing proceedings or any pending proceedings against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a). The Company is a Non-Banking Finance Company ('NBFC') registered with RBI and provides financial services. Thus, the Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the order is not applicable to the company.

(b). In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions. Based on the records examined by us in the normal course of audit of the standalone financial

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

statements, quarterly returns / statements filed with such Banks/ financial institutions and no material discrepancies were noticed during the course of the audit.

iii. (a). The Company is a Non-Banking Finance Company ('NBFC') registered with RBI and its principal business is to provide loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b). In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, the security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the interest of the Company.

(c). The Company is a Non-Banking Financial Company ("NBFC"), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per repayment schedules except cases and outstanding balances referred to in Note no. 43 and Note no. 50 wherein the repayments of principal and interest are not regular.

(d). According to the information and explanations given to us and based on our examination of the records of the Company, there are no overdue amounts for more than ninety days with reference to principal and interest.

(e). The Company is a Non-Banking Finance Company ('NBFC') registered with RBI and its principal business is to provide loans. Accordingly, the provisions under clause 3(iii)(e) of the Order are not applicable to the Company.

(f). According to the information explanation provided to us, the Company has not granted any loans and/or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 ("the Act") either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company is not required to comply with sections 185 and 186 of the Companies Act, 2013 as the Company is an Investment and Credit Company (NBFC-ICC) registered with the Reserve Bank of India.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company. Further, we are informed that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any court or other tribunal against the Company in this regard.

vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for products/services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. (a). According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

dues applicable to it, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b). As per the Explanations and Data provided to us by the Management, there are no Disputed Statutory Dues including Income Tax, Service Tax, Goods and Service Tax and other Statutory Dues pending from the Company as on March 31, 2026.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a). According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender. Accordingly, Para 3(ix)(a) of the Order is not applicable to the company.

(b). According to the information and explanations given to us, the company has not been declared as a wilful defaulter by any bank or financial institution or other lender or government or any government authority. Accordingly, Para 3(ix)(b) of the Order is not applicable to the company.

(c). According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, we report that money raised by way of term loans were applied for the purpose for which the loans were obtained. Accordingly, Para 3(ix)(c) of the Order is not applicable to the company.

(d). According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, we report that, money raised for short-term purposes has not been utilised for long-term purposes by the Company.

(e). According to the information and explanation given to us, and on the basis of our examination of the records of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the Obligations of its subsidiaries, associates or joint ventures and therefore, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f). According to the information and explanation given to us, and on the basis of our examination of the records of the company, we report that the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a). During the year, the Company has raised money by way of public issue of secured, redeemable, Non-Convertible Debentures (NCDs) and the same were applied for the purposes for which those are raised.

(b). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.



ACC

xi. (a). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b). According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c). As represented to us by the management, there are no whistle blower complaints received by the company during the audit period.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with provisions of section 177 and section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. (a). In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b). We have considered the internal audit reports issued by the Internal Auditor of Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3 (xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

xvi. (a). The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act 1934.

(b). The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c). According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d). Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2013) does not have any CIC.

xvii. According to the records of the Company, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditors during the year and accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company.



ACC

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, We are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

xx. (a). There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to section 135(5) of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b). There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, the provisions of clause 3(xx)(b) of the Order are not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of the said clause under this report.

For C. V. Chitale & Co.,
Chartered Accountants
Firm Registration No: 126338W
Peer Review No: 018049

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
UDIN: 26187399NUFZLS6774

C. V. CHITALE & CO
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

Place: Pune
Date: May 15, 2026

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Balance Sheet as at 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
1. ASSETS			
I. Financial assets			
Cash and cash equivalents	4	422.30	80.48
Bank balance other than cash and cash equivalents	5	1,648.43	1,758.53
Loans	6	40,932.82	31,545.74
Investments	7	4,235.51	2,146.26
Other financial assets	8	144.78	71.50
		47,383.84	**35,602.51**
II. Non-financial assets			
Current tax assets (net)	9	286.69	71.43
Deferred tax assets (net)	10	42.46	70.55
Investment property	11	165.18	-
Property, plant and equipment	12	1,336.25	1,065.30
Intangible assets under development	13	111.94	73.85
Other intangible assets	14	0.10	0.16
Other non-financial assets	15	109.22	91.44
		2,051.84	**1,372.73**
Total Assets		**49,435.68**	**36,975.24**
2. LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial liabilities			
Payables	16		
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.61	2.49
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		23.01	14.76
Debt securities	17	25,362.52	21,318.68
Borrowings (other than debt securities)	18	10,113.84	5,203.53
Lease liabilities	19	885.81	467.70
Other financial liabilities	20	1,226.39	1,236.60
		37,612.18	**28,243.76**
II. Non-financial liabilities			
Provisions	21	27.10	12.86
Other non-financial liabilities	22	26.90	222.17
		54.00	**235.03**
EQUITY			
Equity share capital	23	2,290.00	2,165.00
Other equity	24	9,479.50	6,331.45
		11,769.50	**8,496.45**
Total Liabilities and Equity		**49,435.68**	**36,975.24**
Summary of material accounting policies	1-3		
Notes to financial statements	4-54		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For **C.V Chitale and Co.**
Chartered Accountants
Firm Registration No.: 126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

C.V. CHITALE & CO
3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.
Chartered Accountants

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**	**Alok Karkera**
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN : 02699138	DIN : 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Statement of Profit and Loss Account for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	25	6,652.97	5,528.43
Fees and commission income	26	34.13	2.85
Total revenue from operations		**6,687.10**	**5,531.28**
Other income	27	385.98	283.50
Total income		**7,073.08**	**5,814.78**
Expenses			
Finance costs	28	3,854.33	2,916.55
Impairment on financial instruments	29	42.52	10.87
Employee benefits expenses	30	935.79	472.89
Depreciation, amortisation and impairment	31	425.00	193.06
Others expenses	32	784.51	515.61
Total expenses		**6,042.15**	**4,108.98**
Profit / (loss) before tax		1,030.93	1,705.80
Profit before tax		**1,030.93**	**1,705.80**
Tax expense:			
Current tax		255.30	439.20
Deferred tax		29.01	7.40
Prior year income tax		(0.26)	(2.03)
Total tax expense		**284.05**	**444.57**
Profit / (Loss) for the period from continuing operations		**746.88**	**1,261.23**
Profit / (Loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax)		-	-
Profit for the period / year		**746.88**	**1,261.23**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on equity instrument		-	-
Remeasurement of the net defined benefit obligation gain / (loss)		(3.66)	0.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.92	(0.00)
Subtotal (A)		**(2.74)**	**0.01**
(B) (i) Items that will be reclassified to profit or loss			
Subtotal (B)		-	**-**
Other comprehensive income (A + B)		**(2.74)**	**0.01**
Total comprehensive income for the year		**744.14**	**1,261.24**
Earnings per equity share (for continuing operations)	33		
Basic (Rs.)		3.32	5.83
Diluted (Rs.)		3.30	5.83

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.: 126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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**	**Alok Karkera**
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN : 02699138	DIN : 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Statement of changes in Equity as at 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding				
As at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Changes in equity share capital due to prior period errors				
Restated balance as at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Add: Shares Issued during the year	12,50,000	125.00	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**2,29,00,000**	**2,290.00**	**2,16,50,000**	**2,165.00**

B Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income Total			Total
	Retained Earnings	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Securities Premium	Capital Reserve	Employee Share Option Outstanding	OCI - Fair Valuation of Investment	Remeasurement of defined benefit plans	
Balance as at April 01, 2024	**2,885.44**	**768.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,033.92**
Profit for the year	1,261.23	-	-	-	-	-	-	**1,261.23**
Other comprehensive income / (losses) for the year	0.01	-	-	-	-	-	0.01	**0.02**
On account of ESOP cost	-	-	-	-	36.29	-	-	**36.29**
Transfer from / (to) retained earnings	(252.25)	252.25	-	-	-	-	(0.01)	**(0.01)**
Utilised for issue of bonus shares	-	-	-	-	-	-	-	**-**
Balance as at March 31, 2025	**3,894.43**	**1,020.35**	**1,345.00**	**7.10**	**64.57**	**-**	**-**	**6,331.45**
Profit for the year/period	746.88	-	-	-	-	-	-	**746.88**
Other comprehensive income / (losses) for the year	(2.74)	-	-	-	-	-	(2.74)	**(5.48)**
Addition during the year	-	-	2,375.00	-	-	-	-	**2,375.00**
On account of ESOP cost for the year	-	-	-	-	28.91	-	-	**28.91**
Transfer from / (to) retained earnings	(149.38)	149.38		-	-		2.74	**2.74**
Balance as at March 31, 2026	**4,489.21**	**1,169.73**	**1,345.00**	**7.10**	**93.48**		**-**	**9,479.50**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.: 126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

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 : 15/05/2026

Roshan Sancheti
Director
DIN : 07707109
Place: Pune
Date : 15/05/2026

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 15/05/2026

Alok Karkera
Chief Financial Officer
Place: Pune
Date : 15/05/2026

C.V. CHITALE & CO 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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)

Standalone Statement of Cashflow for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	**Cash flow from operating activities**		
	Profit before tax	1,030.93	1,705.80
	Adjustments for		
	Interest income (fixed deposits)	(156.91)	(81.08)
	Interest on lease liability	123.81	54.91
	Depreciation & amortisation	425.00	193.06
	Impairment on financial instruments	42.52	10.87
	Share based payments to employees	27.20	35.46
	Reimbursement of ESOP cost on behalf of subsidiary	1.71	0.84
	Gain on early termination of Lease	-	(2.04)
	Interest on loans and non convertible debentures	(6,652.97)	(5,528.43)
	Finance cost	3,854.33	2,916.55
	Cash inflow from interest on loans and others	6,401.41	5,794.23
	Cash outflow towards interest on borrowings and debt securities	(4,208.46)	(3,161.62)
	Operating Profit/(Loss) before changes in working capital	**888.57**	**1,938.55**
	Add / (Less): Adjustments for working capital changes		-
	(Increase)/Decrease in		
	Loans	(9,184.90)	(4,342.86)
	Other financial assets	(87.60)	(57.32)
	Other non-financial assets	(17.78)	(86.03)
	Trade payables	6.37	15.64
	Provision	10.58	7.35
	Other financial liability	(8.79)	778.88
	Other non-financial liability	(196.69)	(425.39)
	Cash used in operations	**(8,590.24)**	**(2,171.18)**
	Income taxes paid (net of refunds received)	(470.30)	(352.78)
	Net cash generated from / (used in) operating activities - A	**(9,060.54)**	**(2,523.96)**
B	**Cash flow from investing activities**		
	(Increase) / Decrease in fixed deposits not considered as cash and cash equivalent	112.50	(1,249.54)
	Purchase of property plant and equipment, investment property and intangible assets	(352.53)	(555.29)
	Investment in subsidiaries (net)	(2,089.25)	(1,022.50)
	Interest received on fixed deposit	154.51	23.34
	Net cash generated from / (used in) investing activities - B	**(2,174.77)**	**(2,803.99)**
C	**Cash flow from financing activities**		
	Proceeds from issuing shares (including security premium net off issue expense)	2,500.00	-
	Proceeds from/(repayment) debt securities (including debenture premium)	4,420.28	9,054.50
	Proceeds from borrowings(net)	4,887.99	(5,225.46)
	Payments for the principal portion of the lease liability	(107.34)	(26.82)
	Payments for the interest portion of the lease liability	(123.81)	(54.91)
	Net cash generated from / (used in) financing activities - C	**11,577.13**	**3,747.31**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**341.82**	**(1,580.64)**
	Cash and cash equivalent as at the beginning of the year	**80.48**	**1,661.13**
	Cash and cash equivalent as at the end of the year	**422.30**	**80.48**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivajirawar Path, Pune 411002. Chartered Accountants

ACC

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)

Standalone Statement of Cashflow for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Notes:

1	**Components of cash and cash equivalents**		
a)	Cash on hand	0.36	0.17
b)	Balances with banks (of the nature of cash and cash equivalents)		
	i) In current accounts	421.94	80.32
	Total cash and cash equivalents	**422.30**	**80.48**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 Figures in brackets represent outflows.

4 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'.

5 Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.

6 **Changes in liabilities arising from financing activities**

Particulars	Opening balance as at 1 April 2025	Cash flows (net)	Other changes*	Closing balance as at March 31, 2026
Borrowings	26,522.20	9,308.27	(354.13)	35,476.34

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Other changes*	Closing balance as at March 31, 2025
Borrowings	22,938.23	3,829.04	(245.07)	26,522.20

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.: 126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

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**	**Alok Karkera**
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN : 02699138	DIN : 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

C.V. CHITALE & CO 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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 Base Layer Non-Banking Financial Company ('NBFC-BL-ND'). 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. Statement of compliance and basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 dated November 28, 2025, as amended from time to time and other applicable RBI circulars/ notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows). The financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefits plan that are measured at fair value as required or allowed by relevant accounting standard. The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors.

The Company presents its Balance Sheet in the order of liquidity. The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS

Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where 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)

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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 41.

ACC

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 35.

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 48.

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:

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.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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. 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

Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants
ACC
Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

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').

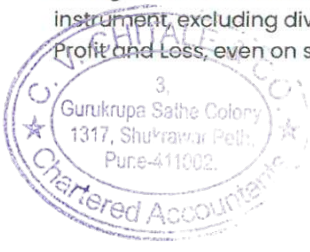
Financial instruments measured at fair value through Profit and Loss ("FVTPL")

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.



ACC



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 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 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.

C.V. GUPTE & CO. Chartered Accountants 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. ACC

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

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-Investment property	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	5 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.

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.

CHITALE & CO. Chartered Accountants Gulukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002.

ACC

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

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.

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.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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.

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.

S.V. CHITALE & CO. Chartered Accountants 1317, Shukrawar Peth, Pune-411002. ACC

Prachay Capital Ltd. CIN- U65990PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

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 40).

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 37 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. For the year ended 31 March 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



ACC



Note : 4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.36	0.17
Balances with banks		
Current account	421.94	80.32
	422.30	**80.48**

Note : 5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
In fixed deposit accounts		
Fixed deposit accounts with original maturity of more than 3 months	1,648.43	1,758.53
	1,648.43	**1,758.53**

Notes :

- Out of the above, Rs. 450 lacs (As at March 31, 2025 - Rs. 640 lacs) balance in deposit accounts with banks are being earmarked towards Loans facilities taken from banks

- Out of the above, Rs. 298.53 lacs (As at March 31, 2025 - Rs. 1,046.03 lacs) balance in deposit accounts with banks are created out of cash collateral received from customers

- Deposits are made for varying period from 3 month to 3 years and earn interest from 5% to 7.75% p.a

Note : 6 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
A. Category of loans wise details		
Amortised cost		
Term loans	31,878.34	26,697.76
Intercorporate deposit	-	100.15
Employee loan	5.29	1.45
Through OCI		
Unquoted non convertible debentures	8,807.07	4,721.01
Total (i) - Gross	**40,690.70**	**31,520.37**
Amortised cost - impairment		
Allowance for impairment loss	(104.03)	(67.94)
FVOCI - impairment		
Allowance for impairment loss	(18.49)	(12.06)
Total (ii) - Impairment loss allowance	**(122.52)**	**(80.00)**
(iii) Interest and charges accrued but not due	364.63	105.37
Total (A) = (i - ii + iii) Net	**40,932.82**	**31,545.74**
B. Nature of security wise details		
Amortised cost		
Secured	31,878.34	26,697.76
Unsecured	5.29	101.60
Through OCI		
Secured	8,807.07	4,721.01
Unsecured	-	-
Total (B) - Gross	**40,690.70**	**31,520.37**
Less: Impairment loss allowance	(122.52)	(80.00)
Add: Interest and charges accrued but not due	364.63	105.37
Total (B) - Net	**40,932.82**	**31,545.74**
C. Location wise details		
i) Loans in India		
a. Public sector	-	-
b. Others	40,690.70	31,520.37
ii) Loans outside India		
Total (C) - Gross	**40,690.70**	**31,520.37**
Less: Impairment loss allowance	(122.52)	(80.00)
Add: Interest and charges accrued but not due	364.63	105.37
Total (C) - Net	**40,932.82**	**31,545.74**

Notes :

- The company's business model is to hold contractual cash flows, being the payment of principal and interest till maturity and accordingly the loans are measured at amortised cost.
- The company does not have any loans outside India
- The company's business model is to hold contractual cash flows, being the payment of principal and interest and also sell accordingly the NCDs are measured at FVTOCI.
- There is no change in fair value of NCDs as on reporting date.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 7 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
A. Category of investments wise details		
Through FVOCI		
Equity Instruments - unquoted *	0.01	0.01
At cost		
In subsidiaries	4,235.50	2,146.25
Gross	**4,235.51**	**2,146.26**
Total	4,235.51	2,146.26
B. Location wise details		
i. Investments outside India		
ii. Investments in India	4,235.51	2,146.26
	4,235.51	**2,146.26**

Notes :

- As per para 10 of Ind AS 27, the Company has opted to account the investments in subsidiary entities at cost.

* The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTOCI, as the Company believes that impact of change on account of fair value is insignificant.

C. Scrip wise details of investments

Particulars	Face value	As at March 31, 2026		As at March 31, 2025	
		Quantity (Nos)	Amount (Rs. in lakhs)	Quantity (Nos)	Amount (Rs. in lakhs)
(a) Investments in Subsidiaries - Equity shares (Unquoted)					
i. Prachay Investment Managers Pvt Ltd	10.00	10,00,000.00	100.00	10,00,000.00	100.00
ii. Prachay Securities Pvt Ltd	10.00	50,00,000.00	700.00	15,00,000.00	150.00
(b) Investments in Units of AIF - (Unquoted)					
i. Prachay AIF Scheme I	1,00,000.00	3,435.50	3,435.50	1,896.25	1,896.25
(SEBI Registered Category II AIF)					
(c) Investments in Others - Equity shares (Unquoted)					
i. Prachay Foundation	10.00	100.00	0.01	100.00	0.01
			4,235.51		**2,146.26**

Note : 8 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Lease deposits	99.18	46.02
Other deposits	3.20	3.20
Interest accrued on investment in AIF	36.81	20.89
Others	5.59	1.39
	144.78	**71.50**

Note : 9 Current tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
TDS receivables	541.99	849.12
Advance tax paid	-	105.00
Less: Provision for tax	(255.30)	(882.69)
	286.69	**71.43**

Note : 10 Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	42.46	70.55
	42.46	**70.55**

* For yearly movement in balances of deferred tax assets/(liabilities) refer Note no. - 35

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 11 Investment property

Particulars	Building	Total
Gross Carrying Amount		
Balance as at April 01, 2024	-	-
Additions	-	-
Disposals	-	-
Balance as at March 31, 2025	-	-
Additions/Transferred from PPE	166.55	166.55
Disposals	-	-
Balance as at March 31, 2026	166.55	166.55
Accumulated depreciation		
Balance as at April 01, 2024	-	-
Depreciation charged during the year	-	-
Disposals	-	-
Balance as at March 31, 2025	-	-
Depreciation charged during the year	1.37	1.37
Disposals	-	-
Balance as at March 31, 2026	**1.37**	**1.37**
Net carrying amount as at April 01, 2024	-	-
Net carrying amount as at March 31, 2025	-	-
Net carrying amount as at March 31, 2026	**165.18**	**165.18**

Note : The title deeds of all the immovable properties are held in the name of company

Amount recognised in Statement of Profit and Loss for Investment Property:

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income from investment property	1.90	-
Direct operating expenses arising from investment property	-	-
	1.90	-

During the year ended March 31, 2026, the Company has transferred office building from Property, Plant and Equipment to Investment Property, as the use of the said asset has changed from owner-occupied to earning rental income / for capital appreciation. This transfer has been accounted for in accordance with the requirements of Ind AS 40.

Note : 12 Property, plant and equipment

Particulars	Building	Furniture & Fixtures	Office Equipment	Computers & Laptops	Leasehold improvements	Vehicles	ROU Assets	Total
Gross Carrying Amount								
Balance as at April 01, 2024	**198.25**	**6.86**	**25.69**	**22.67**	**-**	**13.37**	**59.26**	**326.09**
Additions	-	185.43	125.45	21.98	193.08	-	510.72	1,036.66
Disposals	-	-	-	-	-	-	29.38	29.38
Balance as at March 31, 2025	**198.25**	**192.29**	**151.14**	**44.65**	**193.08**	**13.37**	**540.60**	**1,333.38**
Additions	-	188.31	21.75	30.97	73.41	-	546.64	861.07
Disposals / Transferred	198.25	-	-	-	-	-	-	198.25
Balance as at March 31, 2026	**-**	**380.60**	**172.88**	**75.61**	**266.49**	**13.37**	**1,087.24**	**1,996.20**
Accumulated depreciation								
Balance as at April 01, 2024	**15.72**	**4.39**	**7.69**	**16.12**	**-**	**5.83**	**25.38**	**75.12**
Depreciation charged during the year	8.89	17.17	23.16	10.00	34.18	2.33	97.22	192.96
Disposals / Transferred	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**24.61**	**21.56**	**30.85**	**26.12**	**34.18**	**8.16**	**122.59**	**268.08**
Depreciation charged during the year	7.09	65.00	40.87	21.67	87.66	1.61	199.67	423.57
Disposals / Transferred	31.70	-	-		-	-	-	31.70
Balance as at March 31, 2026	**-**	**86.56**	**71.72**	**47.79**	**121.84**	**9.77**	**322.26**	**659.95**
Net carrying amount as at April 01, 2024	**182.53**	**2.47**	**18.00**	**6.55**	**-**	**7.54**	**33.88**	**250.97**
Net carrying amount as at March 31, 2025	**173.64**	**170.73**	**120.28**	**18.52**	**158.90**	**5.21**	**418.01**	**1,065.30**
Net carrying amount as at March 31, 2026	**-**	**294.04**	**101.16**	**27.82**	**144.65**	**3.60**	**764.98**	**1,336.25**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 13 Intangible assets under development

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development	111.94	73.85
	111.94	73.85

Note: a) For intangible assets under development, the following ageing schedule shall be given: 31st March-2026

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.10	30.25	43.60	-	111.94
Projects temporarily suspended	-	-	-	-	-

Note: a) For intangible assets under development, the following ageing schedule shall be given: 31st March-2025

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30.25	43.60	-	-	73.85
Projects temporarily suspended	-	-	-	-	-

Note : 14 Other intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at March 31, 2025	0.36	0.36
Additions	-	-
Disposals	-	-
Balance as at March 31, 2026	0.36	0.36
Accumulated depreciation		
Balance as at March 31, 2025	0.20	0.20
Depreciation charged during the year	0.06	0.06
Disposals	-	-
Balance as at March 31, 2026	0.26	0.26
Net carrying amount as at March 31, 2025	0.16	0.16
Net carrying amount as at March 31, 2026	0.10	0.10

Note : 15 Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	38.53	19.53
Advances to employees	-	-
Balance with revenue authorities	4.89	12.12
Capital advances	-	5.78
Advances to creditors	15.97	-
Others	49.83	54.02
	109.22	91.44

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 16 Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other payables		
Total outstanding dues of micro enterprises and small enterprises	0.61	2.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	23.01	14.76
	23.62	17.26

Trade payables / Other payables ageing:

As at March 31, 2026	Outstanding for following periods from the date of transaction					
Particulars	**Amount Not due**	**Less than 1 year**	**1 - 2 years**	**2- 3 years**	**More than 3 years**	**Total**
i) MSME	0.61	-	-	-	-	0.61
ii) Others	23.01	-	-	-	-	23.01
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	23.62	**-**	**-**	**-**	**-**	**23.62**

As at March 31, 2025	Outstanding for following periods from the date of transaction					
Particulars	**Amount Not due**	**Less than 1 year**	**1 - 2 years**	**2- 3 years**	**More than 3 years**	**Total**
i) MSME	2.49	-	-	-	-	2.49
ii) Others	14.76	-	-	-	-	14.76
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	17.26	**-**	**-**	**-**	**-**	**17.26**

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at the year-end are furnished below:

Particulars	As at March 31, 2026	As at March 31, 2025
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	-	-
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: - The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shaniwar Peth, Pune-411 030. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 17 Debt securities

Particulars	As at March 31, 2026	As at March 31, 2025
Non convertible debentures		
i. Secured		
a) Non convertible debentures (listed, fully paid and publicly placed)	21,089.70	5,054.77
b) Non convertible debentures (Unlisted, fully paid and privately placed)	1,466.50	16,243.50
c) Non convertible debentures (listed, fully paid and privately placed)	2,767.08	-
Gross	**25,323.28**	**21,298.27**
Add: Interest accrued but not due	39.24	20.41
Net	**25,362.52**	**21,318.68**

Note:

The Company has issued Non-Convertible Secured Debentures carrying interest rates ranging from 12.50% to 15% per annum, redeemable at par at the end of 5 (Five) years from the respective dates of allotment ("Maturity Date"). The Company shall have the option to redeem all or any portion of the Debentures at any time after the expiry of 1 (One) year from the actual date of allotment, subject to providing prior notice as specified in the respective terms and conditions of issuance ("Call Option"), and the Debenture holders/investors shall have the option to cause the Company to redeem all or any portion of the Debentures on the dates falling every 6 (Six) months, or on the expiry of 3 (Three) years/12 (Twelve) months from the actual date of allotment, subject to providing prior notice of 5 (Five) days/1 (One) month/30 (Thirty) days as specified in the respective terms and conditions of issuance ("Put Option"). Upon expiry of 5 (Five) years from the date of allotment, all outstanding Debentures shall, irrespective of any Call or Put Option, compulsorily stand redeemed at par on the Maturity Date. The aforesaid Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee, by way of hypothecation over the Receivables (both present and future) and all rights, title, interest and claims of the Company therein.

Particulars	As at March 31, 2026	As at March 31, 2025
i) Debt securities in India	25,362.52	21,318.68
ii) Debt securities outside India	-	-
Total	**25,362.52**	**21,318.68**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2026

Rate of Interest	Maturity years					Grand Total
	2026-27	2027-28	2028-29	2029-30	2030-31	
12.50%	-	-	3,945.83	-	-	**3,945.83**
12.75%	-	-	-	146.24	-	**146.24**
13.00%	-	540.00	1,189.50	5,435.00	12,293.97	**19,458.47**
13.50%	-	105.00	-	-	-	**105.00**
14.00%	-	-	975.00	1,300.00	-	**2,275.00**
Subtotal (A)	**-**	**645.00**	**6,110.33**	**6,881.24**	**12,293.97**	**25,930.54**
Less: Unamortised transaction cost (B)						**(607.26)**
Add: Interest accrued but not due on NCD borrowings (C)						**39.24**
Total (A-B+C)						**25,362.52**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2025

Rate of Interest	Maturity years					Grand Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
13.00%	-	185.50	540.00	1,189.50	5,435.00	**7,350.00**
13.50%	-	-	105.00	-	-	**105.00**
14.00%	422.50	1,257.50	-	975.00	1,300.00	**3,955.00**
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	3,400.00	**8,745.00**
Subtotal (A)	**587.50**	**1,894.00**	**1,150.00**	**7,718.00**	**10,200.00**	**21,549.50**
Less: Unamortised transaction cost (B)						**(251.23)**
Add: Interest accrued but not due on NCD borrowings (C)						**20.41**
Total (A-B+C)						**21,318.68**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Note : 18 Borrowings (other than debt securities)

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost		
(a) Secured		
(i) Term loans from banks	2,731.14	3,361.41
(ii) Dropline overdraft balance	705.85	1,352.57
(b) Unsecured		
(i) Inter corporate deposit - Related party	1,600.00	15.00
(ii) Inter corporate deposit - Others	5,100.00	520.00
Subtotal (A)	**10,136.99**	**5,248.98**
Less: Unamortised transaction cost (B)	(27.91)	(50.65)
Add: Interest accrued but not due on bank borrowings (C)	4.76	5.20
Total (A-B+C)	**10,113.84**	**5,203.53**

Particulars	As at March 31, 2026	As at March 31, 2025
i) Borrowings (other than debt securities) in India	10,113.84	5,203.53
ii) Borrowings (other than debt securities) outside India	-	-
Total	**10,113.84**	**5,203.53**

Notes:

a) Term loans from banks

- The Term loan 1 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
- The Term loan 2 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
- The Term loan 3 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
- The Term loan 4 of Rs 1500 Lakhs is repayable in 72 monthly instalments of Rs. 20.83 lakhs each, commencing from November 2025.
- Above loans carry rate of interest ranging from 10.15 % to 13 %

Term Loan 1, Term Loan 2, Term Loan 3 (from SBI Bank) & and Term Loan 4 (from IOB Bank) facilities are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Collateral Security for term loan from SBI : In the form of registered mortgage of property (Office of the company), Land (Third Party)
- Collateral Security for term loan from IOB : Cash collateral in the form of Fixed Deposit (only in case of loan from IOB)
- Personal guarantee of : Directors
- Third party corporate guarantee (only incase of term loan from SBI)
- During the current financial year, the third-party corporate guarantee and third-party collateral land have been released.

b) Inter corporate deposits

- The inter corporate deposits are for a tenure ranging from 2 months to 3 year

c) Dropline overdraft from bank

- Dropline Overdraft Limit 1 of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.*
- Dropline Overdraft Limit 2 of Rs 2000 Lakhs is repayable in 30 principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

*The said facility has been fully repaid during the current year.

Dropline overdraft limit from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Personal Guarantee of : Directors
- Lien on fixed deposits (which has been released during the year)

Note : 19 Lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities	885.81	467.70
	885.81	**467.70**

Note : 20 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Cash collateral collected from borrower	984.86	1,046.03
Security deposit	4.28	-
Employee benefit expenses payable	32.20	11.11
Others	205.05	179.46
	1,226.39	**1,236.60**

Note : 21 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity	27.10	12.86
	27.10	**12.86**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 22 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue received in advance	17.65	220.50
Statutory dues payable	4.32	0.49
Others	4.93	1.17
	26.90	**222.17**

Note : 23 Equity share capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs. 10/- each	2,80,00,000	2,800.00	2,80,00,000	2,800.00
Preference shares of Rs. 10/- each	20,00,000	200.00	20,00,000	200.00
Issued, subscribed and fully paid up				
Equity shares of Rs. 10/- each fully paid	2,29,00,000	2,290.00	2,16,50,000	2,165.00
	2,29,00,000	**2,290.00**	**2,16,50,000**	**2,165.00**

b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Add: Shares issued during the year	12,50,000	125.00	-	-
Less: Shares bought back during the year	-	-	-	-
	2,29,00,000	**2,290.00**	**2,16,50,000**	**2,165.00**

Note: *During the year, the Company has issued and allotted 12,50,000 equity shares on a rights basis to its existing shareholders in accordance with applicable provisions of the Companies Act, 2013. The shares were issued at a price including securities premium and were fully subscribed by the eligible shareholders.*

Consequently, the issued, subscribed and paid-up share capital of the Company has increased. The funds raised have been utilised for the purpose for which they have been raised.

c. Terms/rights 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.

d. Particulars of shareholders holding more than 5% of the share capital

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Girish Lakhotiya	1,71,59,870.00	74.93%	1,71,59,870.00	79.26%
Rahul Rathi	-	-	8,50,000.00	3.93%
Prachay Capital Holdings Private Limited (Formerly Known As Prachay Advisors Private Limited)	52,45,025.00	22.90%	23,48,442.00	10.85%

e. Particulars of shares held by promoters

Promoter name	As at April 30, 2025		As at 31 Mar 2025	
	No. of Shares	% change	No. of Shares	% change
Girish Lakhotiya	1,71,59,870.00	-4.33%	1,71,59,870.00	0.00%

f. 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.

g. 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 : 24 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings	4,489.20	3,894.43
Statutory reserves u/s 45-IC of The RBI Act, 1934	1,169.72	1,020.34
Securities premium	3,720.00	1,345.00
Share options outstanding account	93.48	64.57
Capital redemption reserve	7.10	7.10
	9,479.50	**6,331.45**

C. V. CHITALE & CO. 3, Gurukrupa Sethe Colony, 1317, Shivajinagar Peth, Pune-411005 Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 24A Other Equity Movements

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Opening balance	3,894.43	2,885.44
Add: Profit / (Loss) for the year	746.88	1,261.23
Add: Other comprehensive income	(2.74)	0.01
Less: Transfer to statutory reserve u/s 45-IC of The RBI Act, 1934	(148.38)	(252.25)
Closing balance	**4,489.20**	**3,894.43**
Statutory reserves u/s 45-IC of The RBI Act, 1934		
Opening balance	1,020.34	768.10
Add : Transferred from retained earnings	149.38	252.25
Closing balance	**1,169.72**	**1,020.34**
Securities premium		
Opening balance	1,345.00	1,345.00
Add : Premium collected on share allotment	2,375.00	-
Closing balance	**3,720.00**	**1,345.00**
Share options outstanding account		
Opening balance	64.57	28.28
Add/(Less) : Movement during the year	28.91	36.29
Closing balance	**93.48**	**64.57**
Capital redemption reserve		
Opening balance	7.10	7.10
Addition during the year	-	-
Closing balance	**7.10**	**7.10**
Other comprehensive income		
Opening balance	-	-
Add : Remeasurment gain on defined benefit obligation	(2.74)	0.01
Less : Transferred to retained earnings	2.74	(0.01)
Closing balance	-	-

24B 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 appropriate reserve account.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note: 25 Interest income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on financial assets measured at FVOCI		
Interest income on non donvertible debentures	1,145.77	827.81
Interest income on financial assets measured at amortised cost		
Interest on loans	5,029.62	4,425.06
Interest on inter-corporate deposits	2.67	3.35
Interest income on staff loans	0.30	0.33
Interest income from investments - AIF	474.62	271.88
	6,652.97	**5,528.43**

Note: 26 Fees and commission income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other fees and charges	34.13	2.85
	34.13	**2.85**

Note: 27 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Penal charges	213.46	192.20
Interest on fixed deposits	156.91	81.08
Interest on income tax refund	6.76	4.28
Rental income	1.90	-
Gain on lease cancellation	-	2.04
Interest on security deposit	6.87	3.89
Interest income on lease deposit	0.08	-
	385.98	**283.50**

Note: 28 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings inter corporate deposits	244.19	245.06
Interest on borrowings term loans and dropline overdraft	407.75	391.30
Interest on non convertible debentures	3,038.20	2,180.08
Interest on lease liability	123.81	54.91
Interest on cash collateral	9.31	9.01
Other borrowing cost	31.07	36.18
	3,854.33	**2,916.55**

Note: 29 Impairment on financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Impairment on loans		
- At fair value through other comprehensive income	6.43	2.56
- At amortised cost	36.09	8.31
	42.52	**10.87**

C. V. CHITALE & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 30 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	868.91	409.85
Contribution to provident and other funds	16.71	4.87
Gratuity expenses	10.58	7.35
Share based payment to employees	27.20	35.46
Staff welfare expenses	12.39	15.36
	935.79	**472.89**

Note : 31 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (including investment property)	424.94	192.96
Amortisation of intangible assets	0.06	0.10
	425.00	**193.06**

Note : 32 Others expenses

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Rent Expense		20.80	6.47
Rates and taxes		1.23	1.65
Repairs and maintenance		25.88	10.37
Insurance expense		9.08	2.98
Power and fuel		22.96	7.83
Legal and professional charges		386.28	286.97
Printing and stationery		13.38	4.06
Advertisement and publicity		45.90	38.72
Auditor's fees and expenses	*Refer note A*	14.68	5.50
CSR Expenditure	*Refer note B*	30.99	25.58
Royalty expenses		6.54	6.54
Telephone and internet expenses		4.83	4.06
Subscription charges		27.91	14.66
Share of Expenses - AIF		67.74	43.06
Travelling and conveyance		8.97	15.28
Information technology expenses		30.40	0.75
Membership and seminar and related subscriptions		16.28	0.44
Miscellaneous expenses		50.67	40.69
		784.51	**515.61**

Note A : Auditor's Remuneration :		
a. For statutory audit and limited review	8.00	4.25
b. For tax audit	1.00	0.80
c. for certification related matters	4.00	-
d. GST to the extent of ITC not availed	1.68	0.45
Total	**14.68**	**5.50**

Note B : Details of expenditure on Corporate Social Responsibility:		
a. Gross amount required to be spent during the year	30.99	25.58
b. Amount spent during the year:		
CSR expenses paid	30.99	25.58
CSR expenses yet to be paid	-	-
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall Paid	-	-
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	Schedule VII fund	Schedule VII fund

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 33 Earnings per equity share (for continuing operations)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Basic Earnings per Share		
a) Profit after tax attributable to equity shareholders	746.88	1,261.23
b) Weighted average number of equity shares outstanding during the year(No.s)	2,25,05,479.41	2,16,50,000.00
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Basic earnings per share (EPS) (Rs.)	3.32	5.83
B. Diluted Earnings per Share		
a) Profit after tax attributable to equity shareholders for diluted EPS	746.88	1,261.23
b) Weighted average number of equity shares outstanding during the year(No.s)	2,26,04,462.49	2,16,50,000.00
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Diluted earnings per share (EPS) (Rs.)	3.30	5.83
C. No. of equity shares for calculating diluted EPS		
Weighted average number of equity shares for calculating Basic EPS	2,25,05,479.41	2,16,50,000.00
Add : Equity shares for no consideration arising on grant of stock options under ESOP	98,983.08	-
Weighted average number of equity shares for calculating diluted EPS	2,26,04,462.49	2,16,50,000.00

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivtirtha Nagar, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 34 Disclosure pursuant to Ind AS 12 "Income Taxes"

A Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income-tax related to items recognised directly in the statement of profit and loss		
Current income tax:		
i) Current income tax expense	255.30	439.20
ii) (Excess) / Short provision for tax relating to prior years	(0.26)	(2.03)
Deferred tax (benefit) / charge	29.01	7.40
Total income tax expense recognised relating to continuous operations	**284.05**	**444.57**

B Reconciliation of income tax expense for the year:

A reconciliation of income-tax expense applicable to profit before income-tax at statutory rate to income-tax expense at the Company's effective income-tax rate for the year ended March 31, 2026 is as follows :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	1,030.93	1,705.80
Total tax expense (As per Statement of Profit and loss)		
i) Current tax	255.30	439.20
ii) Deferred tax	29.01	7.40
Total tax expenses	**284.31**	**446.60**
Effective tax rate (%)	**27.58%**	**26.18%**
Adjustments of allowable and non-allowable income and expenses:		
Effect on effective tax rate due to permanent difference		
a) Permanent Difference	**24.85**	**17.29**
Non allowability of Claim of CSR	7.80	6.44
Share of expenses - Prachay AIF Scheme I	17.05	10.84
Non allowability of statutory delay interest	-	0.01
Total (A)	**24.85**	**17.29**
a) Difference due to Tax Rate of STCG	-	-
Total (B)	**-**	**-**
Total of items affecting tax rate (A+B)	**24.85**	**17.29**

C Reconciliation of income tax rate is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Normal Tax Rate	22.00%	22.00%
b) Surcharge (@ 10% of Normal Tax Rate)	2.20%	2.20%
c) Health and Education Cess	0.97%	0.97%
Total Tax Rate (%)	**25.17%**	**25.17%**
Effect in Tax rate due to permanent difference	2.41%	1.01%
Difference due to Tax Rate of STCG	0.00%	0.00%
Effective Tax Rate (%)	**27.58%**	**26.18%**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 35 Movement in Deferred Taxes

A Movement in deferred tax balances For the year ended March 31, 2026

Particulars	As at March 31, 2025	Recognised in profit or loss	Recognised in OCI	For the year ended March 31, 2026
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	5.66	27.94	-	33.60
Provision for Employee benefits	3.24	2.66	0.92	6.82
Right of use asset	(105.20)	(87.33)	-	(192.53)
Lease liabilities	117.71	105.23	-	222.94
Amortised fees income	120.85	(3.46)	-	117.39
Amortised finance cost	(75.98)	(83.88)	-	(159.86)
Others (net)	4.27	9.82	-	14.10
Total	**70.55**	**(29.01)**	**0.92**	**42.46**

B Movement in deferred tax balances For the year ended March 31, 2025

Particulars	As at March 31, 2024	Recognised in profit or loss	Recognised in OCI	As at March 31, 2025
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(3.23)	8.89	-	5.66
Right of use asset	(8.06)	(97.14)	-	(105.20)
Lease liabilities	8.62	109.10	-	117.71
Provision for Employee benefits	1.39	1.85	0.00	3.24
Amortised fees income	87.10	33.76	-	120.85
Amortised finance cost	(7.85)	(68.13)	-	(75.98)
Others (net)	-	4.27	-	4.27
Total	**77.96**	**(7.40)**	**0.00**	**70.55**

Deferred Tax Assets / Liabilities are calculated at the applicable rate of 25.17%

Note : 36 Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities as on March 31, 2026; March 31, 2025

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for as on March 31, 2026 are Rs. 123.82 lakhs (March 31, 2025: Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for as on March 31, 2026 are Rs. 25.50 lakhs (March 31, 2025 : Rs. 37.50 lakhs)

c) - Company had provided total capital commitment to Prachay-AIF scheme I of Rs 3994.76 lakhs out of which Rs 3435.50 lakhs have been invested and balance of Rs 559.26 lakhs remains to be invested as on March 31,2026.

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 as on March 31,2025.

Note : 37 Segment reporting

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note : 38 The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses

Note : 39

The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India and engaged in the business of providing loans in the ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013, pursuant to the notification issued under the Companies (Amendment) Act, 2017 with effect from 7 May 2018, in respect of loans, guarantees and investments.

Accordingly, the Company is exempt from disclosing in the financial statements the full particulars of loans given, investments made, guarantees given or securities provided as otherwise required under Section 186 of the Act.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivajinagar Path, Pune-411032. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 40 Leases

A A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

B **Company as a lessee**

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

C **The details of Right to Use asset of the company are as follows:**

	Leasehold Property	
Asset Class	**As at March 31, 2026**	**As at March 31, 2025**
Balance as at beginning of the year (net)	418.01	33.88
Add: Additions during the year	546.64	510.72
Less: Deductions during the year on account of modification / termination of leases	-	29.38
Less: Depreciation	199.67	97.22
Closing Balance	**764.98**	**418.01**

D **Following is the movement in lease liabilities for the period**

	Leasehold Property	
	As at March 31, 2026	**As at March 31, 2025**
Balance as at beginning of the year	467.70	34.23
Add: Additions / modification during the year	525.45	489.66
Less: Deductions / modification during the year	-	(29.38)
Add: Interest expense	123.81	54.91
Less: Lease payments	(231.16)	(81.73)
Closing Balance	**885.81**	**467.70**

E **Contractual maturities of lease liabilities on an undiscounted basis**

	Leasehold Property	
	As at March 31, 2026	**As at March 31, 2025**
Less than 1 year	276.45	129.94
1-3 years	595.06	279.69
3-5 years	260.53	207.85
More than 5 years	-	-
Total	**1,132.05**	**617.48**

F **Right Of Use Assets and Lease liabilities related expenses booked in Statement of Profit and Loss**

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
a. Depreciation on Right of Use assets	199.67	97.22
b. Interest on lease liabilities	123.81	54.91
c. Gain on termination of lease	-	-2.04
Total	**323.48**	**150.08**

G **Short term leases (in Statement of Profit and loss)**

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
i) Office premises / Branch offices	-	-
Total	**-**	**-**

Notes:

Weighted average incremental borrowing rate applied to lease liabilities for the year ended March 31,2026 is 14% (for previous year end March 31, 2025: 14%)

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 41 Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A Defined contribution plans

The Company's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to provident fund	15.95	4.61
Employer's contribution to MLWF	0.11	0.08

B Defined benefit plans

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 :

a) Principal assumptions used for the actuarial valuations are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality table	IALM (2012-24) ULT	IALM (2012-24) ULT
Discount rate	7.10%	6.70%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	-	-
Expected average remaining working lives of employees (in years)	9.32*	9.31 *
Average remaining working life (years)	29.71 ^	29.56 ^
Retirement age	60 Years	60 Years
Withdrawal rate		
Age upto 30 years	10%	10%
Age 31-40 years	10%	10%
Age 41-50 years	10%	10%
Age above 50 years	10%	10%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

^ It is simple arithmetical difference between retirement age and average age (by zeroing out negatives for employees above retirement age) and is calculated without using any decrements.

b) Table showing changes in present value of obligations:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the beginning of the period	12.86	5.52
Acquisition adjustment		-
Transfer In / (Out)		-
Interest Expense	0.86	0.40
Past service cost		-
Current service cost	9.72	6.96
Curtailment cost / (Credit)	-	-
Settlement cost / (Credit)	-	-
Benefits paid	-	-
Remeasurements on obligation - (Gain) / Loss	3.66	(0.01)
Present value of obligation as at the end of the period	27.10	12.86

c) Breakup of service cost

Particulars	As at March 31, 2026	As at March 31, 2025
Past service cost		-
Current service cost	9.72	6.96
Curtailment cost / (Credit) on plan amendments	-	-
Settlement cost / (Credit) on plan amendments	-	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002 Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

d) Table showing changes in fair value of plan assets

No applicable as plan is not funded

e) Net Interest (Income)/Expense :

Particulars	As at	
	March 31, 2026	March 31, 2025
Interest (Income) / Expense – Obligation	0.86	0.40
Interest (Income) / Expense – Plan assets	-	-
Net interest (Income) / Expense for the year	0.86	0.40

f) Change in the effect of asset ceiling

Particulars	As at	
	March 31, 2026	March 31, 2025
Effect of asset ceiling at the beginning	-	-
Interest (Income)/ Expense (excluding amount included in net interest on plan assets)	-	-
Remeasurement - (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of asset ceiling at the end	-	-

g) Remeasurements for the year actuarial (Gain) / Loss

Particulars	As at	
	March 31, 2026	March 31, 2025
Experience (Gain) / Loss on plan liabilities	4.60	(0.55)
Demographic (Gain) / Loss on plan liabilities		-
Financial (Gain) / Loss on plan liabilities	(0.94)	0.54
Financial (Gain) / Loss on plan assets	-	-
Experience (Gain) / Loss on plan assets	-	-

h) Amounts recognised in Statement of Other Comprehensive Income (OCI)

Particulars	As at	
	March 31, 2026	March 31, 2025
Opening amount recognised in OCI outside profit and loss account	(0.01)	-
Remeasurement for the year - obligation (Gain) / Loss	3.66	(0.01)
Remeasurement for the year - plan asset (Gain) / Loss	-	-
Remeasurement arising because of change in effect of asset ceiling	-	-
Total remeasurements Cost / (Credit) for the year recognised in OCI	3.66	(0.01)
Closing amount recognised in OCI outside profit and loss account	3.65	(0.01)

i) The amounts to be recognised in the Balance Sheet

Particulars	As at	
	March 31, 2026	March 31, 2025
Present value of obligation at the end of period	(12.86)	12.86
Fair value of the plan assets at the end of period	-	-
Surplus / (Deficit)	(27.10)	(12.86)
Current liability	(0.04)	0.02
Non-current liability	27.06	12.84
Amount not recognised due to asset ceiling	-	-
Net asset / (liability) recognised in balance sheet	(27.10)	(12.86)

j) Expense recognised in the Statement Of Profit and Loss

Particulars	As at	
	March 31, 2026	March 31, 2025
Service Cost	9.72	6.96
Acquisition (Gain) / Loss		-
Past service cost		-
Net interest (Income)/ Expense	0.86	0.40
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	10.58	7.35

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

k) Reconciliation Of net Asset / (Liability) recognised

Particulars	As at	
	March 31, 2026	March 31, 2025
Net asset / (liability) recognised at the beginning of the period	(12.86)	(5.52)
Company contributions	-	-
Benefits directly paid by Company	-	-
Amount recognised outside profit & loss for the year	(3.66)	0.01
Expense recognised at the end of period	(10.58)	(7.35)
Mortality charges and taxes	-	-
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognised at the end of the period	(27.10)	(12.86)

l) Major categories of plan assets (As a % of Total Plan Assets) : (Not appliable as plan is not funded)

m) Average duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.63 years

n) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2027	4,000.00
2028	6,000.00
2029	2,64,000.00
2030	4,02,000.00
2031	5,79,000.00
2032-2036	60,22,000.00

The above cashflows have been arrived at based on the demographic and financial assumptions as mentioned earlier in section 6

o) Expected contribution for the next year (The plan is unfunded as on the valuation date)

p) Expected Expense to be Recognized in Profit and Loss Account for Next Year :

For the period	01 April 2026 to 31 March 2027
Service Cost	18.52
Net Interest Cost	1.92
Expected Expense for next year	20.44

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivajinagar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

q) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

- Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.)
6.10%	29,57,187.00
8.10%	24,97,303.00

- Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.)
6.00%	25,18,789.00
8.00%	29,25,152.00

- Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.)
9.00%	27,08,314.00
11.00%	27,11,877.00

r) Risk exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities

c. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 42 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below the table.

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 (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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

Financial assets and liabilities as at	Carried at				Fair Value Hierarchy			
March 31, 2026	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	-	-	422.30	**422.30**	422.30	-	-	**422.30**
Bank balances other than cash and cash equivalents	-	-	1,648.43	**1,648.43**	1,648.43	-	-	**1,648.43**
Loans	8,813.28	-	32,119.54	**40,932.82**	-	-	40,932.82	**40,932.82**
Other financial assets	-	-	144.78	**144.78**	-	-	144.78	**144.78**
Total	**8,813.29**	**-**	**34,335.05**	**43,148.34**	**2,070.73**	**-**	**41,077.61**	**43,148.34**
Financial liabilities								
Debt securities	-	-	25,362.52	**25,362.52**	23,856.78	-	1,505.74	**25,362.52**
Borrowings	-	-	10,113.84	**10,113.84**	-	-	10,113.84	**10,113.84**
Other payables	-	-	23.62	**23.62**	-	-	23.62	**23.62**
Lease liabilities	-	-	885.81	**885.81**	-	-	885.81	**885.81**
Other financial liabilities	-	-	1,226.39	**1,226.39**	-	-	1,226.39	**1,226.39**
Total	**-**	**-**	**37,612.19**	**37,612.19**	**23,856.78**	**-**	**13,755.41**	**37,612.19**

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
March 31, 2025	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	-	-	80.48	**80.48**	80.48	-	-	**80.48**
Bank balances other than cash and cash equivalents	-	-	1,758.53	**1,758.53**	1,758.53	-	-	**1,758.53**
Loans	4,797.88	-	26,747.86	**31,545.74**	-	-	31,545.74	**31,545.74**
Other financial assets	-	-	71.50	**71.50**	-	-	71.50	**71.50**
Total	**4,797.89**	**-**	**28,658.37**	**33,456.27**	**1,839.01**	**-**	**31,617.25**	**33,456.27**
Financial liabilities								
Debt securities	-	-	21,318.68	**21,318.68**	5,054.77	-	16,263.91	**21,318.68**
Borrowings	-	-	5,203.53	**5,203.53**	-	-	5,203.53	**5,203.53**
Other payables	-	-	17.26	**17.26**	-	-	17.26	**17.26**
Lease liabilities	-	-	467.70	**467.70**	-	-	467.70	**467.70**
Other financial liabilities	-	-	1,236.60	**1,236.60**	-	-	1,236.60	**1,236.60**
Total	**-**	**-**	**28,243.77**	**28,243.77**	**5,054.77**	**-**	**23,189.01**	**28,243.77**

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.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Level 3 fair value measurements	2025-2026		2024-2025	
	FVTOCI		FVTOCI	
	Equity Investment	Non convertible debentures	Equity Investment	Non convertible debentures
Opening balance	0.01	4,721.01	0.01	3,804.06
Purchases (net of repayment)	-	4,086.06	-	916.95
Gains / (Losses) in OCI	-	-	-	-
Closing balance	**0.01**	**8,807.07**	**0.01**	**4,721.01**

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Sadashiv Peth, Pune 411 030 Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 43 Credit risk

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 March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	40,590.70	100.00	-	40,690.70	31,191.40	328.97	-	31,520.37
Less: Impairment loss allowance	(122.02)	(0.50)	-	(122.52)	(79.17)	(0.82)	-	(80.00)
Net carrying amount	**40,468.69**	**99.50**	**-**	**40,568.19**	**31,112.23**	**328.14**	**-**	**31,440.37**

B) An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

Movements in the gross carrying amount in respect of loans

Particulars	As at March 31, 2026							
	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
Gross carrying amount opening balance	**31,191.40**	**79.17**	**328.97**	**0.82**	**-**	**-**	**31,520.37**	**80.00**
Transfers during the year								
transfers to stage 1								
transfers to stage 2	(100.00)	(50,000.00)	100.00	50,000.00	-	-	-	-
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)	(21,984.85)	18,558.69	(328.97)	(50,000.32)	-	-	(22,313.82)	(31,441.63)
New credit exposures during the year, net of repayments	31,484.15	31,484.15	-	-	-	-	31,484.15	31,484.15
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**40,590.70**	**122.02**	**100.00**	**0.50**	**-**	**-**	**40,690.70**	**122.52**

Particulars	As at March 31, 2025							
	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
Gross carrying amount opening balance	**27,552.57**	**69.13**	**-**	**-**	**-**	**-**	**27,552.57**	**69.13**
Transfers during the year							-	-
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(245.25)	(0.61)	245.25	0.61	-	-	-	-
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)	(16,416.51)	(40.09)	83.71	0.21	-	-	(16,332.80)	(39.88)
New credit exposures during the year, net of repayments	20,300.80	50.75	-	-	-	-	20,300.80	50.75
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**31,191.40**	**79.17**	**328.97**	**0.82**	**-**	**-**	**31,520.37**	**80.00**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 44 Financial risk management

i) Risk management framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities. Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze 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.

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. The carrying amounts of financial assets represent the maximum credit risk exposure

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
- A breach of contract such as a default or past due event
- When a borrower becomes more than 90 days past due in its contractual payments

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable)

b) Probability of Default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR 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.
Following indicators are incorporated:
i) DPD analysis as on each repoiting date
ii) significant increase in credit risk on other financial instruments of same borrower

d) Exposure At Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;
To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss Given Default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

(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

h) Expected credit loss on loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 90 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12 months ECL from lifetime ECL.

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. These parameters are derived from the Company's internally developed models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly

Cash and cash equivalents and bank balance other than cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

iii) 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.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at March 31, 2026

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial liabilities							
Debt securities	25,362.52	**25,362.52**	39.24	-	6,661.19	18,662.09	-
Borrowings	10,113.84	**10,113.84**	5,932.26	717.80	2,859.85	500.00	103.93
Lease liabilities	885.81	**885.81**	136.14	140.31	595.06	14.30	-
Other payables	23.62	**23.62**	23.62	-	-	-	-
Other financial liabilities	1,226.39	**1,226.39**	613.12	609.00	4.28	-	-
Total	**37,612.19**	**37,612.19**	**6,744.38**	**1,467.11**	**10,120.38**	**19,176.39**	**103.93**

As at March 31, 2025

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial liabilities							
Debt securities	21,318.68	**21,318.68**	132.91	475.00	3,044.00	17,666.77	-
Borrowings	5,203.53	**5,203.53**	917.16	766.67	2,368.89	774.01	376.81
Lease liabilities	467.70	**467.70**	63.00	65.63	276.87	62.21	-
Other payables	17.26	**17.26**	17.26	-	-	-	-
Other financial liabilities	1,236.60	**1,236.60**	120.48	214.72	901.41	-	-
Total	**28,243.77**	**28,243.77**	**1,250.81**	**1,522.01**	**6,591.16**	**18,502.99**	**376.81**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which 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. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	17.18	12.88	23.57	17.64

v) Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes

The framework, at its core, has the following elements

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure
4. Standardized reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture

Note : 45 Capital management

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis

Gearing ratio : The gearing ratio at each date were as follows :

Particulars	As at March 31, 2026	As at March 31, 2025
a. Debt (I)*	36,362.17	26,989.91
b. Cash and bank balances (II)	2,070.73	1,839.01
c. Net debt (I-II)	34,291.44	25,150.90
d.Total Equity	11,769.50	8,496.45
e.Net debt to equity ratio	**2.91**	**2.96**

*Debt includes debt securities, borrowings & lease liability

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002 Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 46 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. ASSETS						
I. Financial assets						
Cash and cash equivalents	422.30	-	422.30	80.48	-	80.48
Bank balance other than cash and cash equivalents	298.53	1,349.89	1,648.43	426.25	1,332.28	1,758.53
Loans	14,663.69	26,269.12	40,932.82	15,733.84	15,811.90	31,545.74
Investments	-	4,235.51	4,235.51	-	2,146.26	2,146.26
Other financial assets	36.81	107.97	144.78	21.75	49.75	71.50
	15,421.34	**31,962.50**	**47,383.84**	**16,262.33**	**19,340.19**	**35,602.52**
II. Non-financial assets						
Current tax assets (net)	286.69	-	286.69	71.43	-	71.43
Deferred tax assets (net)	-	42.46	42.46	-	70.55	70.55
Investment property	-	165.18	165.18	-	-	-
Property, plant and equipment	-	1,336.25	1,336.25	-	1,065.30	1,065.30
Intangible assets under development	-	111.94	111.94	-	73.85	73.85
Other intangible assets		0.10	0.10	-	0.16	0.16
Other non-financial assets	4.89	104.33	109.22	16.14	75.30	91.44
	291.58	**1,760.27**	**2,051.85**	**87.57**	**1,285.16**	**1,372.73**
Total Assets	**15,712.91**	**33,722.77**	**49,435.69**	**16,349.90**	**20,625.34**	**36,975.25**
2. LIABILITIES						
I. Financial liabilities						
Payables						
(a) Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.61	-	0.61	2.49	-	2.49
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23.01	-	23.01	14.76	-	14.76
Debt securities	39.24	25,323.28	25,362.52	607.91	20,710.77	21,318.68
Borrowings (other than debt securities)	6,622.58	3,491.26	10,113.84	1,683.83	3,519.71	5,203.53
Lease liabilities	276.45	609.36	885.81	128.63	339.08	467.70
Other financial liabilities	1,189.91	36.48	1,226.39	335.20	901.41	1,236.60
	8,151.80	**29,460.39**	**37,612.19**	**2,772.81**	**25,470.96**	**28,243.77**
II. Non-financial liabilities						
Provisions	0.04	27.06	27.10	0.01	12.85	12.86
Other non-financial liabilities	26.90	-	26.90	1.66	220.50	222.17
	26.93	**27.06**	**54.00**	**1.67**	**233.36**	**235.03**
Total Liabilities	**8,178.74**	**29,487.45**	**37,666.19**	**2,774.49**	**25,704.31**	**28,478.80**
Net Assets / (Liabilities)	**7,534.18**	**4,235.32**	**11,769.50**	**13,575.41**	**(5,078.97)**	**8,496.44**

C.V. CHITALE & CO
3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.
Chartered Accountants

ACC

Prachay Capital Ltd.
CIN- U65900PN 2017PLC 168737
(Formerly Known As Prachay Capital Private Limited)

Note : 47 Related party disclosure

A List of related parties

List of related parties and relationship with related parties where control exists or transactions have taken place during the year:

No.	Name of the Related Party	Relationship
I	**Related Parties over which control exists:**	
	Prachay Investment Managers Pvt Ltd	Wholly owned subsidiary
	Prachay Securities Pvt Ltd	Wholly owned subsidiary (incorporated on October 04, 2024)
	Prachay AIF Scheme I - Category II	Subsidiary (Non-Corporate Entity)
II	**Enterprises over which Management and/or their relatives have significant influence**	
	Prachay Foundation	
	Prachay Holding Pvt Ltd	
	Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	
III	**Key Management Personnel**	
	Mr. Girish Lakhotiya	Managing Director (w.e.f 27th Jun, 2024)
	Mr. Roshan Sancheti	Director
	Miss. Divya Raizada	Director
	Miss. Sonal Gupta	Company Secretary
	Miss. Siddhi Bothara	Company Secretary (w.e.f. 28th Apr, 2025)
	Mr. Ankur Agrawal	Chief Financial Officer (upto 21st May, 2025)
	Mr. Alok Karkera	Chief Financial Officer (w.e.f. 22nd May , 2025)
	Mr. Nilesh Saboo	Independent Director
	Mrs. Archna Rastogi	Independent Director
	Mrs. Vinita Bhattacharjee	Independent Director
IV	**Relative of Key Management Personnel**	
	Mrs. Sneha Dhoot	Wife of director
	Mrs. Anita Mohta	Sister of director
	Roshan Sancheti HUF	HUF of director
	Rajendra Sancheti HUF	HUF of director's father
	Mrs. Preeti Raizada	Sister of director
	Mr. Dharamveer Raizada	Brother of director
	Mr. Vinay Raizada	Father of director
	Mrs. Pramila Raizada	Mother of director
	Mrs. Meena Agrawal	Mother of CFO
	Mrs. Meena Karkera	Mother of CFO
	Miss. Alka Karkera	Sister of CFO

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

B Transactions with related parties during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inter - corporate deposits received:		
Prachay Investment Managers Pvt Ltd	25.00	-
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	2,290.00	60.00
Inter - corporate deposits repaid:		
Prachay Holding Pvt Ltd	-	28.00
Prachay Investment Managers Pvt Ltd	-	35.00
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	730.00	110.00
Inter- corporate deposits given :		
Prachay Securities Pvt Ltd	150.00	-
Repayment of Inter - corporate deposit given:		
Prachay Securities Pvt Ltd	150.00	-
Interest income on ICD given:		
Prachay Securities Pvt Ltd	0.25	-
Interest income on Investments in units of AIF		
Prachay AIF Scheme I - Category II	474.62	271.88
Investments in units of AIF(net of repayment/transfer):		
Prachay AIF Scheme I - Category II	1,991.25	975.00
Investments in Equity shares:		
Prachay Securities Pvt Ltd	550.00	150.00
Investments received in Secured Non convertible debentures:		
Anita Mohta	-	2.00
Alok Karkera	40.00	-
Alka Dhanraj Karkera	5.00	-
Meena Karkera	6.00	-
Pramila Raizada	-	5.00
Redemption of Non Convertible Debentures of:		
Divya Raizada	16.00	2.50
Preeti Raizada	10.00	2.50
Dharamveer Raizada	2.50	-
Vinay Raizada	7.50	-
Anita Mohta	2.50	0.50
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	240.00	-
Pramila Raizada	5.00	-
Sitting fees :		
Nilesh Saboo	0.81	0.79
Archna Rastogi	0.87	1.44
Vinita Bhattacharjee	1.03	0.20

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known As Prachay Capital Private Limited)

Interest paid on Inter Corporate Deposits:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	14.40	5.03
Prachay Holding Pvt Ltd	-	0.50
Prachay Investment Managers Pvt Ltd	2.26	4.93
Interest paid on Non Convertible Debentures:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	14.87	-
Anita Mohta	0.83	0.95
Roshan Rajendra Sancheti HUF	5.19	3.43
Rajendra Sancheti HUF	3.50	2.22
Divya Raizada	3.04	3.09
Preeti Raizada	1.46	1.98
Vinay Raizada	1.19	0.68
Dharamveer Raizada	0.14	0.35
Pramila Raizada	1.22	0.33
Alok Karkera	1.29	-
Meena Karkera	0.19	-
Meena Agrawal	0.11	1.30
Siddhi Bothara	0.07	-
Alka Karkera	0.17	-
Remuneration to director / KMP:		
Girish Lakhotiya	135.00	3.00
Roshan Sancheti	69.00	48.30
Divya Raizada	51.00	38.00
Ankur Agrawal	2.96	16.49
Alok Karkera	62.80	-
Sonal Gupta	14.37	10.89
Siddhi Bothara	11.24	-
Professional fees paid:		
Girish Lakhotiya	-	36.00
Sneha Dhoot	60.00	48.00
Royalty paid:		
Girish Lakhotiya	6.00	6.00
Commission paid:		
Prachay Securities Pvt Ltd	239.47	56.46
Expenses incurred by related parties on behalf of the Company, including towards acquisition of fixed assets		
Prachay Holding Pvt Ltd	0.44	-
Girish Lakhotiya	7.43	-
Prachay Securities Pvt Ltd	5.35	-
Recovery of expenses incurred on behalf of related parties		
Prachay Securities Pvt Ltd	0.72	-
Prachay Investment Managers Pvt Ltd	0.07	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

C Closing balances with related parties as at year end

Particulars	As at March 31, 2026	As at March 31, 2025
Non Convertible Debentures:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	221.20	-
Anita Mohata	4.00	7.00
Divya Raizada	14.00	22.50
Roshan Rajendra Sancheti HUF	38.00	38.00
Rajendra Sancheti HUF	25.00	25.00
Preeti Raizada	7.50	12.50
Vinay Raizada	7.50	7.50
Dharamveer Raizada	-	2.50
Pramila Raizada	7.50	5.00
Alok Karkera	42.00	-
Alka Karkera	5.00	-
Meena Karkera	6.00	-
Meena Agrawal	10.00	10.00
Siddhi Bothara	1.00	-
Inter-corporate deposits taken:		
Prachay Investment Managers Pvt Ltd	40.00	15.00
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	1,560.00	-
Investment in Units of AIF:		
Prachay AIF Scheme I	3,435.50	1,896.25
Investments in Equity Shares:		
Prachay Foundation	0.01	0.01
Prachay Investment Managers Pvt Ltd	100.00	100.00
Prachay Securities Pvt Ltd	700.00	150.00
Reimbursement of expenses receivables :		
Prachay Investment Managers Pvt Ltd	0.00	0.01
Prachay Securities Pvt Ltd	2.53	0.86
Interest on Investments Receivable :		
Prachay AIF Scheme I	36.81	20.89
Reimbursement of expenses, including those incurred towards fixed assets		
Girish Lakhotiya	5.17	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 48 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 (Nos)	Weighted Average Exercise Price (In Rupees)
Options outstanding **as at April 01, 2024**	3,47,815.00	125.00
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	17,660.00	-
Options exercised during the period	-	-
Options outstanding **as at March 31, 2025**	3,30,155.00	125.00
Options exercisable at the end of the year	-	Not Applicable
Options granted during the period	-	
Options canceled / forfeited / expired during the period	12,990.00	
Options exercised during the period	-	
Options outstanding **as at March 31, 2026**	3,17,165.00	
Range of exercise price of options outstanding at the end of the year (IN INR)		125.00
Average share price during the year (IN INR)		125.00
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

Note: During the previous year ended 31 March 2025, an employee to whom 20,780 Employee Stock Options had been granted was transferred to Prachay Securities Private Limited, a wholly owned subsidiary of the Company.

B) 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 of options as on Grant date (INR)	42.04
Stock Price (IN INR)	125.00
Standard Deviation (Volatility)	Nil *
Risk Free Rate	7.07%
Exercise Price (IN INR)	125.00
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.

C) Notes:

Expense arrising from share based payment transation

The total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses is Rs. 28.28 lakhs (March 31, 2025 : Rs. 35.46lakhs)

Note : 49 Analytical ratios

A) Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021 are as below:

Particulars	Formula	As at March 31, 2026	As at March 31, 2025	% Change	Notes
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	25.64%	24.87%	0.77%	
Tier I CRAR	Tier I Capital / Risk Weighted Assets	25.39%	24.63%	0.76%	
Tier II CRAR	Tier II Capital / Risk Weighted Assets	0.25%	0.24%	0.01%	
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			

B) Explanation for change in ratios exceeding 25% compared to previous year (For CRAR, Tier I and II)

The change in ratio is less than 25% compared to previous year

C.V. CHITALE & CO 3, Gurukrupa Sathe Colony, 1317, Shivajinagar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note 50 **RBI Disclosure of pursuant to the Annex to RBI Master direction No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 amended from time to time is provided below.**

1 The Company's exposure of Unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil).

2 The Company has not participated in any Credit Default Swaps (CDS) Contracts in the reporting period or previous periods.

3 **Exposures to Related Parties**

Details of exposures to related parties as defined in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025

Particulars	As at March 31, 2026	As at March 31, 2025
A. Loans to Related Parties		
1. Aggregate value of loans sanctioned to related parties during the year	150.00	-
2. Aggregate value of outstanding loans to related parties as on 31st March	-	-
3. Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st Marcl	-	-
4. Aggregate value of outstanding loans to related parties which are categorized as:	-	-
(I) Special Mention Accounts as on 31st March	-	-
(ii) Non-Performing Assets as on 31st March	-	-
5. Amount of provisions held in respect of loans to related parties as on 31st March	-	-
B. Contracts and Arrangements involving Related Parties		
6. Aggregate value of contracts and arrangements awarded to related parties during the year(excluding taxes)	239.47	-
7. Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

4 **Intra-group exposures**

Intra-group exposures for Current year is Rs. Nil (Previous year Rs. Nil)

Exposure excludes investment made in wholly owned subsidiary and other receivables there of

5 **Customer complaints**

Customer complaints during Current year are Nil (Previous year Nil)

G. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

6 Rating assigned by credit rating agencies

Rating Agency	Instrument	Rating assigned March 26	Rating assigned March 25	Remarks	Amount (in lakhs)
Infomerics Valuation and Rating Private Limited	Bank loans	BBB Stable	BBB Stable	Reaffirmed	7,500.00
CRISIL Ratings Limited	Bank loans	BBB- Stable	BBB- Stable	Reaffirmed	7,100.00
CRISIL Ratings Limited	Non Convertible Debentures	BBB- Stable	BBB- Stable	Reaffirmed	21,000.00
CRISIL Ratings Limited	Non Convertible Debentures	BBB- Stable	BBB- Stable	Reaffirmed	5,000.00
CRISIL Ratings Limited	Non Convertible Debentures	BBB- Stable	BBB- Stable	Assigned	20,000.00
CARE Ratings Limited	Non Convertible Debentures	BBB- Stable	BBB- Stable	Unaccepted Rating	25,000.00

7 Disclosure on liquidity risk

I) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2026	As at March 31, 2025
Number of Significant Counterparties @	-	-
Amount (₹ Crores) ##	-	-
Percentage of funding concentration to total deposits	Not applicable	Not applicable
Percentage of funding concentration to total liabilities**	-	-

@ 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.

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	As at March 31, 2026	As at March 31, 2025
Amount in Crores ##	12,888.84	11,685.98
% of total borrowings #	36.33%	44.06%

iv) Funding concentration based on significant instrument/product

Particulars	As at March 31, 2026		As at March 31, 2025	
Name of the instrument/product	Amount	% of Total Liabilities**	Amount	% of Total Liabilities**
Non convertible debentures	25,930.54	68.84%	215.50	75.67%
Inter Corporate Deposits	6,700.00	17.79%	5.35	1.88%
Loan from Banks	3,436.99	9.12%	47.14	16.55%

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

v) Stock ratios:

Particulars	As at March 31, 2026	As at March 31, 2025
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***	22.68%	10.35%
Other Short Term Liabilities* to Total Liabilities**	21.71%	9.74%
Other Short Term Liabilities* to Total Asset	16.54%	7.50%

* Other short term liabilities include all the liabilities maturing within next 12 months

** Total liabilities are arrived as Total of Financial and Non financial liabilities as per the balance sheet

*** Total public funds consist of Non convertible funds, Inter coporate deposits and loan from banks

Total borrowings are arrived as total of Debt securities & Borrowings (other then debt securities) as per the balance sheet

All the above numbers are excluding notional Ind AS adjustments

vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee ("ALCO") and Risk Management Committee ("RMC"). The ALCO, inter alia, reviews the asset liability profile, liquidity risk management, funding and capital planning, growth projections, stress scenarios and contingency plans, and oversees the liquidity positions and funding sources of the Company. Further, the RMC, inter alia, monitors the risk profile of the Company and oversees the integrated risk management framework, including liquidity risk management policies, stress testing results and reporting to the Board of Directors

G. V. CHITALE & CO. 3, Gurukrupa Sahe Colony, 1317, Shukrawar Peth, Pune-411 002 Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

8 Sectoral exposures

RBI Disclosure of pursuant to the Annex to RBI Master direction No. RBI/DOR/2025-26/359DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 amended from time to time is provided below.

i) Exposure to real estate sector

Particulars	As at March 31, 2026	As at March 31, 2025
› Direct exposure		
a) Residential mortgages -	-	290.60
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Exposure includes non-fund based (NFB) limits.)		
b) Commercial real estate -	39,947.59	30,708.36
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.		
c) Investments in mortgage backed securities (MBS) and other securitised exposures -	-	-
- Residential		
- Commercial Real Estate	-	
› Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
Total	39,947.59	30,998.95

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

ii) Exposure to capital market

Particulars	As at March 31, 2026	As at March 31, 2025
a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	1,000.00
d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	-
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
i) Financing to stockbrokers for margin trading	-	-
j) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	3,435.50	1,896.25
k) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
l) others (not covered above)	-	-
Total exposure to capital market	**3,435.50**	**2,896.25**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

iii) Sectoral exposures

Particulars	As at March 31, 2026			As at March 31, 2025		
	Total Exposure *	Gross NPAs (GNPA)	% of GNPAs to total exposure in that sector %	Total Exposure *	Gross NPAs (GNPA)	% of GNPAs to total exposure in that sector %
Total sectors exposure	**40,685.41**	-	-	31,998.95	-	-
1) Agriculture and Allied Activities	-	-	-	-	-	-
2) Industry						
(i) Commercial Real Estate *	39,947.59	-	-	30,998.95	-	-
Total of Industry	**39,947.59**	-	-	30,998.95	-	-
3) Services						
(i) Insurance Services	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Total of Services	-	-	-	-	-	-
4) Personal Loans						
(i) Advances to Individuals against Shares, Bonds	-	-	-	1,000.00	-	-
Total of Personal Loans	-	-	-	1,000.00	-	-
5) Others, if any (please specify)						
(i) Trading	737.81	-	-	-	-	-
Total of Others	**737.81**	-	-	-	-	-

* Inclusive of Investments in Unquoted Debentures

9 Intra group exposures

Particulars	As at March 31, 2026	As at March 31, 2025
i) Total Amount of intra-group exposures	-	-
ii) Total Amount of top 20 intra group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers	-	-

C. V. CHITALE & CO. 3, Gurukrupa Sadhe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

10 **Comparison of regulatory provision for NPA and impairment provision as per Ind AS**

As at March 31, 2026

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						
Standard	Stage-1	40,590.70	122.02	40,468.69	111.57	10.45
	Stage-2	100.00	0.50	99.50	0.25	0.25
Sub total for Performing (A)		**40,690.70**	**122.52**	**40,568.19**	**111.82**	**10.70**
Non Performing Assets (NPA)						
Substandard (B)	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful (C)		**-**	**-**	**-**	**-**	**-**
Loss (D)	Stage-3	-	-	-	-	-
Subtotal for NPA (E = B + C + D)		**-**	**-**	**-**	**-**	**-**
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Subtotal for Other items		**-**	**-**	**-**	**-**	**-**
Total	Stage-1	40,590.70	122.02	40,468.69	111.57	10.45
	Stage-2	100.00	0.50	99.50	0.25	0.25
	Stage-3	-	-	-	-	-
Total		**40,690.70**	**122.52**	**40,568.19**	**111.82**	**10.70**

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

As at March 31, 2025

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						
Standard	Stage-1	31,191.40	(79.17)	31,112.24	(79.17)	-
	Stage-2	328.97	(0.83)	328.14	(0.83)	-
Sub total for Performing (A)		**31,520.37**	**(80.00)**	31,440.37	**(80.00)**	-
Non Performing Assets (NPA)						
Substandard (B)	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful (C)		-	-	-	-	-
Loss (D)	Stage-3	-	-	-	-	-
Subtotal for NPA (E = B + C + D)		-	-	-	-	-
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Subtotal for Other items		-	-	-	-	-
Total	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Total		-	-	-	-	-

C. V. CHITALE & CO
3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.
Chartered Accountants

Acc

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited)
CIN- U65900PN2017PLC168737

11 Schedule to the Balance Sheet

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :				
1) Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	25,323.28	-	21,298.27	-
: Unsecured			-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits			-	-
(c) Term Loans	3,438.99	-	4,713.98	-
(d) Inter-corporate loans and borrowings			-	-
(e) Commercial Paper			-	-
(f) Public Deposits			-	-
(g) Other Loans - Inter Corporate Deposits	5,100.00	-	520.00	-
(h) Other Loans - Inter Corporate Deposits from related parties	1,600.00	-	15.00	-
(i) Other Loans - Loans from share holders/directors			-	-
Total 1	**35,460.27**	-	**26,547.25**	-
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			-	-

3) Break-up of loans and advances including bills receivables [other than those included in (4) below]:

Particulars	As at March 31, 2026	As at March 31, 2025
Asset Side:		
(a) Secured	40,927.52	31,444.14
(b) Unsecured	5.29	101.60
Total	**40,932.82**	**31,545.74**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN-U65900PN2017PLC168737

4) Break up of leased assets and stock on hire and other assets counting towards AFC activities:

Particulars	As at March 31, 2026	As at March 31, 2025
(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	-	-

5) Break-up of investments

Particulars	As at March 31, 2026	As at March 31, 2025
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 (please specify)	-	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shaniwar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN-U65900PN2017PLC168737

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		
(b) Preference	800.01	250.01
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others - Fixed Deposit	-	-
(v) Others - AIF Units	-	-
	3,435.50	1,896.25

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount As at March 31, 2026			Amount As at March 31, 2025		
	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	40,927.52	5.29	**40,932.82**	31,444.14	101.60	**31,545.74**
Total	**40,927.52**	**5.29**	**40,932.82**	31,444.14	**101.60**	**31,545.74**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital India Limited)

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Amount As at March 31, 2026		Amount As at March 31, 2025	
	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	4,235.50	4,235.50	2,146.25	2,146.25
(b) Companies in the same group	0.01	0.01	0.01	0.01
(c) Other related parties	-	-	-	-
2. Other than related Party	-	-	-	-
Total	**4,235.51**	**4,235.51**	**2,146.26**	**2,146.26**

8) Other Information

Particulars	As at March 31, 2026	As at March 31, 2025
(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 the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

2. Provisioning norms shall be applicable as prescribed in these Directions.

3. All notified 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.

9) Expenditure in foreign currency

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.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

10) A) Summary information on complaints received by the NBFCs from customers & from the offices of Ombudsman

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Complaints received by the NBFC from its customers		
1) Number of complaints pending at the beginning of the year	-	-
2) Number of complaints received during the year	-	-
3) Number of complaints disposed during the year	-	-
3.1) Of which, number of complaints rejected by the NBFC	-	-
4) Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from office of ombudsman		
5) Number of maintainable complaints received by the NBFC from office of ombudsman	-	-
5.1) Of 5, number of complaints resolved in favour of the NBFC by office of ombudsman	-	-
5.2) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by office of ombudsman	-	-
5.3) Of 5, number of complaints resolved after passing of awards by the office of ombudsman against the NBFC	-	-
6) Number of awards unimplemented within the stipulated time.	-	-

B) Top five grounds of complaints received by the NBFC from customers

Grounds of complaints	Number of complaints	Number of complaints received during the year	% increase in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Current year			
Ground - 1					
Ground - 2			---------- Not Applicable ----------		
Ground - 3					
Total					
		Previous year			
Ground - 1					
Ground - 2			---------- Not Applicable ----------		
Ground - 3					
Total					

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 51 Related party transactions

A Disclosure of pursuant to the Annex to RBI Master direction No. RBI/DOR/2025-26/359DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 amended from time to time is provided below.

Outstanding Balances

(Amount in Lakhs)

Related Party	Subsidiaries		Associates/Joint ventures		Key Management		Relatives of KMP		Directors		Relatives of Directors		Others		Total	
Items	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Borrowings #	40.00	15.00	-	-	-	-	-	-	-	-	-	-	-	-	40.00	15.00
Deposits Given #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments #	800.00	250.00	-	-	-	-	-	-	-	-	-	-	3,435.51	1,896.26	4,235.51	2,146.26
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	2.26	4.93	-	-	-	-	0.83	0.95	3.04	3.09	12.71	8.99	14.87	-	33.71	17.96
Interest received	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	-
Others *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** Investment includes Investment in AIF and interest paid includes payment to related group company which do not qualify as subsidiary /associates*

Maximum during the year

(Amount in Lakhs)

Related Party	Subsidiaries		Associates/Joint ventures		Key Management		Relatives of KMP		Directors		Relatives of Directors		Others		Total	
Items	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Borrowings #	40.00	15.00	-	-	-	-	-	-	-	-	-	-	-	-	40.00	15.00
Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments #	800.00	250.00	-	-	-	-	-	-	-	-	-	-	3,435.51	1,896.26	4,235.51	2,146.26

The outstanding at the year end and the maximum during the year are to be disclosed

*Specify item if total for the item is more than 5 percent of total related party transactions

Other related party transaction is items which is less than 5% of total related party transactions

C. V. CHITALE & CO. 3, Gurukrupa Sadha Colony, 1317, Shivajinagar Path, Pune-411016. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 52 Other statutory information:

1 The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

2 The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3 The Company has not been declared willful defaulter by any bank or financial institution or other lender or government or any government authority

4 The Company did not have transactions with struck off companies u/s 248 of the Companies Act, 2013 or u/s 560 of Companies Act, 1956 during year the March 31, 2026.

5 The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries), with the understanding 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.

7 The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

8 The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9 The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) & Intangible assets during the year

10 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.

11 Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement

12 Compliance with approved Scheme(s) of Arrangements: Not applicable

13 Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

14 The Company confirms that, the title deeds of immovable properties are held in the name of the Company.

15 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Note : 53 Accounting software used for maintenance of books of accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled or tampered with during the year.

Note : 54 Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.: 126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

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 : 15/05/2026

Roshan Sancheti
Director
DIN : 07707109
Place: Pune
Date : 15/05/2026

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 15/05/2026

Alok Karkera
Chief Financial Officer

Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

C. V. Chitale & Co.,
Chartered Accountants
3, Gurukrupa 1317, Shukrawar Peth, Bajirao Road, Pune - 411 002.
Email ID: anish@cvchitale.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Prachay Capital Limited

Report on The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Prachay Capital Limited (the "Holding Company" or the "Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), and its associates, for the year ended March 31, 2026, which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of statutory auditors on separate financial statements of such subsidiaries as were audited by the statutory auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Rules"), the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2026, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis For Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of other audit reports including matters referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

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

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Key Audit Matter Description	How the Matter was Addressed in our Audit
Indian Accounting Standard 109 - Financial Instruments ('Ind AS 109') requires the Group to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events. The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of buckets based on common risk characteristics; • Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3); • Factoring in future macro-economic and industry specific estimates and forecasts; • Past experience and forecast data on customer behaviour on repayments; • Varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. Considering the significance of the above matter to the financial statements and complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets this matter required significant attention to test the calculation of expected credit losses, we identified this as a key audit matter for the current year audit.	Our audit procedures in respect of this area included, but not limited to: a. We read and assessed the Company's policies for Impairment on financial assets and their compliance with Ind AS 109. b. We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa. c. We evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and tested the controls around the data extraction and validation. d. Tested the ECL model, including assumptions and underlying computation. e. Tested the arithmetical accuracy of computation of ECL (expected credit loss) provision performed by the Company; f. Tested the completeness of loans included in the ECL calculations as of March 31, 2026 by reconciling such data with the balances as per loan book register; g. Assessed the appropriateness of the disclosures made by the management as per the requirements of Ind AS 109 — 'Financial Instruments' in the Consolidated Financial Statements and h. Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

C. V. CHITALE & CO.
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

ACC

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, including annexures thereto, and the Management Discussion and Analysis (collectively referred to as the "Other Information"), but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720, 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities Of Management And Those Charged With Governance

The Holding Company's Management and Board of Directors are responsible for the preparation of the Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated results of operations, consolidated changes in 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"), the RBI Guidelines and the relevant provisions of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Management and 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of the Directors of the Companies included in the group 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 Management and Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of each Company.



ACC

Auditor's Responsibility For The Audit Of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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 misstatement in the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

d. Conclude on the appropriateness of the management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If, based on the audit evidence obtained, we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

f. Obtain sufficient appropriate audit evidence regarding the financial statement/financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



ACC

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

Other Matter

The audit of Consolidated Financial Statements for the year ended March 31, 2025 was carried out by Shah Khandelwal & Jain, Chartered Accountants (ICAI Firm Registration No.: 142740W) who have expressed unmodified opinion vide their Audit report dated May 21, 2025.

Our opinion is not modified in respect of this matter.

Report On Other Legal And Regulatory Requirements

1. **As required by Section 143(3) of the Act, based on the audit and on the consideration of the reports of the other entities included in the group we report that:**

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 2(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income) the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors of Holding company as on March 31, 2026 and taken on record by the Board of Directors of the Holding company, and the reports of the statutory auditors of its subsidiaries, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of those companies.

   g. In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of subsidiaries:

   a. The group has a pending litigation as at March 31, 2026. However, it does not have impact on its financial position.

   b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   d. (i). The respective managements of the Holding Company, its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and as disclosed in Note no. 52 (6) & 52(7) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii). The respective managements of the Holding Company, its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and as disclosed in Note no. 52 (6) & 52(7), no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii). Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act and according to the information and explanations provided to us by the Management in this regard, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representation under sub-clause (i) and (ii) of Rule 11(e) of the Act as provided above contain any material misstatement.

   e. The Board of Directors of the Holding company and the Board of Directors of subsidiaries have not declared or paid any dividend during the year.

   f. Based on our examination which included test checks, the Holding Company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail have been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention].

<This space has been left blank intentionally>

C. V. CHITALE & CO.
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

Acc

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO reports issued by us and by the respective other auditors of the subsidiary companies included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For C. V. Chitale & Co.,
Chartered Accountants
Firm Registration No: 126338W
Peer Review No: 018049

C. V. CHITALE & CO.
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
UDIN: 26187399MXUBMC7624

Place: Pune
Date: May 15, 2026

C. V. Chitale & Co.,
Chartered Accountants
3, Gurukrupa 1317, Shukrawar Peth, Bajirao Road, Pune - 411 002.
Email ID: anish@cvchitale.com

Annexure A to Independent Auditor's Report of even date on the Consolidated financial statement for the year ended March 31, 2026 of Prachay Capital Limited ("the Holding Company")

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of Consolidated Financial Statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of Prachay Capital Limited ("the Holding Company") as of March 31, 2026.

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;

c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C. V. Chitale & Co.,
Chartered Accountants
Firm Registration No: 126338W
Peer Review No: 018049

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
UDIN: 26187399MXUBMC7624

C. V. CHITALE & CO.
3,
Gurukrupa Sathe Colony,
1317, Shukrawar Peth,
Pune-411002.
Chartered Accountants

Place: Pune
Date: May 15, 2026

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Balance sheet as at 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
1. ASSETS			
I. Financial assets			
Cash and cash equivalents	4	1,134.86	298.59
Bank balance other than cash and cash equivalents	5	1,672.87	1,779.45
Receivables	6		
(i) Other receivables		11.88	21.60
Loans	7	45,236.74	33,561.03
Investments	8	0.01	0.01
Other financial assets	9	116.89	61.20
		48,173.25	**35,721.88**
II. Non-financial assets			
Current tax assets (net)	10	294.94	75.66
Deferred tax assets (net)	11	116.54	85.14
Investment property	12	165.18	-
Property, plant and equipment	13	1,336.72	1,066.12
Intangible assets under development	14	111.94	103.05
Other intangible assets	15	72.95	0.16
Other non-financial assets	16	118.91	89.63
Goodwill on consolidation		70.70	70.70
		2,287.88	**1,490.46**
Total Assets		**50,461.13**	**37,212.34**
2. LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial liabilities			
Payables	17		
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.77	2.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		35.36	33.81
Debt securities	18	25,656.71	21,375.13
Borrowings (other than debt securities)	19	10,073.84	5,188.53
Lease liabilities	20	885.81	467.71
Other financial liabilities	21	1,230.42	1,240.19
		37,882.91	**28,307.46**
II. Non-financial liabilities			
Provisions	22	27.10	12.86
Other non-financial liabilities	23	27.46	226.05
		54.56	**238.91**
EQUITY			
Equity share capital	24	2,290.00	2,165.00
Other equity	25	9,468.27	6,397.34
Non-controlling interest		765.39	103.63
		12,523.66	**8,665.97**
Total Liabilities and Equity		**50,461.13**	**37,212.34**

Summary of material accounting policies	1-3
Notes to financial statements	4-52

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For **C.V Chitale and Co.**
Chartered Accountants
Firm Registration No.:126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Girish Lakhotiya	**Roshan Sancheti**	**Sonal Gupta**	**Alok Karkera**
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN 02699138	DIN 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of Profit and Loss Account for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	26	6,731.53	5,545.67
Fees and commission income	27	97.88	32.85
Total revenue from operations		**6,829.41**	**5,578.52**
Other income	28	393.18	284.12
Total income		7,222.59	5,862.64
Expenses			
Finance costs	29	3,944.80	2,929.25
Impairment on financial instruments	30	42.52	10.87
Employee benefits expenses	31	986.08	483.05
Depreciation, amortisation and impairment	32	434.16	193.45
Others expenses	33	829.62	553.22
Total expenses		**6,237.18**	**4,169.84**
Profit before tax		**985.41**	**1,692.80**
Tax expense:			
Current tax		289.81	448.82
Deferred tax		(30.48)	(6.69)
Prior year income tax		0.60	(2.01)
Total tax expense		**259.93**	**440.12**
Profit / (Loss) for the year from continuing operations		**725.48**	**1,252.68**
Profit / (Loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax)		-	-
Profit for the year		**725.48**	**1,252.68**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on equity instrument		-	-
Remeasurement of the net defined benefit obligation gain / (loss)		(3.66)	0.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.92	(0.00)
Subtotal (A)		**(2.74)**	**0.01**
(B) (i) Items that will be reclassified to profit or loss			
Subtotal (B)		-	-
Other comprehensive income (A + B)		**(2.74)**	**0.01**
Total comprehensive income for the year		**722.74**	**1,252.69**
Profit after tax for the period attributable to			
Owners of the Company		669.76	1,244.11
Non-controlling interest		55.72	8.57
Other comprehensive income for the period attributable to			
Owners of the Company		(2.74)	0.01
Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		667.02	1,244.12
Non-controlling interest		55.72	8.57
Earnings per equity share	34		
Basic (Rs.)		2.98	5.75
Diluted (Rs.)		2.96	5.75

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For C.V Chitale and Co.

Chartered Accountants

Firm Registration No.:126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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**	**Alok Karkera**
Managing Director	Director	Company Secretary	Chief Financial Officer
DIN 02699138	DIN 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

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)

Consolidated Statement of changes in Equity as at 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equityshares outstanding				
As at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance as at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Add: Shares Issued during the year	12,50,000.00	125.00	-	-
Issued, subscribed and fully paid up equity	**2,29,00,000**	**2,290.00**	2,16,50,000	2,165.00

B Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income Tota		Total other equity attributable to the owners of the parent	Non-controlling Interest
	Retained Earnings	Statutory Reserve pursuant to Section 45-IC of the RBI Act,	Securities Premium	Capital Reserve	Employee Share Option Outstanding	OCI - Fair Valuation of Investment	Remeasurement of defined benefit plans		
Balance as at April 01, 2024	**2,967.45**	**769.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,116.93**	**-**
Profit for the year	1,244.11	-	-	-	-	-	-	**1,244.11**	8.57
Other comprehensive income / (losses) for the year	0.01	-	-	-	-	-	0.01	**0.02**	-
Addition during the year	-	-	-	-	-	-	-	**-**	103.63
Distributions	-	-	-	-	-	-	-	**-**	(8.57)
Share based payment to employees	-	-	-	-	36.29	-	-	**36.29**	-
Transfer from / (to) retained earnings	(248.82)	248.82	-	-	-	-	(0.01)	**(0.01)**	-
Balance as at March 31, 2025	**3,962.75**	**1,017.92**	**1,345.00**	**7.10**	**64.57**	**-**	**-**	**6,397.34**	**103.63**
Profit for the period / year	669.76	-	-	-	-	-	-	**669.76**	55.72
Other comprehensive income / (losses) for the year	(2.74)	-	-	-	-	-	(2.74)	**(5.48)**	-
Addition during the year	-	-	2,375.00	-	-	-	-	**2,375.00**	661.76
Distributions	-	-	-	-	-	-	-	**-**	(55.72)
On account of ESOP cost for the period	-	-	-	-	28.91	-	-	**28.91**	-
Transfer from / (to) retained earnings	(133.95)	133.95	-	-	-	-	2.74	**2.74**	-
Balance as at March 31, 2026	**4,495.81**	**1,151.87**	**3,720.00**	**7.10**	**93.48**	**-**	**-**	**9,488.27**	**765.39**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.:126338W

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

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 : 15/05/2026

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : 15/05/2026

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 15/05/2026

Alok Karkera
Chief Financial Officer
Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of Cash Flow for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	**Cash flow from operating activities**		
	Profit before tax	985.41	1,692.80
	Adjustments for		
	Interest income (fixed deposits)	(163.64)	(81.63)
	Interest on lease liability	123.81	54.91
	Depreciation & amortisation	434.16	193.45
	Impairment on financial instruments	42.52	10.87
	Share based payments to employees	28.91	36.29
	Gain on early termination of Lease	-	(2.04)
	Interest on loans and non convertible Debentures	(6,731.53)	(5,545.67)
	Finance cost	3,944.80	2,929.25
	Cash inflow from interest on loans and others	6,479.97	5,811.47
	Cash outflow towards interest on borrowings, debt securities and others	(4,061.20)	(3,117.86)
	Operating Profit / (Loss) before changes in working capital	**1,083.21**	**1,981.83**
	Add / (Less): Adjustments for working capital changes		
	(Increase) / Decrease in		
	Loans	(11,473.54)	(5,342.79)
	Receivables	9.72	(21.60)
	Other financial assets	(70.01)	(60.40)
	Other non-financial assets	(29.29)	(84.21)
	Trade payables	0.23	34.14
	Other financial liability	(8.35)	781.48
	Provision	10.58	7.35
	Other non-financial liability	(200.02)	(423.47)
	Cash used in operations	**(10,677.45)**	**(3,127.66)**
	Income taxes paid (net of refunds received)	(509.69)	(360.09)
	Net cash generated from /(used in) operating activities -A	**(11,187.14)**	**(3,487.75)**
B	**Cash flow from investing activities**		
	(Increase) / Decrease in fixed deposits not considered as cash and cash equivalent	109.75	(1,262.14)
	Purchase of Property plant and equipment and Intangible assets	(404.98)	(584.48)
	Interest received on Fixed Deposit	160.47	23.52
	Net cash generated from / (used in) investing activities - B	**(134.76)**	**(1,823.10)**
C	**Cash flow from financing activities**		
	Proceeds from issuing shares (Including security premium net off issue expense)	2,500.00	-
	Proceeds from debt securities	4,420.28	9,054.50
	Changes in non-controlling interest	606.04	95.04
	Proceeds / (Repayments) from / (to) borrowings (net)	4,863.01	(5,190.45)
	Payment for the principal portion of lease liabilities	(107.34)	(26.82)
	Payment for the Interest portion of lease liabilities	(123.81)	(54.91)
	Net cash generated from / (used in) financing activities - C	**12,158.17**	**3,877.37**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**836.27**	**(1,433.48)**
	Cash and cash equivalent as at the beginning of the year	**298.59**	**1,732.08**
	Cash and cash equivalent as at the end of the year	**1,134.86**	**298.59**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of Cash Flow for the year ended 31st March 2026

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Notes:

1	**Components of cash and cash equivalents**	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
a)	Cash on hand	2.24	2.10
b)	Balances with banks (of the nature of cash and cash equivalents)		
	i) In current accounts	495.78	296.48
	ii) Fixed deposits with original maturity of 3 months or less	636.84	-
c)	Cheques on hand	-	-
	Total cash and cash equivalents	**1,134.86**	**298.59**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 Figures in brackets represent outflows.

4 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'

5 **Changes in liabilities arising from financing activities**

Particulars	**Opening balance as at**	**Cash flows (net)**	**Other changes***	**Closing balance as at 31 March 2026**
Borrowings	26,563.67	9,283.29	(116.40)	35,730.56

Particulars	**Opening balance as at**	**Cash flows (net)**	**Other changes***	**Closing balance as at 31 March 2025**
Borrowings	20,403.63	3,864.05	2,295.99	26,563.67

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.:126338W

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)

Anish Chandrashekhar Chitale
Partner
Membership No: 187399
Place: Pune
Date : 15/05/2026

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : 15/05/2026

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : 15/05/2026

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : 15/05/2026

Alok Karkera
Chief Financial Officer
Place: Pune
Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

(Amounts in INR lakhs, unless otherwise stated)

1. Corporate Information

Prachay Capital Limited ('the Parent 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 Base Layer Non-Banking Financial Company ('NBFC-BL-ND'). 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.

Statement of compliance and basis of preparation and presentation

the financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26 dated November 28, 2025, as amended from time to time and other applicable RBI circulars/ notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows). The financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefits plan that are measured at fair value as required or allowed by relevant accounting standard. The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors.

The Company presents its Balance Sheet in the order of liquidity. The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements ofs Ind AS 7 'Statement of Cash Flows

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS

(a) Principles of Consolidation

The consolidated financial statements relate to the Company, and its three 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 31st March 2026	% of Ultimate Holding 31st March 2025
Prachay Investment Managers Private Limited	Subsidiary	India	100%	100%
Prachay AIF Scheme I - Category II	Subsidiary	India	79.90%	95%
Prachay Securities Private Limited	Subsidiary	India	100%	100%

C. V. CHITALE & CO. Chartered Accountants Gurukrupa Sadan, 1317, Shukrawar Peth, Pune-411002. ACC

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN-U65900PN2017PLC168737

(b) 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.

(c) 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)

(d) 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.



ACC



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 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 42.

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 36.

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 48.

(e) 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).

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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

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

C. V. CHHALE & CO. Chartered Accountants Gurukrupa Sathe Colony, 17, Sahakar Nagar, Pune-411009. ACC

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

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 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.

C. VACHHANI & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.

Acc

Pre-Paid Capital CIN U65900PN 2017PLC 169737 (Formerly Known As Pre-Paid 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 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 & Laptop	3 years
Building-Investment property	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Vehicles	8 years

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

V. CHITALE & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.

ACC

(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 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 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 refer note 42.

C. V. CHHAJED & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.

ACC

Prachay Capital Limited CIN U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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.

C. V. CHITALE & CO. Chartered Accountants, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. ACC

U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

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 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. Refer note 41

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.

C. V. CHITALE & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.

ACC

Prachay Capital Ltd. (formerly known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

(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. Refer note no 48

(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

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments.

(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. For the year ended 31 March 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash-on-hand	2.24	2.10
Balances with banks		
Current account	495.78	296.48
Fixed deposit accounts with original maturity less than 3 months	636.84	-
	1,134.86	**298.59**

Note : 5 Bank Balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
In fixed deposit accounts		
Fixed deposit accounts with original maturity of more than 3 months	1,672.87	1,779.45
	1,672.87	**1,779.45**

Notes :

- Out of the above, Rs. 450 lacs (As at March 31, 2025 - Rs. 640 lacs) balance in deposit accounts with banks are being earmarked towards Loans facilities taken from banks
- Out of the above, Rs. 298.53 lacs (As at March 31, 2025 - Rs. 1,046.03 lacs) balance in deposit accounts with banks are created out of cash collateral received from customers
- Out of the above, Rs. 17.25 lakhs amounts are under lien with stock exchanges and banks.
- Deposits are made for varying period from 3 month to 3 years and earn interest from 5% to 7.75% p.a

Note : 6 Receivables

Particulars	As at March 31, 2026	As at March 31, 2026
Other receivables		
Unsecured considered good	11.88	21.60
	11.88	**21.60**

Receivables - Ageing Schedule

Particulars	As at March 31, 2026	As at March 31, 2025
i) Undisputed trade receivables - considered good		
Less than 6 months	11.88	21.60
6 months- 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years		
	11.88	**21.60**

Note : 7 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
A. Category of Loans wise Details		
Amortised Cost		
Term loans	31,878.34	26,697.76
Intercorporate deposit	-	100.15
Employee loan	7.04	1.45
Through OCI		
Unquoted non convertible debentures	13,109.24	6,736.29
Total (i) - Gross	**44,994.62**	**33,535.66**
Amortised Cost - impairment		
Allowance for impairment loss	(104.03)	(68.16)
FVOCI - impairment		
Allowance for impairment loss	(18.49)	(11.84)
Total (ii) Impairment loss allowance	**(122.52)**	**(80.00)**
(iii) Interest and charges accrued but not due	364.63	105.37
Total (A) = (i - ii + iii) Net	**45,236.74**	**33,561.03**
B. Nature of security wise details		
Amortised cost		
Secured	31,878.34	26,697.76
Unsecured	7.04	101.60
Through OCI		
Secured	13,109.24	6,736.29
Unsecured	-	-
Total (B) - Gross	**44,994.62**	**33,535.66**
Less: Impairment loss allowance	(122.52)	(80.00)
Add: Interest and charges accrued but not due	364.63	105.37
Total (B) - Net	**45,236.74**	**33,455.66**
C. Location wise details		
i) Loans in India		
a. Public sector	-	-
b. Others	44,994.62	33,535.66
ii) Loans outside India		
Total (C) - Gross	**44,994.62**	**33,535.66**
Less: Impairment loss allowance	(122.52)	(80.00)
Add: Interest and charges accrued but not due	364.63	105.37
Total (C) - Net	**45,236.74**	**33,561.03**

Notes :

- The company's business model is to hold contractual cash flows, being the payment of principal and interest till maturity and accordingly the loans are measured at amortised cost.
- The company does not have any loans outside India
- The company's business model is to hold contractual cash flows, being the payment of principal and interest and also sell accordingly the NCDs are measured at FVTOCI.
- There is no change in fair value of NCDs as on reporting date.

-Investment in the instruments in the nature of Non-Convertible Debentures ("NCDs") by AIF is classified under "Loans" in the consolidated financial statements considering the underlying substance and business intent of the Group, wherein investment through NCDs represents financing/loan transactions carried out in the ordinary course of lending activities. Accordingly, such exposure has been disclosed as loans in the consolidated financial statements.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 8 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
A. Category of investments wise Details		
Through FVOCI		
Equity instruments - unquoted *	0.01	0.01
	0.01	**0.01**
B. Location wise details		
i. Investments outside India		
ii. Investments in India	0.01	0.01
	0.01	0.01

Notes :

* The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTOCI, since the Company believes that impact of change on account of fair value is insignificant.

C. Scrip wise details of investments

Particulars	Face Value	As at March 31, 2026		As at March 31, 2025	
		Quantity (Nos)	Amount (Rs. in lakhs)	Quantity (Nos)	Amount (Rs. in lakhs)
Investments in Others - Equity shares (Unquoted)					
i. Prachay Foundation	10.00	100	0.01	100	0.01
			0.01		**0.01**

Note : 9 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Lease deposits	99.18	46.02
Other deposits	14.65	14.65
Others	3.06	0.53
	116.89	**61.20**

Note : 10 Current tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
TDS receivables	575.25	881.84
Advance tax paid	9.50	106.13
Less: Provision for tax	(289.81)	(892.31)
	294.94	**75.66**

Note : 11 Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2026
Deferred tax assets	116.54	85.14
	116.54	**85.14**

* For yearly movement in balances of deferred tax assets/(liabilities) refer Note no. - 36

Note : 12 Investment property

Particulars	Building	Total
Gross Carrying Amount		
Balance as at April 1, 2025	-	-
Additions / Transferred from PPE	166.55	166.55
Disposals	-	-
Balance as at March 31, 2026	**166.55**	**166.55**
Accumulated depreciation		
Balance as at April 1, 2025	-	-
Depreciation charged during the year	1.37	1.37
Disposals	-	-
Balance as at March 31, 2026	**1.37**	**1.37**
Net carrying amount as at March 31, 2025	-	-
Net carrying amount as at March 31, 2026	**165.18**	**165.18**

Note : The title deeds of all the immovable properties are held in the name of company

Amount recognised in Statement of Profit and Loss for Investment Property:

Particulars	As at March 31, 2026
Rental income from investment property	1.90
Direct operating expenses arising from investment property	-
	1.90

During the year ended March 31, 2026, the Company has transferred office building from Property, Plant and Equipment to Investment Property, as the use of the said asset has changed from owner-occupied to earning rental income / for capital appreciation. This transfer has been accounted for in accordance with the requirements of Ind AS 40.

C. V. CHITALE & CO. 3, Gurukrupa Satish Colony, 1317, Shukrawar Peth, Pune-411002 Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 13 Property, plant and equipment

Particulars	Building	Furniture & fixtures	Office Equipments	Computers & Laptops	Leasehold improvements	Vehicles	ROU Assets	Total
Gross Carrying Amount								
Balance as at April 01, 2024	**198.25**	**7.33**	**28.71**	**22.67**	**-**	**13.37**	**59.26**	**329.58**
Additions	-	185.43	125.45	21.98	193.08	-	510.72	1,036.66
Disposals / Transferred	-	-	-	-	-	-	29.38	29.38
Balance as at March 31, 2025	**198.25**	**192.76**	**154.16**	**44.65**	**193.08**	**13.37**	**540.60**	**1,336.86**
Additions	-	188.31	21.75	30.97	73.41	-	546.64	861.07
Disposals / Transferred	198.25	-	-	-	-	-	-	198.25
Balance as at March 31, 2026	-	381.07	175.90	75.61	266.49	13.37	1,087.24	1,999.69
Accumulated depreciation								-
Balance as at April 01, 2024	15.72	4.66	9.69	16.12	-	5.83	25.38	77.39
Depreciation charged during the year	8.89	17.26	23.47	10.00	34.18	2.33	97.22	193.35
Disposals / Transferred		-	-	-	-	-	-	-
Balance as at March 31, 2025	**24.61**	**21.92**	**33.16**	**26.12**	**34.18**	**8.16**	**122.59**	**270.74**
Depreciation charged during the year	7.09	65.05	41.20	21.67	87.66	1.61	199.67	423.94
Disposals / Transferred	31.70	-	-	-	-	-	-	31.70
Balance as at March 31, 2026	**-**	**86.97**	**74.35**	**47.79**	**121.84**	**9.77**	**322.26**	**662.98**
Balance as at April 01, 2024	**182.53**	**2.67**	**19.02**	**6.55**	**-**	**7.54**	**33.88**	**252.19**
Net carrying amount as at March 31, 2025	**173.64**	**170.84**	**121.00**	**18.52**	**158.90**	**5.21**	**418.01**	**1,066.12**
Net carrying amount as at March 31, 2026	**-**	**294.10**	**101.55**	**27.82**	**144.65**	**3.60**	**764.98**	**1,336.72**

Note : 14 Intangible assets under development

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development	111.94	103.05
	111.94	**103.05**

Note:

Note: a) For intangible assets under development, the following ageing schedule shall be given: 31st March-2026

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.10	30.25	43.60	-	**111.94**
Projects temporarily suspended	-	-	-	-	-

Note: a) For intangible assets under development, the following ageing schedule shall be given: 31st March-2025

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	59.45	43.60	-	-	**103.05**
Projects temporarily suspended	-	-	-	-	-

Note : 15 Other intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at April 01, 2024	**0.36**	**0.36**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2025	**0.36**	**0.36**
Additions	81.64	81.64
Disposals	-	-
Balance as at March 31, 2026	**82.00**	**82.00**
Accumulated Amortisation		
Balance as at April 01, 2024	**0.10**	**0.10**
Depreciation charged during the year	0.10	0.10
Disposals	-	-
Balance as at March 31, 2025	**0.20**	**0.20**
Depreciation charged during the year	8.85	8.85
Balance as at March 31, 2026	**9.05**	**9.05**
Net carrying amount as at April 01, 2024	**0.26**	**0.26**
Net carrying amount as at March 31, 2025	**0.16**	**0.16**
Net carrying amount as at March 31, 2026	**72.95**	**72.95**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note: 16 Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	45.29	19.63
Balance with revenue authorities	5.89	8.15
Advances to creditors	16.90	1.98
Capital advances	-	5.78
Others	49.83	54.19
	118.91	**89.63**

Note: 17 Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other payables		
Total outstanding dues of micro enterprises and small enterprises	0.77	2.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	35.36	33.81
	36.13	**35.90**

Trade payables / Other payables ageing:

As at March 31, 2026 — **Outstanding for following periods from the date of transaction**

Particulars	Amount not due	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	0.77	-	-	-	-	-
ii) Others	35.36	-	-	-	-	-
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	36.13	-	-	-	-	-

Trade payables / Other payables ageing:

As at March 31, 2025 — **Outstanding for following periods from the date of transaction**

Particulars	Amount not due	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	2.09	-	-	-	-	-
ii) Others	33.81	-	-	-	-	-
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	35.90	-	-	-	-	-

Trade payables / Other payables ageing:

Based on and to the extent of information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at the year-end are furnished below:

Particulars	As at March 31, 2026	As at March 31, 2025
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	-	-
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	-	-

Notes: - The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 18 Debt securities

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost		
Non convertible debentures		
I. Secured		
a) Non convertible debentures (listed, fully paid and publicly placed)	21,383.90	5,111.22
b) Non convertible debentures (Unlisted, fully paid and privately placed)	1,466.50	16,243.50
c) Non convertible debentures (listed, fully paid and privately placed)	2,767.08	-
Gross	25,617.48	21,354.72
Add: Interest accrued but not due	39.24	20.41
Net	25,656.71	21,375.13

Note:

The Company has issued Non-Convertible Secured Debentures carrying interest rates ranging from 12.50% to 15% per annum, redeemable at par at the end of 5 (Five) years from the respective dates of allotment ("Maturity Date"). The Company shall have the option to redeem all or any portion of the Debentures at any time after the expiry of 1 (One) year from the actual date of allotment, subject to providing prior notice as specified in the respective terms and conditions of issuance ("Call Option"), and the Debenture holders/investors shall have the option to cause the Company to redeem all or any portion of the Debentures on the dates falling every 6 (Six) months, or on the expiry of 3 (Three) years/12 (Twelve) months from the actual date of allotment, subject to providing prior notice of 5 (Five) days/1 (One) month/30 (Thirty) days as specified in the respective terms and conditions of issuance ("Put Option"). Upon expiry of 5 (Five) years from the date of allotment, all outstanding Debentures shall, irrespective of any Call or Put Option, compulsorily stand redeemed at par on the Maturity Date. The aforesaid Debentures are secured by way of first pari passu charge in favour of the Debenture Trustee, by way of hypothecation over the Receivables (both present and future) and all rights, title, interest and claims of the Company therein.

Particulars	As at March 31, 2026	As at March 31, 2025
i) Debt securities in India	25,656.71	21,375.13
ii) Debt securities outside India	-	-
Total	**25,656.71**	**21,375.13**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2025

Rate of Interest	Maturity years					Grand Total
	2026-27	2027-28	2028-29	2029-30	2030-31	
12.50%	-	-	3,945.83	-	-	**3,945.83**
12.75%	-	-	-	146.24	-	**146.24**
13.00%	-	540.00	1,189.50	5,435.00	12,293.97	**19,458.47**
13.50%	-	105.00	-	-	-	**105.00**
14.00%	-	-	975.00	1,300.00	-	**2,275.00**
Subtotal (A)	**-**	**645.00**	**6,110.33**	**6,881.24**	**12,293.97**	**25,930.54**
Less: Unamortised transaction cost (B)						(313.05)
Add: Interest accrued but not due on NCD borrowings (C)						39.24
Total (A-B+C)						**25,656.71**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2025

Rate of Interest	Maturity years					Grand Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
13.00%	-	185.50	540.00	1,189.50	5,435.00	**7,350.00**
13.50%	-	-	105.00	-	-	**105.00**
14.00%	422.50	1,257.50	-	975.00	1,300.00	**3,955.00**
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	3,400.00	**8,745.00**
Subtotal (A)	**587.50**	**1,894.00**	**1,150.00**	**7,718.00**	**10,200.00**	**21,549.50**
Less: Unamortised transaction cost (B)						(194.78)
Add: Accrued Interest on NCD borrowings (C)						20.41
Total (A-B+C)						**21,375.13**

C. V. CHITALE & CO
3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.
Chartered Accountants

ACC

Prachay Capital Ltd.
CIN- U65900PN 2017PLC 168737
(Formerly Known As Prachay Capital Private Limited)

Note : 19 Borrowings (other than debt securities)

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost		
(a) Secured		
(i) Term loans from banks	2,731.14	3,361.41
(ii) Dropline overdraft balance	705.85	1,352.57
(b) Unsecured		
(i) Inter corporate deposit - Related party	1,560.00	-
(ii) Inter corporate deposit - Others	5,100.00	520.00
Subtotal (A)	**10,096.99**	**5,233.98**
Less: Unamortised transaction cost (B)	(27.91)	(50.65)
Add: Interest accrued but not due on bank borrowings (C)	4.76	5.20
Total (A-B+C)	**10,073.84**	**5,188.53**

Particulars	As at March 31, 2026	As at March 31, 2025
i) Borrowings (other than debt securities) in India	10,073.84	5,188.53
ii) Borrowings (other than debt securities) outside India	-	-
Total	**10,073.84**	**5,188.53**

Notes:

a) Term loans from banks

- The Term loan 1 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
- The Term loan 2 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
- The Term loan 3 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
- The Term loan 4 of Rs 1500 Lakhs is repayable in 72 monthly instalments of Rs. 20.83 lakhs each, commencing from November 2025.
- Above loans carry rate of interest ranging from 10.15 % to 13 %

Term Loan 1, Term Loan 2, Term Loan 3 (from SBI Bank) & and Term Loan 4 (from IOB Bank) facilities are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Collateral Security for term loan from SBI : In the form of registered mortgage of property (Office of the company), Land (Third Party)
- Collateral Security for term loan from IOB : Cash collateral in the form of Fixed Deposit (only in case of loan from IOB)
- Personal guarantee of : Directors
- Third party corporate guarantee (only incase of term loan from SBI)
- During the current financial year, the third-party corporate guarantee and third-party collateral land have been released.

b) Inter corporate deposits

- The Inter corporate deposits are for a tenure ranging from 2 months to 3 year

c) Dropline overdraft from bank

- Dropline Overdraft Limit 1 of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.*
- Dropline Overdraft Limit 2 of Rs 2000 Lakhs is repayable in 30 principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

*The said facility has been fully repaid during the current year.

Dropline overdraft limit from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Personal Guarantee of : Directors
- Lien on fixed deposits (which has been released during the year)

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 20 Lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities	885.81	467.71
	885.81	**467.71**

Note : 21 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Cash collateral collected from borrower	984.96	1,046.03
Security deposit	4.28	-
Employee benefit expenses payable	34.27	12.65
Others	207.00	181.51
	1,230.42	**1,240.19**

Note : 22 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity	27.10	12.86
	27.10	**12.86**

Note : 23 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue received in advance	17.65	220.50
Statutory dues payable	4.56	4.38
Others	5.25	1.17
	27.46	**226.05**

Note : 24 Equity share capital

Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs. 10/- each	2,80,00,000	2,800.00	2,80,00,000	2,800.00
Preference shares of Rs. 10/- each	20,00,000	200.00	20,00,000	200.00
Issued, subscribed and fully paid up				
Equity shares of Rs. 10/- each fully paid	2,29,00,000	2,290.00	2,16,50,000	2,165.00
	2,29,00,000	**2,290.00**	**2,16,50,000**	**2,165.00**

b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,16,50,000	2,165.00	2,16,50,000	2,165.00
Add: Shares issued during the year	12,50,000	125.00	-	-
Less: Shares bought back during the year	-	-	-	-
	2,29,00,000	**2,290**	**2,16,50,000**	**2,165.00**

Note: *During the year, the Company has issued and allotted 12,50,000 equity shares on a rights basis to its existing shareholders in accordance with applicable provisions of the Companies Act, 2013. The shares were issued at a price including securities premium and were fully subscribed by the eligible shareholders.*

Consequently, the issued, subscribed and paid-up share capital of the Company has increased. The funds raised have been utilised for the purpose for which they have been raised.

c. Terms/rights 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

d. Particulars of shareholders holding more than 5% of the share capital

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Girish Lakhotiya	1,71,59,870	74.93%	1,71,59,870	79.26%
Rahul Rathi	-	-	8,50,000	3.93%
Prachay Capital Holdings Private Limited (Formerly Known As Prachay Advisors Private Limited)	52,45,025	22.90%	23,48,442	10.85%

e. Particulars of shares held by promoters

Promoter name	As at 31 Mar 2026		As at 31 Mar 2025	
	No. of Shares	% change	No. of Shares	% change
Girish Lakhotiya	1,71,59,870	-4.33%	1,71,59,870	0.00%

f. 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.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 25 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings	4,495.81	3,962.74
Statutory reserves u/s 45-IC of the RBI Act, 1934	1,151.87	1,017.92
Securities premium	3,720.00	1,345.00
Share Options Outstanding Account	93.48	64.57
Capital redemption reserve	7.10	7.10
	9,468.26	**6,397.33**

Note : 25A Other equity movements

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Opening Balance	3,962.74	2,967.45
Add: Profit / (Loss) for the year	669.76	1,244.11
Add: Other Comprehensive Income	(2.74)	0.01
Less: Transfer to statutory reserve u/s 45-IC of The RBI Act, 1934	(133.95)	(248.82)
Less: Transfer to capital redemption reserve	-	-
Closing Balance	**4,495.81**	**3,962.74**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Opening Balance	1,017.92	769.10
Add : Transferred from retained earnings	133.95	248.82
Closing Balance	**1,151.87**	**1,017.92**
Securities premium		
Opening Balance	1,345.00	1,345.00
Add : Premium collected on share allotment	2,375.00	-
Closing Balance	**3,720.00**	**1,345.00**
Other reserves & surplus - Employee stock option outstanding		
Opening Balance	64.57	28.28
Less : Transferred to Retained Earnings	-	-
Add/(Less) : Movement during the year	28.91	36.29
Closing Balance	**93.48**	**64.57**
Capital redemption reserve		
Opening Balance	7.10	7.10
Addition during the year	-	-
Closing Balance	**7.10**	**7.10**
Other comprehensive income		
Opening Balance	-	-
Add : Remeasurment gain on defined benefit obligation	(2.74)	0.01
Less : Transferred to Retained Earnings	2.74	(0.01)
Closing Balance	**-**	**-**

25B 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 appropriate reserve account.

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note 26 Interest Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on financial assets measured at FVOCI		
Interest income on non convertible debentures	1,699.15	1,116.93
Interest income on financial assets measured at amortised cost		
Interest on loans	5,029.62	4,425.06
Interest on inter-corporate deposits	2.42	3.35
Interest income on staff loans	0.34	0.33
	6,731.53	**5,545.67**

Note 27 Fees and commission Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and charges	97.88	32.85
	97.88	**32.85**

Note 28 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on fixed deposits	163.64	81.63
Penal charges	213.46	192.20
Rental income	1.90	-
Interest on income tax refund	6.98	4.35
Interest on security deposit	6.87	3.89
Gain on lease cancellation	-	2.04
Interest income on lease deposit	0.08	-
Written back of provision for expenses	0.24	-
	393.18	**284.12**

Note 29 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings inter corporate deposits	241.93	240.13
Interest on borrowings term loans and dropline overdraft	407.75	391.30
Interest on non convertible debentures	3,038.20	2,180.08
Interest on lease liability	123.81	54.91
Interest on cash collateral	9.31	9.01
Other borrowing cost	123.80	53.81
	3,944.80	**2,929.25**

Note 30 Impairment on financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- At fair value through other comprehensive income	6.43	2.34
- At amortised cost	36.09	8.53
	42.52	**10.87**

C. V. CHITALE & CO. Chartered Accountants 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002.

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note 31 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	916.61	419.17
Contribution to provident and other funds	16.71	4.87
Gratuity Expenses	10.58	7.35
Share based payment to employees	28.91	36.29
Staff welfare expenses	13.27	15.36
	986.08	**483.05**

Note 32 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (including investment property)	425.31	193.35
Amortisation of Intangible assets	8.85	0.10
	434.16	**193.45**

Note 33 Others expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent Expense	20.80	6.47
Rates and taxes	1.37	1.76
Repairs and maintenance	25.88	10.37
Insurance Expense	9.17	3.04
Power and fuel	22.96	7.85
Legal and Professional charges	449.41	350.38
Printing and stationery	14.56	4.06
Advertisement and publicity	74.45	38.72
Auditor's fees and expenses	17.06	7.53
CSR Expenditure	30.99	25.58
Royalty Expenses	12.54	12.54
Telephone and internet expenses	4.83	4.06
Subscription charges	31.53	14.70
Travelling and conveyance	8.97	15.28
Information technology expenses	30.62	0.75
Membership and Seminar and related subscriptions	17.65	0.44
Miscellaneous expenses	56.82	49.71
	829.62	**553.22**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note 34 Earnings per equity share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Basic Earnings per Share		
a) Profit for the year attributable to Owners of the Company	669.76	1,244.11
b) Weighted average number of equity shares outstanding during the year (No.s)	2,25,05,479	2,16,50,000
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Basic earnings per share (EPS) (Rs.)	2.98	5.75
B. Diluted Earnings per Share		
a) Profit after tax attributable to equity shareholders for diluted EPS	669.76	1,244.11
b) Weighted average number of equity shares outstanding during the year (No.s)	2,26,04,462	2,16,50,000
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Diluted earnings per share (EPS) (Rs.)	2.96	5.75
C. No. of equity shares for calculating diluted EPS		
Weighted average number of equity shares for calculating Basic EPS	2,25,05,479	2,16,50,000
Add : Equity shares for no consideration arising on grant of stock options under ESOP	98,983	-
Weighted average number of equity shares for calculating diluted EPS	2,26,04,462	2,16,50,000

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Path, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 35 Disclosure pursuant to Ind AS 12 "Income Taxes"

A Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Income-tax related to items recognised directly in the statement of profit and loss		
Current income tax:		
i) Current income tax expense	289.81	448.82
ii) (Excess) / Short provision for tax relating to prior years	(2.01)	(2.33)
Deferred tax (benefit) / charge	(30.48)	(6.69)
Total Income tax expense recognised relating to continuous operations	**257.32**	**439.80**
Income-tax related to other comprehensive income		
Remeasurement of the net defined benefit obligation gain / (loss)	-0.92	0.00
Total Income tax expense recognised relating to other comprehensive income	**(0.92)**	**0.00**

B Reconciliation of income tax expense for the year:

A reconciliation of income-tax expense applicable to profit before income-tax at statutory rate to income-tax expense at the Company's effective income-tax rate for the year ended March 31, 2026 is as follows :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	985.41	1,692.80
Total tax expense (as per Statement of Profit and loss)		
i) Current tax	289.81	448.82
ii) Deferred tax	(30.48)	(6.69)
Total tax expenses	**259.33**	**442.13**
Effective tax rate (%)	**26.32%**	**26.12%**
Adjustments of allowable and non-allowable income and expenses:		
Effect on effective tax rate due to permanent difference		
a) Permanent difference	**11.32**	**1,111.89**
On account of consolidation adjustment	3.52	8.11
Non allowability of claim of CSR	7.80	6.44
Expenses not allowed	-	1.53
Non allowability of statutory delay interest	-	1,095.81
Total (A)	**11.32**	**1,111.89**
a) Difference due to tax rate of STCG	-	-
Total (B)	**-**	**-**
Total of items affecting tax rate (A+B)	**11.32**	**1,111.89**

C Reconciliation of income tax rate is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Normal Tax Rate	22.00%	22.00%
b) Surcharge (@ 10% of Normal Tax Rate)	2.20%	2.20%
c) Health and Education Cess	0.97%	0.97%
Total Tax Rate (%)	**25.17%**	**25.17%**
Effect in Tax rate due to permanent difference	1.15%	0.95%
Effective Tax Rate (%)	**26.32%**	**26.12%**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 36 Movement in deferred taxes

A Movement in deferred tax balances For the year ended March 31, 2026

Particulars	As at March 31, 2025	Recognised in profit or loss	Recognised in OCI	As at March 31, 2026
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	6.04	27.59	-	33.63
Provision for Employee benefits	3.24	2.66	0.92	6.82
Right of use asset	(105.20)	(87.33)	-	(192.53)
Lease liabilities	117.71	105.23	-	222.94
Amortised Fees Income	120.85	(3.46)	-	117.39
Amortised Finance Cost	(61.77)	(24.05)	-	(85.82)
Others (net)	4.27	9.82	-	14.10
Total	**85.14**	**30.48**	**0.92**	**116.54**

B Movement in deferred tax balances For the year ended March 31, 2025

Particulars	As at March 31, 2024	Recognised in profit or loss	Recognised in OCI	As at March 31, 2025
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(2.85)	8.89	-	6.04
Right of use asset	(8.06)	(97.14)	-	(105.20)
Lease liabilities	8.62	109.10	-	117.71
Provision for Employee benefits	1.39	1.85	(0.00)	3.24
Amortised fees income	87.10	33.76	-	120.85
Amortised finance cost	(7.85)	(53.92)	-	(61.77)
Others (net)	0.11	4.16	-	4.27
Total	**78.46**	**6.69**	**(0.00)**	**85.14**

Deferred Tax Assets / Liabilities are calculated at the applicable rate of 25.17%

Note : 37 Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities as on March 31, 2026; March 31, 2025

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for as on March 31, 2026 are Rs. 123.82 lakhs (March 31, 2025: Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for as on March 31, 2026 are Rs. 25.50 lakhs (March 31, 2025 : Rs. 37.50 lakhs)

38 Segment reporting

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

39 The Group did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses

40 The Group has not given loan or guarantee and has not made investments u/s 186(2) of the Companies Act 2013

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 41 Leases

A A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

B **Group as a lessee**

The Group's lease asset classes primarily consist of leases for premises. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

C **The details of Right to Use asset of the Group are as follows:**

	Leasehold Property	
Asset Class	**As at March 31, 2026**	**As at March 31, 2025**
Balance as at beginning of the year (net)	418.01	33.88
Add: Additions during the year	546.64	510.72
Less: Deductions during the year on account of modification / termination of leases	-	29.38
Less: Depreciation	199.67	97.22
Balance as at end of the year (net)	**764.98**	**418.01**

D **Following is the movement in lease liabilities for the year**

	As at March 31, 2026	**As at March 31, 2025**
Balance as at beginning of the year	467.70	34.23
Add: Additions / modification during the year	525.45	489.66
Less: Deductions / modification during the year	-	(29.38)
Add: Interest Expense	123.81	54.91
Less: Lease Payments	(231.16)	(81.73)
Balance as at end of the year	**885.81**	**467.70**

E **Contractual maturities of lease liabilities on an undiscounted basis**

	Leasehold Property	
	As at March 31, 2026	**As at March 31, 2026**
Less than 1 year	276.45	129.94
1-3 years	595.06	279.69
3-5 years	260.53	207.85
More than 5 years	-	-
Total	**1,132.05**	**617.48**

F **Right-of-use Assets and Lease liabilities related expenses booked in Statement of Profit and Loss**

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
a. Depreciation on Right-of-use Assets	199.67	97.22
b. Interest on Lease liabilities	123.81	54.91
c. Gain on termination of lease	-	-2.04

G **Short term Leases (in Statement of Profit and loss)**

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
i) Office premises / Branch offices	-	-
Total	**-**	**-**

Notes:

Weighted average incremental borrowing rate applied to lease liabilities for the year ended March 31,2026 is 14% (for previous year end March 31, 2025: 14%)

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivajinagar Peth, Pune-411005 ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 42 Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A Defined contribution plans

The Group's state governed provident fund scheme are defined contribution plan for its employees. The contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from group or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Employer's contribution to provident fund & Others	16.06	4.69

B Defined benefit plans

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 :

a) Principal assumptions used for the actuarial valuations are as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Mortality table	IALM (2012-24) ULT	IALM (2012-24) ULT
Discount rate	7.10%	6.70%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	-	-
Expected average remaining working lives of employees (in years)	9.32*	9.31 *
Average remaining working life (years)	29.71 ^	29.56 ^
Retirement Age	60 Years	60 Years
Withdrawal Rate		
Age upto 30 years	10%	10%
Age 31-40 years	10%	10%
Age 41-50 years	10%	10%
Age above 50 years	10%	10%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

^ It is simple arithmetical difference between retirement age and average age (by zeroing out negatives for employees above retirement age) and is calculated without using any decrements.

b) Table showing changes in present value of obligations:

For the period	As at	
	March 31, 2026	March 31, 2025
Present value of obligation as at the beginning of the period	12.86	5.52
Acquisition adjustment		-
Transfer In / (Out)		-
Interest Expense	0.86	0.40
Past service cost		-
Current service cost	9.72	6.96
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-	-
Remeasurements on obligation - (Gain) / Loss	3.66	(0.01)
Present value of obligation as at the end of the period	27.10	12.86

c) Breakup of service cost

For the period	As at	
	March 31, 2026	March 31, 2025
Past service cost		-
Current service cost	9.72	6.96
Curtailment cost / (Credit) on plan amendments	-	-
Settlement cost / (Credit) on plan amendments	-	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

d) Table Showing Changes In Fair Value Of Plan Assets

No Applicable as plan is not funded

e) Net Interest (Income)/Expense :

Particulars	for the year ended	
	March 31, 2026	March 31, 2025
Interest (Income) / Expense – Obligation	0.86	0.40
Interest (Income) / Expense – Plan assets	-	-
Net interest (Income) / Expense for the year	0.86	0.40

f) Change In The Effect Of Asset Ceiling

Particulars	As at	
	March 31, 2026	March 31, 2025
Effect of Asset Ceiling at the beginning	-	-
Interest (Income)/ Expense (excluding amount included in net interest on plan assets)	-	-
Remeasurement - (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

g) Remeasurements For The Year Actuarial (Gain) / Loss

Particulars	for the year ended	
	March 31, 2026	March 31, 2025
Experience (Gain) / Loss on plan liabilities	4.60	(0.55)
Demographic (Gain) / Loss on plan liabilities		-
Financial (Gain) / Loss on plan liabilities	(0.94)	0.54
Financial (Gain) / Loss on plan assets	-	-
Experience (Gain) / Loss on plan assets	-	-

h) Amounts Recognised In Statement Of Other Comprehensive Income (OCI)

Particulars	for the year ended	
	March 31, 2026	March 31, 2025
Opening amount recognised in OCI outside profit and loss account	(0.01)	-
Remeasurement for the year - obligation (Gain) / Loss	3.66	(0.01)
Remeasurement for the year - plan asset (Gain) / Loss	-	-
Remeasurement arising because of change in effect of asset ceiling	-	-
Total Remeasurements Cost / (Credit) for the year recognised in OCI	3.66	(0.01)
Closing amount recognised in OCI outside profit and loss account	3.65	(0.01)

i) The Amounts To Be Recognised In The Balance Sheet

Particulars	As at	
	March 31, 2026	March 31, 2025
Present value of obligation at the end of period	(12.86)	12.86
Fair value of the plan assets at the end of period	-	-
Surplus / (Deficit)	(27.10)	(12.86)
Current liability	(0.04)	0.02
Non-current liability	27.06	12.84
Amount not recognised due to asset ceiling	-	-
Net asset / (liability) recognised in balance sheet	(27.10)	(12.86)

j) Expense Recognised In The Statement Of Profit and Loss

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Service Cost	9.72	6.96
Acquisition (Gain) / Loss		-
Past service cost		-
Net interest (Income)/ Expense	0.86	0.40
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	10.58	7.35

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrowar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

k) Reconciliation Of Net Asset / (Liability) Recognised

Particulars	As at	
	March 31, 2026	March 31, 2025
Net asset / (liability) recognised at the beginning of the period	(12.86)	(5.52)
Company contributions	-	-
Benefits directly paid by Company	-	-
Amount recognised outside profit & loss for the year	(3.66)	0.01
Expense recognised at the end of period	(10.58)	(7.35)
Mortality Charges and Taxes	-	-
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognised at the end of the period	(27.10)	(12.86)

l) Major Categories of Plan Assets (As a % of Total Plan Assets) : (Not appliable as plan is not funded)

m) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.63 years

n) Expected Future Benefit Payments

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2027	4,000.00
2028	6,000.00
2029	2,64,000.00
2030	4,02,000.00
2031	5,79,000.00
2032-2036	60,22,000.00

The above cashflows have been arrived at based on the demographic and financial assumptions as mentioned earlier in section 6

o) Expected contribution for the next year (The plan is unfunded as on the valuation date)

p) Expected Expense to be Recognized in Profit and Loss Account for Next Year :

Particulars	01 April 2026 to 31 March 2027
Service Cost	18.52
Net Interest Cost	1.92
Expected Expense for next year	20.44

q) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

- Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.
6.10%	29.57
8.10%	24.97

- Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.
6.00%	25.19
8.00%	29.25

- Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2026 Present value of obligation (in Rs.
9.00%	27.08
11.00%	27.12

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

r) Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability risks

a. Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shivrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 43 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below the table.

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 (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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:

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
March 31, 2026	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	-	-	1,134.86	**1,134.86**	1,134.86	-	-	**1,134.86**
Bank balances other than Cash and cash equivalents	-	-	1,672.87	**1,672.87**	1,672.87	-	-	**1,672.87**
Loans	13,119.07	-	32,117.67	**45,236.74**	-	-	45,236.74	**45,236.74**
Other financial assets	-	-	116.89	**116.89**	-	-	116.89	**116.89**
Other receivables	-	-	11.88	**11.88**	-	-	11.88	**11.88**
Total	**13,119.08**	**-**	**35,054.17**	**48,173.25**	**2,807.73**	**-**	**45,365.52**	**48,173.25**
Financial Liabilities								
Debt Securities	-	-	25,656.71	**25,656.71**	24,190.21	-	1,466.50	**25,656.71**
Borrowings	-	-	10,073.84	**10,073.84**	-	-	10,073.84	**10,073.84**
Other payables	-	-	36.13	**36.13**	-	-	36.13	**36.13**
Lease liabilities	-	-	885.81	**885.81**	-	-	885.81	**885.81**
Other financial liabilities	-	-	1,230.42	**1,230.42**	-	-	1,230.42	**1,230.42**
Total	**-**	**-**	**37,882.91**	**37,882.91**	**24,190.21**	**-**	**13,692.70**	**37,882.91**

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
March 31, 2025	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments (unquoted)	0.01	-	0.01	**0.02**	-	-	0.01	**0.01**
Cash and cash equivalents	-	-	298.59	**298.59**	298.59	-	-	**298.59**
Bank balances other than Cash and cash equivalents	-	-	1,779.45	**1,779.45**	1,779.45	-	-	**1,779.45**
Loans	6,813.39	-	26,747.64	**33,561.03**	-	-	33,561.03	**33,561.03**
Other financial assets	-	-	61.20	**61.20**	-	-	61.20	**61.20**
Other receivables	-	-	21.60	**21.60**	-	-	21.60	**21.60**
Total	**6,813.40**	**-**	**28,908.49**	**35,721.89**	**2,078.04**	**-**	**33,643.84**	**35,721.88**
Financial Liabilities								
Debt Securities	-	-	21,375.13	**21,375.13**	5,131.63	-	16,243.50	**21,375.13**
Borrowings	-	-	5,188.53	**5,188.53**	-	-	5,188.53	**5,188.53**
Other payables	-	-	35.90	**35.90**	-	-	35.90	**35.90**
Lease liabilities	-	-	467.71	**467.71**	-	-	467.71	**467.71**
Other financial liabilities	-	-	1,240.19	**1,240.19**	-	-	1,240.19	**1,240.19**
Total	**-**	**-**	**28,307.46**	**28,307.46**	**5,131.63**	**-**	**23,175.83**	**28,307.46**

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.

For all financial assets and liabilities that are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximate the fair values.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Level 3 fair value measurements	2025-2026		2024-2025	
	FVTOCI		FVTOCI	
	Equity Investment	Non convertible debentures	Equity Investment	Non convertible debentures
Opening balance	0.01	6,736.29	0.01	4,819.42
Purchases (net of repayment)	-	6,372.95	-	1,916.88
Gains / (Losses) in OCI	-	-	-	-
Closing balance	**0.01**	**13,109.24**	**0.01**	**6,736.29**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 44 Credit risk

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 March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	44,894.62	100.00	-	44,994.62	33,206.69	328.97	-	33,535.66
Less: Impairment loss allowance	(122.02)	(0.50)	-	(122.52)	(79.17)	(0.82)	-	(80.00)
Net carrying amount	**44,772.60**	**99.50**	**-**	**44,872.10**	**33,127.52**	**328.14**	**-**	**33,455.66**

B) An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

Particulars	As at March 31, 2026							
	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
Gross carrying amount opening balance	**33,206.69**	**79.17**	**328.97**	**0.82**	**-**	**-**	**33,535.66**	**80.00**
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(100.00)	(0.50)	100.00	0.50	-	-	-	-
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)	(22,000.14)	(38.57)	(328.97)	(0.82)	-	-	**(22,329.10)**	**(39.39)**
New credit exposures during the year, net of repayments	33,788.07	81.91	-	-	-	-	**33,788.07**	**81.91**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**44,894.62**	**122.02**	**100.00**	**0.50**	**-**	**-**	**44,994.62**	**122.52**

Particulars	As at March 31, 2025							
	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
Gross carrying amount opening balance	**28,567.93**	**69.13**	**-**	**-**	**-**	**-**	**28,567.93**	**69.13**
Transfers during the year								
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(245.25)	(0.61)	245.25	0.61	-	-	-	-
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)	(16,672.75)	(40.73)	83.71	0.21	-	-	**(16,588.04)**	**(40.52)**
New credit exposures during the year, net of repayments	21,556.77	51.39	-	-	-	-	**21,556.77**	**51.39**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**33,206.69**	**79.17**	**328.97**	**0.82**	**-**	**-**	**33,535.66**	**80.00**

C.V. CHITALE & CO 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 45 Financial risk management

i) **Risk management framework:**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities. Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's activities.

ii) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event
- When a borrower becomes more than 120 days past due in its contractual payments

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Group employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

c) Definition of default

The Group considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR 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.

Following indicators are incorporated:

i) DPD analysis as on each reporting date.

ii) significant increase in credit risk on other financial instruments of same borrower.

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Group is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Group has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly known As Prachay Capital Private Limited)

(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

h) Expected credit loss on Loans

The Group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 90 days past due are classified under Stage 2 – life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12 months ECL from lifetime ECL.

The Group 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. These parameters are derived from the Company's internally developed models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

Cash and cash equivalents and bank balance other than cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

iii) Liquidity risk

Liquidity risk is the risk that the Group 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.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

Maturity patterns of financial liabilities
As at March 31, 2026

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	25,656.71	**25,656.71**	39.24	-	6,366.99	19,250.48	-
Borrowings (other than debt securities)	10,073.84	**10,073.84**	5,892.26	717.80	2,859.85	500.00	103.93
Lease Liabilities	885.81	**885.81**	136.14	140.31	595.06	14.30	-
Other payables	36.13	**36.13**	36.13	-	-	-	-
Other financial Liabilities	1,230.42	**1,230.42**	613.12	613.02	4.28	-	-
Total	**37,882.91**	**37,882.91**	**6,716.89**	**1,471.13**	**9,826.19**	**19,764.78**	**103.93**

Maturity patterns of financial liabilities
As at March 31, 2025

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	21,375.13	**21,375.13**	132.91	475.00	3,044.00	17,723.22	-
Borrowings	5,188.53	**5,188.53**	536.40	766.67	2,749.65	759.01	376.81
Lease Liabilities	467.71	**467.70**	63.00	65.63	276.87	62.21	-
Other payables	35.90	**35.90**	16.48	19.42	-	-	-
Other financial Liabilities	1,240.19	**1,240.19**	131.59	214.72	893.89	-	-
Total	**28,307.46**	**28,307.46**	**880.37**	**1,541.43**	**6,964.40**	**18,544.45**	**376.81**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Group'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. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	18.66	13.97	23.57	17.64

v) Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes

The framework, at its core, has the following elements

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure
4. Standardized reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Note : 46 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled :

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. ASSETS						
I. Financial assets						
Cash and cash equivalents	1,134.86	-	1,134.86	298.59	-	298.59
Bank balance other than cash and cash equivalents	959.82	713.05	1,672.87	426.25	1,353.20	1,779.45
Receivables			-			-
(i) Trade receivables			-			-
(i) Other receivables	11.88	-	11.88	21.60		21.60
Loans	14,663.69	30,573.04	45,236.74	15,733.84	17,827.19	33,561.03
Investments	-	0.01	0.01	-	0.01	0.01
Other financial assets	49.32	67.57	116.89	21.75	39.45	61.20
	16,819.57	**31,353.68**	**48,173.25**	**16,502.03**	**19,219.85**	**35,721.88**
II. Non-financial assets						
Current tax assets (net)	294.94	-	294.94	75.66	-	75.66
Deferred tax assets (net)	-	116.54	116.54	-	85.14	85.14
Property, plant and equipment	-	1,336.72	1,336.72	-	1,066.12	1,066.12
Investment property		165.18	165.18			-
Intangible assets under development	-	111.94	111.94	-	103.05	103.05
Other intangible assets	-	72.95	72.95	-	0.16	0.16
Other non-financial assets	14.77	104.14	118.91	16.14	73.49	89.63
Goodwill on consolidation	-	70.70	70.70	-	70.70	70.70
	309.71	**1,978.17**	**2,287.89**	**91.80**	**1,398.66**	**1,490.46**
Total Assets	**17,129.28**	**33,331.85**	**50,461.13**	**16,593.83**	**20,618.50**	**37,212.34**
2. LIABILITIES						
I. Financial liabilities						
Payables	36.13	-	36.13	35.90	-	35.90
Debt securities	39.24	25,617.48	25,656.71	607.91	20,767.22	21,375.13
Borrowings (other than debt securities)	6,610.06	3,463.78	10,073.84	1,303.06	3,885.47	5,188.53
Lease liabilities	276.45	609.36	885.81	128.63	339.09	467.71
Other financial liabilities	1,226.13	4.28	1,230.42	346.30	893.89	1,240.19
	8,188.02	**29,694.90**	**37,882.91**	**2,421.80**	**25,885.67**	**28,307.46**
II. Non-financial liabilities						
Provisions	0.04	27.06	27.10	0.01	12.85	12.86
Other non-financial liabilities	26.89	0.56	27.46	1.66	224.39	226.05
	26.93	**27.63**	**54.56**	**1.67**	**237.24**	**238.91**
Total Liabilities	**8,214.95**	**29,722.52**	**37,937.47**	**2,423.47**	**26,122.91**	**28,546.38**
Net Assets / (Liabilities)	**8,914.34**	**3,609.33**	**12,523.67**	**14,170.36**	**(5,504.40)**	**8,665.96**

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

Acc

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay ... Private Limited)

Note : 47 Related party disclosure

A List of related parties

List of related parties and relationship with related parties where control exists or transactions have taken place during the year:

No.	Name of the Related Party	Relationship
I	**Related parties over which control exists:**	
	Prachay Investment Managers Private Limited	Wholly owned Subsidiary
	Prachay Securities Pvt Ltd	Wholly owned Subsidiary (incorporated on October 04, 2024)
	Prachay AIF Scheme I - Category II	Subsidiary (Non-Corporate Entity)
II	**Enterprises over which Management and/or their relatives have significant influence**	
	Prachay Foundation	
	Prachay Holding Private Limited	
	Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	
III	**Key management personnel**	
	Mr. Girish Lakhotiya	Managing Director (w.e.f 27th Jun, 2024)
	Mr. Roshan Sancheti	Director
	Miss. Divya Raizada	Director
	Miss. Sonal Gupta	Company Secretary
	Miss. Siddhi Bothara	Company Secretary (w.e.f. 28th Apr, 2025)
	Mr. Ankur Agrawal	Chief Financial Officer (upto 21st May, 2025)
	Mr. Alok Karkera	Chief Financial Officer (w.e.f. 22nd May, 2025)
	Mr. Nilesh Saboo	Independent Director
	Mrs. Archna Rastogi	Independent Director
	Mrs. Vinita Bhattacharjee	Independent Director
IV	**Relative of Key Management Personnel**	
	Mrs. Sneha Dhoot	Wife of managing director
	Mrs. Anita Mohta	Sister of managing director
	Roshan Sancheti HUF	HUF of director
	Rajendra Sancheti HUF	HUF of director's father
	Mrs. Preeti Raizada	Sister of director
	Mr. Dharamveer Raizada	Brother of director
	Mr. Vinay Raizada	Father of director
	Mrs. Pramila Raizada	Mother of director
	Mrs. Meena Agrawal	Mother of CFO
	Mrs. Meena Karkera	Mother of CFO
	Miss. Alka Karkera	Sister of CFO

B Transactions with related parties during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inter - corporate deposits received:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	2290	60.00
Inter - corporate deposits repaid:		
Prachay Holding Private Limited	-	28.00
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	730	110.00
Investments received on Secured Non convertible debentures:		
Anita Mohta	-	2.00
Alok Karkera	40.00	-
Alka Dhanraj Karkera	5.00	-
Meena Karkera	6.00	-
Pramila Raizada	-	5.00

C. V. CHITALE & CO. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay ... Private Limited)

Redemption of non convertible debentures of:		
Divya Raizada	16	2.50
Preeti Raizada	10	2.50
Dharamveer Raizada	2.5	-
Vinay Raizada	7.5	-
Anita Mohta	2.5	0.50
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	240	-
Pramila Raizada	5	-
Sitting fees :		
Nilesh Saboo	0.81	0.79
Archna Rastogi	0.87	1.44
Vinita Bhattacharjee	1.03	0.20
Interest paid on unsecured loans & inter corporate deposits:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	14.40	5.03
Prachay Holding Private Limited	-	0.50
Interest paid on non convertible debentures:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	14.87	-
Anita Mohta	0.83	0.95
Roshan Rajendra Sancheti HUF	5.19	3.43
Rajendra Sancheti HUF	3.50	2.22
Divya Raizada	3.04	3.09
Preeti Raizada	1.46	1.98
Vinay Raizada	1.19	0.68
Dharamveer Raizada	0.14	0.35
Pramila Raizada	1.22	0.33
Alok Karkera	1.29	-
Meena Karkera	0.19	-
Meena Agrawal	0.11	1.30
Siddhi Bothara	0.07	-
Alka Karkera	0.17	-
Remuneration to director / KMP:		
Girish Lakhotiya	135.00	3.00
Roshan Sancheti	69.00	48.30
Divya Raizada	51.00	37.78
Ankur Agrawal	2.96	16.49
Alok Karkera	62.80	-
Sonal Gupta	14.37	10.89
Siddhi Bothara	11.24	-
Professional fees paid:		
Girish Lakhotiya	-	78.00
Sneha Dhoot	60.00	48.00
Royalty paid:		
Girish Lakhotiya	12.00	12.00
Expenses incurred by related parties on behalf of the Company, including towards acquisition of fixed assets		
Girish Lakhotiya	7.43	-
Prachay Holding Pvt Ltd	0.44	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

C Closing balances with related parties as at year end

Particulars	As at March 31, 2026	As at March 31, 2025
Non Convertible Debentures:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	221.20	-
Anita Mohata	4.00	7.00
Divya Raizada	14.00	22.50
Roshan Rajendra Sancheti HUF	38.00	38.00
Rajendra Sancheti HUF	25.00	25.00
Preeti Raizada	7.50	12.50
Vinay Raizada	7.50	7.50
Dharamveer Raizada	-	2.50
Pramila Raizada	7.50	5.00
Alok Karkera	42.00	-
Alka Karkera	5.00	-
Meena Karkera	6.00	-
Meena Agrawal	10.00	-
Siddhi Bothara	1.00	-
Inter-corporate deposits taken:		
Prachay Capital Holdings Pvt Ltd (formerly known as Prachay Advisors Private Limited)	1560	-
Investments in equity shares:		
Prachay Foundation	0.01	0.01
Royalty:		
Girish Lakhotiya	-	1.08
Reimbursement of expenses		
Girish Lakhotiya	5.17	-

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 48 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 (Nos)	Weighted Average Exercise Price (In Rupees.)
Options outstanding **as at April 01, 2024**	3,47,815.00	125.00
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	17,660.00	-
Options exercised during the period	-	-
Options outstanding **as at March 31, 2025**	3,30,155.00	125.00
Options exercisable at the end of the year	-	Not Applicable
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	12,990.00	
Options exercised during the period	-	
Options outstanding **as at March 31, 2026**	3,17,165.00	
Range of exercise price of options outstanding at the end of the year (IN INR)		125.00
Average share price during the year (IN INR)		125.00
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 (IN INR)		42.06

B) 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 of option on grant date	42.04
Stock price (in INR)	125.00
Standard deviation (volatility)	Nil *
Risk free rate	0.07
Exercise price (in INR)	125.00
Time to maturity	6 Years
Dividend yield	Nil

* Since the company's management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil

C) Notes:

Expense arrising from share based payment transation

The total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses is Rs. 28.90 lakhs (March 31, 2025 : Rs. 36.29lakhs)

C. V. CHITALE & CO. 3, Gurukrupa Sadhe Colony, 1317, Shivajinagar, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Note : 49 Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements as on March 31, 2026

Particulars	Holding	Wholly owned subsidiaries		Subsidiary	Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay Securities Private Limited	Prachay AIF Scheme I - Category II	
Net assets #					
As a % of consolidated net assets	58.17%	1.53%	5.97%	34.34%	100%
Amount *	7,285.44	191.18	747.04	4,300.00	12,523.66
Share in consolidated profit or (loss)					
As a % of consolidated profit or (loss)	20.71%	9.12%	4.77%	65.40%	100%
Amount *	150.24	66.18	34.60	474.46	725.48
Share in consolidated other comprehensive income					
As a % of consolidated Other comprehensive income	100%	0.00%	0.00%	0.00%	100%
Amount *	-2.74	-	-	-	-2.74
Share in consolidated total comprehensive income					
As a % of consolidated total comprehensive income	20.41%	9.16%	4.79%	65.65%	100%
Amount *	147.50	66.18	34.60	474.46	722.74

Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements as on March 31, 2025

Particulars	Holding	Wholly owned subsidiaries		Subsidiary	Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay Securities Private Limited	Prachay AIF Scheme I - Category II	
Net assets #					
As a % of consolidated net assets	72.67%	1.44%	1.87%	24.01%	100%
Amount *	6,297.94	124.99	162.44	2,080.60	8,665.97
Share in consolidated profit or (loss)					
As a % of consolidated profit or (loss)	78.56%	0.74%	0.99%	19.71%	100%
Amount *	984.08	9.26	12.44	246.90	1,252.68
Share in consolidated other comprehensive income					
As a % of consolidated Other comprehensive income	100%	0.00%	0.00%	0.00%	100%
Amount *	0.01	-	-	-	0.01
Share in consolidated total comprehensive income					
As a % of consolidated total comprehensive income	78.56%	0.74%	0.99%	19.71%	100%
Amount *	984.09	9.26	12.44	246.90	1,252.69

 # : Net Assets = total assets minus total liability

** - Amounts net off elimination*

C.V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

ACC

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Note : 50 Other statutory information:

1 The Group had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

2 The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3 The Group has not been declared willful defaulter by any bank or financial institution or other lender or government or any government authority.

4 The Group did not have transactions with struck off companies u/s 248 of the Companies Act, 2013 or u/s 560 of Companies Act, 1956 during year the March 31, 2025.

5 The Group did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

6 The Group has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries), with the understanding 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.

7 The Group has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Group did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9 The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) & Intangible assets during the year.

10 The Group 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.

11 Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

12 Compliance with approved Scheme(s) of Arrangements: Not applicable.

13 Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

14 The Group confirms that, the title deeds of immovable properties are held in the name of the Company.

15 The Group has not traded or invested in crypto currency or virtual currency during the financial year.

Note : 51 Accounting Software Used for maintenance of Books of Accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled or tampered with during the year.

Note : 52 Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For C.V Chitale and Co.
Chartered Accountants
Firm Registration No.:126338W

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)

Anish Chandrashekhar Chitale	**Girish Lakhotiya**	**Roshan Sancheti**	**Sonal Gupta**	**Alok Karkera**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
Membership No: 187399	DIN 02699138	DIN 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026	Date : 15/05/2026

C. V. CHITALE & CO. 3, Gurukrupa Sathe Colony, 1317, Shukrawar Peth, Pune-411002. Chartered Accountants

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 AUDITOR'S REPORT

To the Members of Prachay Capital Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Prachay Capital Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2025, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the Statement of standalone Changes in Equity for the year then ended, notes to the standalone financial statements, including material accounting policies and other explanatory information (referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015,the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and Auditor's Report thereon

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters specified in Section 134(5) of the Act with respect to the preparation of the Standalone Financial Statements that give a true and fair view of the financial position, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") . The respective Management and Board of Directors of the Company also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Directors and management of 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and 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. As per the Rule 11(g) of the Companies (Audit and Auditors) Amendment Rules, 2021; every company which uses accounting software for maintaining its books of accounts, is required to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The management has a responsibility for effective implementation of the requirements prescribed by account rules and for ensuring selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations (including those related to retention of audit logs).

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

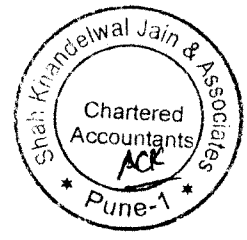
d. Conclude on the appropriateness of the management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If, based on the audit evidence obtained, we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the standalone 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 standalone financial information of the entities or business activities within the company to express an opinion on the Standalone 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 Standalone Financial Statements of which we are the independent auditors.

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

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



Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

1. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014.

   c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income) the standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. In our opinion, there are no matters that may have an adverse effect on the functioning of the Company.

   f. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

   h. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in para 1(b) above on reporting under Section 143(3) (b) of the act and paragraph 2 below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule 2014.

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company does not have any pending litigations which would impact its financial position.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

      i. The management of the Company to the best of its knowledge and belief has represented to us that funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding,

Shah Kandelwal Jain & Associates Chartered Accountants * Pune-1 *

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; and

ii. The management of the Company to the best of its knowledge and belief has represented to us that No funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided above contain any material misstatement.

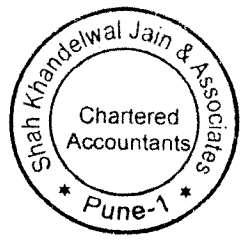
e. The company have not declared and paid dividend during the year.

f. Based on our examination carried out in accordance with the Implementation Guide on Reporting of Audit trail under rule 11(g) of the Companies (Audit and Auditors) issued by the Institute of Chartered Accountant of India, the company has used accounting software for maintaining its Books of Accounts, which has a feature of recording Audit Trail (edit log) facility. The feature of recording audit trail (edit log) has not been operated throughout the year for the accounting software used for maintaining its books of accounts for all relevant transactions recorded in the software.

3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.142740W





Ashish Khandelwal
Partner
Membership No.049278
Place: Pune
Date: 21-05-2025
UDIN: 25049278BMHYZK4662
Place: Pune

T I + 91. 20. 6721 5500
www.skjican.com
Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune - 411 001. (MH), India

Annexure A referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) ("the Company") as of March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Meaning of Internal Financial Controls over Financial Reporting

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

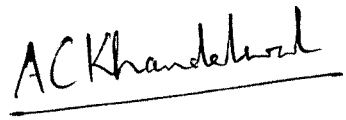
Inherent Limitations of Internal Financial Controls over Financial Reporting

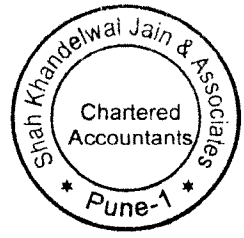
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

According to the information and explanations given to us and based on our audit, the Company, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2025.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No: 142740W





Ashish Khandelwal
Partner
Membership No.-049278
UDIN: 25049278BMHYZK4662
Date: 21-05-2025
Place: Pune

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

ANNEXURE B

To the Independent Auditor's Report of even date to the members of Prachay Capital Limited on the standalone financial statements Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Sub-section 11 of section 143 of Companies Act, 2013 ("the Act")

I. i (a) (A) The company has maintained proper records showing full particulars including quantitative details and the situation of Property, Plant and Equipment and relevant details of Right of use assets.

(B) The company has maintained proper records showing full particulars of Intangible Assets and Intangible Assets under Development.

(b) All the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of all the immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements included in Investment Property are held in the name of the company as at Balance Sheet date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or any intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has no ongoing proceedings or any pending proceedings against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

ii. (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the order is not applicable to the company.

(b) As disclosed in Note 17 to Standalone financial statement, during the year, the company has been sanctioned working Capital limit in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and has filed the quarterly statements. According to the information and explanations given to us and on the basis of the records of the company, the quarterly statements filed by the company are not in agreement with the books of accounts of the Company.

Quarter	Balance Reported in Statement (In crores)	Balance as per Books (In crores)	Difference (In crores)
3	232.38	250.11*	-17.73
4	266.98	314.19**	-47.21

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Reason for Deviation: Quarter 3 and 4, 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.

III.

(a) The company being a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) is not applicable to the company.

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, the security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular and in case where repayment of principle and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(d) According to the information and explanations given to us and based on our examination of the records of the Company, there are no overdue amounts for more than one hundred and twenty days with reference to principal and interest.

(e) According to the information and explanations given to us and based on our examination of the records of the Company, any loans or advances in the nature of loan granted which have fallen due during the year, have not been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

IV. In our opinion and according to the information and explanations given to us, the company is not required to comply with section 185 and 186 of the company Act, 2013 as the company is Investment and Credit Company (ICC) registered with NBFC.

V. The company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Act and Rules made thereunder and does not have any unclaimed deposits as at March 31, 2025. Therefore, the provisions of Clause 3(v) of the Order is not applicable We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

VI. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.

vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Income Tax, Service Tax, Duty of

Shah Kamdelwal Jain & Associates Chartered Accountants Pune

Customs and any other material statutory due to the extent applicable with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Income Tax, Service Tax, Duty of Customs, Employees Provident Fund and other material statutory dues were in arrears, as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) As per the Explanations and Data provided to us by the Management, there are no Disputed Statutory Dues including Income Tax, Service Tax, Goods and Service Tax and other Statutory Dues pending from the Company as on 31st March 2025.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of accounts, in the Tax assessment under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the company has not been declared as a willful defaulter by any bank or financial institution or other lender or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were prima facie applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, money raised for short term Purposes has not been utilized for long term purposes by the Company.

(e) According to the information and explanation given to us, and on the basis of our examination of the records of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the Obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanation given to us, and on the basis of our examination of the records of the company, we report that the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) During the year, the Company has raised money by way of public issue of secured, redeemable, Non-Convertible Debentures (NCDs) of face value of ₹ 1,000 each and the same were applied for the purposes for which those are raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have not received any whistle blower complaints during the year by the company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with provisions of section 177 and section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the internal audit reports issued by the Internal Auditor of Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. According to the records of the Company, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditors during the year and accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, We are of the opinion that no material

Shah Kanu Jain & Associates Chartered Accountants ACK Pune-1

uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to section 135(5) of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with section 135(6) of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable. According to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, para 3(xx) of the order are not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of the said clause under this report.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

Ashish Khandelwal
Partner
Membership No.: 049278
Date: 21-05-2025
UDIN: 25049278BMHYZK4662
Place: Pune

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Balance sheet as at 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
1. ASSETS				
I. Financial assets				
Cash and cash equivalents	4	80.48	1,661.13	118.65
Bank Balance other than cash and cash equivalents	5	1,758.53	451.24	191.63
Loans	6	31,545.74	27,483.44	22,551.37
Investments	7	2,146.26	1,123.76	100.01
Other Financial assets	8	71.50	30.20	12.48
		35,602.52	**30,749.77**	**22,974.14**
II. Non-financial assets				
Current tax assets (net)	9	71.43	155.82	-
Deferred tax assets (net)	10	70.55	77.96	11.46
Property, plant and equipment	11	1,065.30	250.97	219.17
Intangible assets under development	12	73.85	43.60	-
Other Intangible assets	13	0.16	0.26	-
Other non-financial assets	14	41.34	5.41	61.56
		1,322.62	**534.02**	**292.19**
Total Assets		**36,925.14**	**31,283.79**	**23,266.33**
2. LIABILITIES AND EQUITY				
LIABILITIES				
I. Financial liabilities				
Payables	15			
(a) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		2.49	1.17	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.76	0.45	0.05
Debt securities	16	21,318.68	12,495.00	5,636.50
Borrowings (other than debt securities)	17	5,203.53	10,443.23	12,308.07
Subordinated liabilities	18	-	-	7.10
Lease liabilities	19	467.70	34.23	2.14
Other financial liabilities	20	1,186.50	457.72	17.01
		28,193.67	**23,431.81**	**17,970.87**
II. Non-Financial liabilities				
Current tax liabilities (net)	21	-	-	106.81
Provisions	22	12.86	5.52	-
Other non-financial liabilities	23	222.17	647.56	115.31
		235.03	**653.08**	**222.12**
EQUITY				
Equity share capital	24	2,165.00	2,165.00	2,085.00
Other equity	25	6,331.44	5,033.91	2,988.34
		8,496.44	**7,198.91**	**5,073.34**
Total Liabilities and Equity		**36,925.14**	**31,283.79**	**23,266.33**
Summary of material accounting policies	1-3			
Notes to financial statements	4-57			

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For **Shah Khandelwal Jain & Associates**
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 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 02689138	DIN 07707109	Mem No : A69043	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Statement of Profit and Loss Account for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For year ended March 31, 2025	For year ended March 31, 2024
Revenue from operations			
Interest Income	26	5,532.32	4,189.39
Fees and commission Income	27	2.85	0.57
Total revenue from operations		**5,535.17**	**4,189.96**
Other income	28	279.61	46.19
Total income		**5,814.78**	**4,236.14**
Expenses			
Finance costs	29	2,916.55	2,042.16
Impairment on financial instruments	30	10.87	13.02
Employee benefits expenses	31	472.89	315.62
Depreciation, amortisation and impairment	32	193.06	51.57
Others expenses	33	515.61	341.83
Total expenses		**4,108.98**	**2,764.20**
Profit / (loss) before tax		1,705.81	1,471.95
Profit before tax		**1,705.81**	**1,471.95**
Tax expense:			
Current tax		439.20	443.49
Deferred tax		7.40	(66.50)
Prior year income tax		(2.03)	(2.33)
Profit / (loss) for the period from continuing operations		**1,261.23**	**1,097.30**
Profit/(loss) from discontinued operations			
Tax Expense of discontinued operations			
Profit/(loss) from discontinued operations (After tax)			
Profit for the period / year		**1,261.23**	**1,097.30**
Other comprehensive income			-
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on Equity instrument		-	-
Remeasurement of the net defined benefit obligation gain / (loss)		0.01	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.00)	-
Subtotal (A)		**0.01**	-
(B) (i) Items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other Comprehensive Income (A + B)		**0.01**	**-**
Total comprehensive income for the year		**1,261.24**	**1,097.30**
Earnings per equity share (for continuing operations)	34		
Basic (Rs.)		5.83	5.13
Diluted (Rs.)		5.83	5.13
Summary of material accounting policies	1-3		
Notes to financial statements	4-57		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Shah Khandelwal Jain & Associates

Chartered Accountants

Firm Registration No.:142740W

For and on behalf of the Board of Directors of

Prachay Capital Limited (Formerly known as Prachay Capital Pvt Ltd)

CIN: U65900PN2017PLC168737

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

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 : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Statement of Cash Flow for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	For year ended 31 March 2025	For year ended 31 March 2024
A	**Cash flow from operating activities**		
	Profit before tax	1,705.81	1,471.95
	Adjustments for		
	Interest income (Fixed deposits)	(81.08)	(46.19)
	Interest on Lease liability	54.91	4.94
	Depreciation & amortisation	193.06	51.57
	Impairment on financial instruments (Provision for Standard Asset)	10.87	13.02
	Write off - Fixed Assets	-	0.03
	Share Based Payments to employees	35.46	28.28
	Reimbursement of ESOP cost on behalf of subsidiary	0.84	-
	Gain on early termination of Lease	(2.04)	-
	Interest on loans and others	(5,532.32)	(4,189.39)
	Finance cost	2,816.44	2,007.79
	Cash inflow from interest on loans and others	5,798.12	4,416.21
	Cash outflow towards interest on borrowings and debt securities	(3,061.52)	(2,015.69)
	Operating Profit/(Loss) before changes in working capital	**1,938.53**	**1,742.51**
	Add / (Less): Adjustments for working capital changes		
	(Increase)/Decrease in		
	Loans	(4,342.86)	(5,173.28)
	Other Financial Assets	(57.32)	(19.46)
	Other Non-financial Assets	(35.93)	56.15
	Trade payables	15.64	1.56
	Provision	7.35	5.52
	Other financial liability	728.78	440.71
	Other Non-financial liability	(425.39)	532.25
	Cash (used) in operations	**(2,171.20)**	**(2,414.04)**
	Income taxes paid (Net of Refunds Received)	(352.78)	(703.79)
	Net cash generated from / (used in) operating activities -A	**(2,523.98)**	**(3,117.83)**
B	**Cash flow from investing activities**		
	Investment in Fixed deposits not considered as cash and cash equivalent	(1,249.54)	(245.44)
	Purchase of Property plant and equipment and Intangible assets	(555.29)	(68.00)
	Investment in subsidiaries	(1,022.50)	(1,023.75)
	Interest received on Fixed Deposit	23.34	32.01
	Net cash generated from / (used in) investing activities - B	**(2,803.99)**	**(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	9,054.50	6,858.50
	Repayment of Subordinated Liabilities	-	(7.10)
	Repayment of borrowings (net)	(5,225.45)	(1,856.93)
	Payments for the principal portion of the lease liability	(26.82)	(24.05)
	Payments for the interest portion of the lease liability	(54.91)	(4.94)
	Net cash generated from / (used in) financing activities - C	**3,747.32**	**5,965.48**
	Net increase / (Decrease) in cash and cash equivalents (A+B+C)	**(1,580.65)**	**1,542.48**
	Cash and cash equivalent as at the beginning of the year	**1,661.13**	**118.65**
	Cash and cash equivalent as at the end of the year	**80.48**	**1,661.13**

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN-U65900PN2017PLC168737

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Standalone Statement of Cash Flow for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Notes:

1	**Components of cash and cash equivalents**		
a)	Cash on hand	0.17	0.77
b)	Balances with Banks (of the nature of cash and cash equivalents)		
	i) In current accounts	80.32	1,660.36
	ii) Fixed deposits with original maturity of 3 Months or less	-	-
c)	Cheques on hand	-	-
	Total cash and cash equivalents	**80.48**	**1,661.13**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 Figures in brackets represent outflows.

4 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'.

5 **Changes in liabilities arising from financing activities**

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Other changes	Closing balance as at 31 March 2025
Borrowings	22,946.14	3,829.05	-	26,775.18

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Other changes	Closing balance as at 31 March 2024
Borrowings	17,951.67	4,994.47	-	22,946.14

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

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

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Statement of changes in Equity for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A Equity Share Capital

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equityshares outstanding						
As at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00	2,00,00,000	2,000.00
Changes in equity share capital due to prior period errors						
Restated balance as at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00	2,00,00,000	2,000.00
Add: Shares Issued during the year	-	-	8,00,000	80.00	8,50,000	85.00
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**2,16,50,000**	**2,165.00**	**2,16,50,000**	**2,165.00**	**2,08,50,000**	**2,085.00**

B Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income Total			Total
	Retained Earnings	Statutory Reserve pursuant to Section 45-IC of	Securities Premium	Capital Reserve	Employee Share Option Outstanding	OCI - Fair Valuation of Investment	Remeasurement of defined benefit plans	
Balance as at April 01, 2023	**2,014.70**	**548.64**	**425.00**	**-**	**-**	**-**	**-**	**2,988.34**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2023	**2,014.70**	**548.64**	**425.00**	**-**	**-**	**-**	**-**	**2,988.34**
Profit for the year	1,097.30	-	-	-	-	-	-	**1,097.30**
Other comprehensive income / (losses) for the year	-	-	-	-	-	-	-	**-**
	1,097.30	**-**	**-**	**-**	**-**	**-**	**-**	**1,097.30**
Securities premium proceeds received on rights issue of equity shares	-	-	920.00	-	-	-	-	**920.00**
Share based payment to employees	-	-	-	-	28.28	-	-	**28.28**
Transfer from / (to) Capital redemption reserve	(7.10)	-	-	7.10	-	-	-	**-**
Transfer from / (to) retained earnings	(219.46)	219.46	-		-	-	-	**-**
	(226.56)	**219.46**	**920.00**	**7.10**	**28.28**	**-**	**-**	**948.28**
Balance as at March 31, 2024	**2,885.44**	**768.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,033.91**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	**-**
Restated balance as at March 31, 2024	**2,885.44**	**768.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,033.91**
Profit for the year	1,261.23	-	-	-	-	-	-	**1,261.23**
Other comprehensive income / (losses) for the year	0.01	-	-	-	-	-	0.01	**0.01**
	1,261.24	**-**	**-**	**-**	**-**	**-**	**0.01**	**1,261.25**
Securities premium proceeds received on rights issue of equity shares	-	-	-	-	-	-	-	**-**
Share based payment to employees	-	-	-	-	36.29	-	-	**36.29**
Transfer from / (to) Capital redemption reserve	-	-	-	-	-	-	-	**-**
Transfer from / (to) retained earnings	(252.25)	252.25	-	-	-	-	(0.01)	**(0.01)**
	(252.25)	**252.25**	**-**	**-**	**36.29**	**-**	**(0.01)**	**36.29**
Balance as at March 31, 2025	**3,894.43**	**1,020.34**	**1,345.00**	**7.10**	**64.57**	**-**	**-**	**6,331.44**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

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. (Formerly known As Prachay Capital Private Limited) CIN: U65900PN2017PLC168737

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : May 21st, 2025

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN:U65900PN2017PLC168737)

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(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. Statement of compliance and basis of preparation and presentation

The financial statements for the year ended March 31, 2025 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. For periods up to and including the year ended March 31, 2024, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act 2013 and are in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP'). The financial statements for the year ended March 31, 2025 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance of the Company is provided in note 52. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

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.

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.

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.

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Kirpekar & Associates Chartered Accountants Pune-1

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 42.

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 36.

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune

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 49.

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:

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.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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. 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

9th Kay Capital Ltd. CIN U65900PN 2017PLC 168737 Kay Capital Private Limited)
Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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 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 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

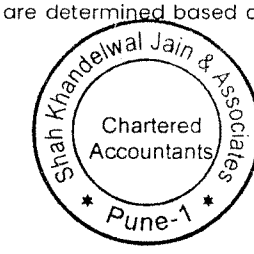
Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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
Leasehold improvements	5 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.

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:

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-411030

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.

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.

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly Known As Prachay Capital Private Limited

Shah Kapilwal Jain & Associates Chartered Accountants Pune-1 F151

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.

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.

Prachay Capital Ltd. CIN U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1 F152

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

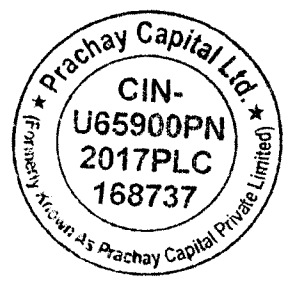
The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

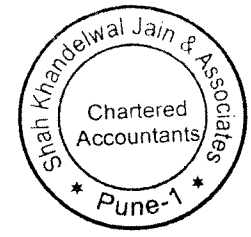
Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 38 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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements





Note : 4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Cash-on-hand	0.17	0.77	2.67
Balances with banks			
Current account	80.32	1,660.36	20.98
Fixed deposit accounts with original maturity less than 3 months	-	-	95.00
	80.48	**1,661.13**	**118.65**

Note : 5 Bank Balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
In fixed deposit accounts			
Fixed deposit accounts with original maturity of more than 3 months	1,758.53	451.24	191.63
	1,758.53	**451.24**	**191.63**

Notes :

- Out of the above, Rs. 640 lacs (As at March 31, 2024 - Rs. 190 lacs; As at April 01, 2023 - Rs. 190 lacs) balance in deposit accounts with banks are being earmarked towards Loans facilities taken from banks
- Out of the above, Rs. 1,046.03 lacs (As at March 31, 2024 - Rs. 245.36 lacs; As at April 01, 2023 - Rs. Nil) balance in deposit accounts with banks are created out of cash collateral received from customers
- Deposits are made for varying period from 3 month to 3 years and earn interest from 5% to 7.75% p.a

Note : 6 Loans

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
A. Category of Loans wise Details			
Amortised Cost			
Term loans	26,714.20	23,741.97	16,587.12
Intercorporate Deposit	100.15	-	39.50
Employee Loan	1.45	6.54	-
Through OCI			
Unquoted Non convertible Debentures	4,809.94	3,804.06	5,980.86
Total (i) - Gross	**31,625.74**	**27,552.57**	**22,607.48**
Amortised Cost - Impairment			
Allowance for impairment loss	(67.94)	(59.63)	(41.24)
FVOCI - Impairment			
Allowance for impairment loss	(12.06)	(9.50)	(14.88)
Total (ii) - Impairment loss allowance	**(80.00)**	**(69.13)**	**(56.11)**
Total (A) = (i - ii) Net	**31,545.74**	**27,483.44**	**22,551.37**
B. Nature of Security wise details			
Amortised Cost			
Secured	26,714.20	23,741.97	16,587.12
Unsecured	101.60	6.54	39.50
Through OCI			
Secured	4,809.94	3,804.06	5,980.86
Unsecured	-	-	-
Total (B) - Gross	**31,625.74**	**27,552.57**	**22,607.48**
Less: Impairment loss allowance	(80.00)	(69.13)	(56.11)
Total (B) - Net	**31,545.74**	**27,483.44**	**22,551.37**
C. Location wise details			
i) Loans in India			
a. Public Sector	-	-	-
b. Others	31,625.74	27,552.57	22,607.48
ii) Loans outside India			
Total (C) - Gross	**31,625.74**	**27,552.57**	**22,607.48**
Less: Impairment loss allowance	(80.00)	(69.13)	(56.11)
Total (C) - Net	**31,545.74**	**27,483.44**	**22,551.37**

Notes :

- The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.
- The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest and also sell accordingly the NCDs are measured at FVTOCI.
- There is no change in Fair Value of NCDs as on reporting date as compared to its carrying value.
- The Company does not have any loans outside India
- Figures are inclusive of Interest accrued but not due as on 31st March 2025.

Note : 7 Investments

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
A. Category of Investments wise Details			
Through FVOCI			
Equity Instruments - Unquoted	0.01	0.01	0.01
At Cost			
in Subsidiaries	2,146.25	1,123.75	100.00
	2,146.26	**1,123.76**	**100.01**
B. Location wise details			
i. Investments outside India			
ii. Investments in India	2,146.26	1,123.76	100.01
	2,146.26	**1,123.76**	**100.01**

Notes : - As per para 10 of Ind AS 27, the Company has opted to account the investments in subsidiary entities at cost.

- The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTOCI since the Company believes that impact of change on account of fair value is insignificant.

Prachay Capital Ltd. (Formerly known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

C. Scrip wise details of investments

Particulars	Face Value	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
		Quantity (Nos)	Amount (Rs. in lakhs)	Quantity (Nos)	Amount (Rs. in lakhs)	Quantity (Nos)	Amount (Rs. in lakhs)
(a) Investments in Subsidiaries - Equity shares (Unquoted)							
i. Prachay Investment Managers Pvt Ltd	10.00	10,00,000	100.00	10,00,000	100.00	10,00,000	100.00
ii. Prachay Securities Pvt Ltd	10.00	15,00,000	150.00	-	-	-	-
(b) Investments in Units of AIF - (Unquoted)							
i. Prachay AIF Scheme I	1,00,000.00	1,896.25	1,896.25	1,023.75	1,023.75	-	-
(SEBI Registered Category II AIF)							
(c) Investments in Others - Equity shares (Unquoted)							
i. Prachay Foundation	10.00	100	0.01	100	0.01	100	0.01
			2,146.26		**1,123.76**		**100.01**

Note : 8 Other Financial assets

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Unsecured, considered good			
Lease deposits	46.02	11.64	2.88
Other deposits	3.20	3.00	-
Stamp Duty Refund Receivable	-	2.08	-
Others	22.28	13.48	9.60
	71.50	**30.20**	**12.48**

Note : 9 Current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Advance Tax Paid	71.43	155.82	-
	71.43	**155.82**	**-**

Note : 10 Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Deferred tax assets	70.55	77.96	11.46
	70.55	**77.96**	**11.46**

* For yearly movement in balances of deferred tax assets/(liabilities) refer Note no. - 36

Note : 11 Property, plant and equipment

Particulars	Furniture & fixtures	Office Equipments	Computers & Laptops	Leasehold improvements	Building	Vehicles	ROU Assets	Total
Gross Carrying Amount								
Balance as at April 01, 2023	**5.99**	**10.33**	**15.36**	**-**	**198.25**	**13.37**	**12.28**	**255.57**
Additions	0.87	15.48	7.69	-	-	-	59.26	83.30
Disposals	-	0.12	0.38	-	-	-	12.28	12.78
Balance as at March 31, 2024	**6.86**	**25.69**	**22.67**	**-**	**198.25**	**13.37**	**59.26**	**326.09**
Additions	185.43	125.45	21.98	193.08	-	-	510.72	1,036.66
Disposals	-	-	-	-	-	-	29.38	29.38
Balance as at March 31, 2025	**192.29**	**151.14**	**44.65**	**193.08**	**198.25**	**13.37**	**540.60**	**1,333.38**
Accumulated depreciation								
Balance as at April 01, 2023	**3.67**	**1.94**	**11.73**	**-**	**6.38**	**2.45**	**10.23**	**36.40**
Depreciation charged during the year	0.72	5.86	4.75	-	9.34	3.38	27.42	51.47
Disposals	-	0.11	0.36	-	-	-	12.28	12.75
Balance as at March 31, 2024	**4.39**	**7.69**	**16.12**	**-**	**15.72**	**5.83**	**25.38**	**75.12**
Depreciation charged during the year	17.17	23.16	10.00	34.18	8.89	2.33	97.22	192.96
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**21.56**	**30.85**	**26.12**	**34.18**	**24.61**	**8.16**	**122.59**	**268.08**
Net carrying amount as at April 01, 2023	**2.32**	**8.39**	**3.62**	**-**	**191.87**	**10.92**	**2.05**	**219.17**
Net carrying amount as at March 31, 2024	**2.47**	**18.00**	**6.55**	**-**	**182.53**	**7.54**	**33.88**	**250.97**
Net carrying amount as at March 31, 2025	**170.73**	**120.28**	**18.52**	**158.90**	**173.64**	**5.21**	**418.01**	**1,065.30**

Note : The title deeds of all the immovable properties are held in the name of company

Note : 12 Intangible assets under development

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Intangible assets under development	73.85	43.60	-
	73.85	**43.60**	**-**

Note: For intangible assets under development, the following ageing schedule shall be given: March 31st, 2025

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30.25	43.60	-	-	73.85
Projects temporarily suspended	-	-	-	-	-

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note: For intangible assets under development, the following ageing schedule shall be given: March 31st, 2024

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	43.60	-	-	-	**43.60**
Projects temporarily suspended	-	-	-	-	**-**

Note : 13 Other Intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at April 01, 2023	-	-
Additions	0.36	0.36
Disposals	-	-
Balance as at March 31, 2024	**0.36**	**0.36**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2025	**0.36**	**0.36**
Accumulated Amortisation		
Balance as at April 01, 2023	-	-
Depreciation charged during the year	0.10	0.10
Disposals	-	-
Balance as at March 31, 2024	**0.10**	**0.10**
Depreciation charged during the year	0.10	0.10
Disposals	-	-
Balance as at March 31, 2025	**0.20**	**0.20**
Net carrying amount as at April 01, 2023	-	-
Net carrying amount as at March 31, 2024	**0.26**	**0.26**
Net carrying amount as at March 31, 2025	**0.16**	**0.16**

Note : 14 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Prepaid Expenses	19.53	4.50	25.43
Balance with Revenue Authorities	12.12	-	2.25
Capital advances	5.78	-	-
Other non financial asset - Others	3.92	0.91	33.89
	41.34	**5.41**	**61.56**

Note : 15 Payables

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Other payables			
Total outstanding dues of micro enterprises and small enterprises	2.49	1.17	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.76	0.45	0.05
	17.26	**1.62**	**0.06**

Trade payables / Other payables

As at March 31, 2025

Particulars	Outstanding from due date of payment					
	Amount Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.49	-	-	-	-	2.49
ii) Others	14.76	-	-	-	-	14.76
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	17.26	**-**	**-**	**-**	**-**	**17.26**

As at March 31, 2024

Particulars	Outstanding from due date of payment					
	Amount Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	1.17	-	-	-	-	1.17
ii) Others	0.45	-	-	-	-	0.45
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	1.62	**-**	**-**	**-**	**-**	**1.62**

As at April 01, 2023

Particulars	Outstanding from due date of payment					
	Amount Not due	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**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 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.			
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :			
Principal	-	-	-
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	-	-	-

Notes: - The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company

Note : 16 Debt securities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost			
Non convertible debentures			
i. Secured			
a) Non convertible debentures (listed, fully paid and publicly placed)	5,075.18	-	-
b) Non convertible debentures (Unlisted, fully paid and privately placed) *	16,243.50	12,495.00	5,636.50
Total	**21,318.68**	**12,495.00**	**5,636.50**

Notes:

* 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) / five (5) 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 / five (5) 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

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
i) Debt securities in India	21,318.68	12,495.00	5,636.50
ii) Debt securities outside India	-	-	-
Total	**21,318.68**	**12,495.00**	**5,636.50**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2025

Rate of Interest	Maturity years					Grand Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
13.00%	-	185.50	540.00	1,189.50	5,435.00	**7,350.00**
13.50%	-	-	105.00	-	-	**105.00**
14.00%	422.50	1,257.50	-	975.00	1,300.00	**3,955.00**
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	3,400.00	**8,745.00**
Subtotal (A)	**587.50**	**1,894.00**	**1,150.00**	**7,718.00**	**10,200.00**	**21,549.50**
Less: Unamortised transaction cost (B)						**(251.23)**
Add: Interest accrued but not due on NCD borrowings (C)						**20.41**
Total (A-B+C)						**21,318.68**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2024

Rate of Interest	Maturity years					Grand Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
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**
Subtotal (A)	**610.00**	**737.50**	**1,959.00**	**1,445.00**	**7,743.50**	**12,495.00**
Less: Unamortised transaction cost (B)						**-**
Add: Interest accrued but not due on NCD borrowings (C)						**-**
Total (A-B+C)						**12,495.00**

Terms of repayment of non-convertible debentures (NCDs) as at April 01, 2023

Rate of Interest	Maturity years					Grand Total
	2023-24	2024-25	2025-26	2026-27	2027-28	
13.00%	-	-	-	190.50	595.00	**785.50**
13.50%	-	-	-	-	105.00	**105.00**
14.00%	-	610.00	722.50	1,317.50	740.00	**3,390.00**
14.50%	-	-	-	451.00	-	**451.00**
14.75%	-	-	-	-	505.00	**505.00**
15.00%	-	-	400.00	-	-	**400.00**
Subtotal (A)		**610.00**	**1,122.50**	**1,959.00**	**1,945.00**	**5,636.50**
Less: Unamortised transaction cost (B)						**-**
Add: Interest accrued but not due on NCD borrowings (C)						**-**
Total (A-B+C)						**5,636.50**

Khandelwal Jain & Associates Chartered Accountants
Prachay Capital Ltd. CIN-

Note : 17 Borrowings (other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost			
Term loans-from banks	3,329.81	2,484.60	1,650.02
Loan from Related Party	-	-	2.00
Loan from Member	-	-	8,480.01
Inter corporate deposit-Related Party	15.00	128.00	-
Inter corporate deposit- Others	520.00	7,250.00	-
Cash credit from banks	-	-	1,185.73
Dropline overdraft balance	1,338.72	580.63	990.31
	5,203.53	**10,443.23**	**12,308.07**

Notes:

a) Term loans from banks

- The Term loan 1 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
- The Term loan 2 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
- The Term loan 3 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
- The Term loan 4 of Rs 1500 Lakhs is repayable in 72 monthly instalments of Rs. 20.83 lakhs each, commencing from November 2025.

Above loans carry rate of interest ranging from 10.65 % to 15.25 %

Term Loan 1, Term Loan 2, Term Loan 3 (from SBI Bank) & and Term Loan 4 (from IOB Bank) facilities are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Collateral Security : In the form of registered mortgage of Flat (Office of the company), Land (Third Party) & Cash collateral in the form of Fixed Deposit (only in case of Loan 4)
- Personal Guarantee of : Directors
- Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans & advances of the company
- Personal Guarantee of : Director

b) Inter corporate deposits

- The inter corporate deposits are for a tenure ranging from 2 months to 3 year

c) Dropline Overdraft from Bank

- Dropline Overdraft Limit 1 of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.
- Dropline Overdraft Limit 2 of Rs 2000 Lakhs is repayable in 30 principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

Dropline Overdraft Limit from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Personal Guarantee of : Directors
- Lien on Fixed Deposits

Note : 18 Subordinated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost			
Nil, (March 31, 2024 : Nil; April 01, 2023 : 71,000) Non convertible Non cumulative 8% Preference shares	-	-	7.10
Total	**-**	**-**	**7.10**

Note : 19 Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Lease liabilities	467.70	34.23	2.14
	467.70	**34.23**	**2.14**

Note : 20 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Others			
Cash Collateral collected from borrower	1,046.03	245.36	-
Borrower TDS Refundable	120.49	197.83	-
Employee Benefit Expenses Payable	11.11	-	0.39
Other Payables	8.87	14.54	16.62
	1,186.50	**457.72**	**17.01**

Note : 21 Current tax liabilities (Net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Provision for Tax	-	-	296.01
Less: TDS Receivables	-	-	(166.70)
Less: Advance Tax Paid	-	-	(22.50)
	-	**-**	**106.81**

Note : 22 Provisions

Particulars		As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Provision for employee benefits				
Gratuity	(Refer note no. 42)	12.86	5.52	-
		12.86	**5.52**	**-**

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 23 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Revenue received in advance	220.50	646.36	115.31
Statutory dues payable			
GST Payable	-	1.18	-
TDS Payable	-	0.02	-
Provident Fund - Employees Contribution	0.41	-	-
Professional Tax - Employees	0.08	-	-
Others			
Electricity Expenses Payable	1.17	-	-
	222.17	**647.56**	**115.31**

Note : 24 Equity share capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised capital						
Equity shares of Rs. 10/- each	2,80,00,000	2,800.00	2,80,00,000	2,800.00	2,80,00,000	2,800.00
Preference shares of Rs. 10/- each	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00
Issued, subscribed and fully paid up						
Equity shares of Rs. 10/- each fully paid	2,16,50,000	2,165.00	2,16,50,000	2,165.00	2,08,50,000	2,085.00
Total	**2,16,50,000**	**2,165.00**	**2,16,50,000**	**2,165.00**	**2,08,50,000**	**2,085.00**

b. Reconciliation of number of shares at the beginning and at the end of the year

(Rs. In lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00
Add: Shares issued during the year	-	-	8,00,000	80.00
Less: Shares bought back during the year	-	-	-	-
	2,16,50,000	**2,165.00**	**2,16,50,000**	**2,165.00**

c. Terms/rights 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.

d. Particulars of shareholders holding more than 5% of the share capital

Name of Shareholder	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Girish Lakhotiya	1,71,59,870	79.26%	1,71,59,870	79.26%	1,71,59,870	82.30%
Rahul Rathi	8,50,000	3.93%	17,00,000	7.85%	17,00,000	8.15%
Prachay Advisors Private Limited	23,48,442	10.85%	14,98,442	6.92%	14,98,442	7.19%

e. Particulars of shares held by promoters

Promoter name	As at 31 Mar 2025		As at 31 Mar 2024		As at 01 Apr 2023	
	No. of Shares	% change	No. of Shares	% change	No. of Shares	% change
Girish Lakhotiya	1,71,59,870	0.00%	1,71,59,870	3.04%	1,71,59,870	8.35%

f. 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.

Note : 25 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Retained earnings	3,894.43	2,885.44	2,014.70
Statutory reserves u/s 45-IC of The RBI Act, 1934	1,020.34	768.10	548.64
Securities premium	1,345.00	1,345.00	425.00
Share Options Outstanding Account	64.57	28.28	-
Capital redemption reserve	7.10	7.10	-
Other comprehensive income	-	-	-
	6,331.44	**5,033.91**	**2,988.34**

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates ★ Chartered Accountants ★ Pune-1 ★

Note : 25A Other Equity Movements

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Retained earnings			
Opening Balance	2,885.44	2,014.70	1,251.64
Add: Profit / (Loss) for the year	1,261.23	1,097.30	953.83
Add: Other Comprehensive Income	0.01	-	-
Less: Transfer to statutory reserve u/s 45-IC of The RBI Act, 1934	(252.25)	(219.46)	(190.77)
Less: Transfer to capital redemption reserve	-	(7.10)	-
Closing Balance	**3,894.43**	**2,885.44**	**2,014.70**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Opening Balance	768.10	548.64	357.87
Add : Transferred from retained earnings	252.25	219.46	190.77
Closing Balance	**1,020.34**	**768.10**	**548.64**
Securities premium			
Opening Balance	1,345.00	425.00	425.00
Add : Premium collected on share allotment	-	920.00	-
Closing Balance	**1,345.00**	**1,345.00**	**425.00**
Other reserves & surplus - Employee stock option outstanding			
Opening Balance	28.28	-	-
Less : Transferred to Retained Earnings	-	-	-
Add/(Less) : Movement during the year	36.29	28.28	-
Closing Balance	**64.57**	**28.28**	**-**
Capital redemption reserve			
Opening Balance	7.10	-	-
Addition during the year	-	7.10	-
Closing Balance	**7.10**	**7.10**	**-**
Other comprehensive income			
Opening Balance	-	-	-
Add : Remeasurment gain on defined benefit obligation	0.01	-	-
Less : Transferred to Retained Earnings	(0.01)	-	-
Closing Balance	**-**	**-**	**-**

25B 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) Statutory Reserve pursuant to Section 45-IC of the RBI 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 used for allottment of bonus share in accordance with the provisions of the Companies Act, 2013.

(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) Other reserves & surplus - Employee stock option outstanding

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 appropriate reserve account.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 26 Interest Income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest income on financial assets measured at FVOCI		
Interest income from investments - NCD	827.81	746.97
Interest income on financial assets measured at amortised cost		
Interest on loans	4,425.06	3,414.91
Interest on inter-corporate deposits	3.35	0.73
Interest income On staff loans	0.33	0.33
Interest on Security Deposit	3.89	1.38
Interest income on financial assets measured at cost		
Interest income from investments - AIF	271.88	25.07
	5,532.32	**4,189.39**

Note : 27 Fees and commission Income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Fees and Charges	2.85	0.57
	2.85	**0.57**

Note : 28 Other income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest on Fixed Deposits	81.08	46.19
Penal Charges	192.20	-
Interest on income tax refund	4.28	-
Gain on lease cancellation	2.04	-
	279.61	**46.19**

Note : 29 Finance costs

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest expenses on financial liabilities measured at amortised cost		
Interest expenses on Borrowings		
Interest on borrowings Inter corporate deposits	245.06	167.75
Interest on borrowings Cash credit and overdraft	-	10.61
Interest on borrowings Term loans and dropline overdraft	391.30	341.65
Interest on borrowings Loan from Share Holders/Directors	-	411.69
Interest expenses on debt securities		
Interest on Non convertible Debentures	2,180.08	1,076.08
Interest on subordinated liabilities	-	0.46
Interest on Lease liability	54.91	4.94
Interest on Cash Collateral	9.01	-
Other Borrowing Cost	36.18	28.98
	2,916.55	**2,042.16**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 30 Impairment on financial instruments

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
on loans at FVOCI	2.56	(5.38)
on loans at amortised cost	8.31	18.39
	10.87	**13.02**

Note : 31 Employee benefits expenses

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Salaries and wages	409.85	266.96
Contribution to provident and other funds	4.87	3.56
Gratuity Expenses	7.35	5.52
Share based payment to employees	35.46	28.28
Staff welfare expenses	15.36	11.31
	472.89	**315.62**

Note : 32 Depreciation, amortisation and impairment

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Depreciation of Property, plant and equipment	192.96	51.47
Amortisation of Intangible assets	0.10	0.10
	193.06	**51.57**

Note : 33 Others expenses

Particulars		For year ended March 31, 2025	For year ended March 31, 2024
Rent Expense		6.47	0.70
Rates and taxes		1.63	0.95
Repairs and maintenance		0.45	2.57
Insurance Expense		3.04	0.21
Power and fuel		7.83	2.12
Legal and Professional charges		287.41	243.30
Advertisement and publicity		38.72	6.56
Auditor's fees and expenses	(refer note A)	5.50	5.36
CSR Expenditure	(refer note B)	25.58	33.18
Royalty Expenses		6.54	-
Share of Expenses - AIF		43.06	-
Miscellaneous expenses		89.37	46.89
		515.61	**341.83**

Note A : Payment to auditor includes:

a. as statutory auditor	4.25	3.00
b. for certification related matters	0.80	0.23
c. for other services	-	-
Total	**5.05**	**3.23**

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates ★ Chartered Accountants ★ Pune-1 ★

Note B : Details of expenditure on Corporate Social Responsibility:

a. Gross amount required to be spent during the year	25.58	19.73
b. Amount spent during the year:		
CSR Expenses paid	25.58	33.18
CSR Expenses yet to be paid	-	-
c. Shortfall at the end of the year	-	(13.45)
d. Total of previous years shortfall Paid	-	13.45
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	Schedule VII fund	Schedule VII fund

Note: 34 Earnings per equity share (for continuing operations)

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
A. Basic Earnings per Share		
a) Profit after tax attributable to equity shareholders	1,261.23	1,097.30
b) Weighted average number of equity shares outstanding during the year (No.s)	2,16,50,000	2,13,96,448
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Basic earnings per share (EPS) (Rs.)	5.83	5.13
B. Diluted Earnings per Share		
a) Profit after tax attributable to equity shareholders for diluted EPS	1,261.23	1,097.30
b) Weighted average number of equity shares for calculating diluted EPS (No.s)	2,16,50,000	2,13,96,448
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Diluted earnings per share (EPS) (Rs.)	5.83	5.13
C. No. of equity shares for calculating diluted EPS		
Weighted average number of equity shares for calculating Basic EPS	2,16,50,000	2,13,96,448
Weighted average number of equity shares for calculating diluted EPS	2,16,50,000	2,13,96,448

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Jain Khandelwal Jain & Associates Chartered Accountants

Note: 35 Disclosure pursuant to Ind AS 12 "Income Taxes"

A Income Tax recognised in statement of profit and loss and other comprehensive income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Income-tax related to items recognised directly in the statement of profit and loss		
Current income tax:		
i) Current income tax expense	439.20	443.49
ii) (Excess) / Short provision for tax relating to prior years	(2.03)	(2.33)
Deferred tax (benefit) / charge	7.40	(66.50)
Total income tax expense recognised relating to continuous operations	**444.57**	**374.65**
Income-tax related to other comprehensive income		
Remeasurement of the net defined benefit obligation gain / (loss)	0.00	-
Total income tax expense recognised relating to other comprehensive income	**0.00**	**-**

B Reconciliation of income tax expense for the year:

A reconciliation of income-tax expense applicable to profit before income-tax at statutory rate to income-tax expense at the Company's effective income-tax rate for the year ended March 31 is as follows :

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Profit before tax	1,705.81	1,471.95
Total tax expense (As per Statement of Profit and loss)		
i) Current tax	439.20	443.49
ii) Deferred tax	7.40	(66.50)
Total Tax Expenses	**446.60**	**376.98**
Effective tax rate (%)	**26.18%**	**25.61%**
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due to Permanent Difference		
a) Permanent Difference	**17.29**	**33.24**
Non allowability of Claim of CSR	6.44	33.18
Share of expenses - Prachay AIF Scheme I	10.84	-
Non allowability of statutory delay interest	0.01	0.07
b) Others	**0.00**	**-**
OCI on Gratuity	0.00	-
Total (A)	**17.29**	**33.24**
a) Difference due to Tax Rate of STCG	-	-
Total (B)	**-**	**-**
Total of items affecting tax rate (A+B)	**17.29**	**33.24**

C Reconciliation of income tax rate is as follows:

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
a) Normal Tax Rate	22.00%	22.00%
b) Surcharge (@ 10% of Normal Tax Rate)	2.20%	2.20%
c) Health and Education Cess	0.97%	0.97%
Total Tax Rate (%)	**25.17%**	**25.17%**
Effect in Tax rate due to permanent difference	1.01%	0.44%
Effective Tax Rate (%)	**26.18%**	**25.61%**

Note: 36 Movement in Deferred Taxes

A Movement in deferred tax balances For the year ended March 31, 2025

Particulars	As at March 31, 2024	Recognised in profit or loss	Recognised in OCI	As at March 31, 2025
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(3.23)	(8.89)	-	5.66
Right of use asset	(8.06)	97.14	-	(105.20)
Lease liabilities	8.62	(109.10)	-	117.71
Provision for Employee benefits	1.39	(1.85)	0.00	3.24
Amortised Fees Income	87.10	(33.76)	-	120.85
Amortised Finance Cost	(7.65)	68.13	-	(75.98)
Others (net)	-	(4.27)	-	4.27
Total	**77.96**	**7.40**	**0.00**	**70.55**

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

B Movement in deferred tax balances For the year ended March 31, 2024

Particulars	As at April 01, 2023	Recognised in profit or loss	Recognised in OCI	As at March 31, 2024
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(2.32)	0.91	-	(3.23)
Right of use asset	(0.48)	7.58	-	(8.06)
Lease liabilities	0.54	(8.08)	-	8.62
Provision for Employee benefits	-	(1.39)	-	1.39
Amortised Fees Income	24.19	(62.91)	-	87.10
Amortised Finance Cost	(12.26)	(4.40)	-	(7.85)
Others (net)	1.79	1.79	-	-
Total	**11.46**	**(66.50)**	**-**	**77.96**

Note : 37 Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities as on March 31, 2025; March 31, 2024 & April 01, 2023

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for as on March 31, 2025 are Rs. Nil (March 31, 2024 : Nil & April 01, 2023 : Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for as on March 31, 2025 are Rs. 38.25 lakhs (March 31, 2024 : 51.00 lakhs & April 01, 2023 : Nil)

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 as on March 31,2025.

- Company had provided total capital commitment to Prachay-AIF scheme I of Rs 4875 lakhs out of which Rs 1023.75 lakhs have been invested and balance of Rs 3851.25 lakhs remains to be invested as on March 31,2024.

- Nil for March 31,2023.

Note : 38 Segment reporting

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note : 39 The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses

Note : 40 The Company has not given loan or guarantee and has not made investments u/s 186(2) of the Companies Act 2013

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 41 Leases

A A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

B Company as a lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

C The details of Right to use Asset of the company are as follows:

Asset Class	Leasehold Property	
	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year (net)	33.88	2.05
Add: Additions during the year	510.72	59.26
Less: Deductions during the year on account of modification / termination of leases	(29.38)	-
Less: Depreciation	(97.22)	(27.42)
Balance as at end of the year (net)	**418.01**	**33.88**

D Following is the movement in lease liabilities for the year

	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	34.23	2.14
Add: Additions / modification during the year	489.66	56.15
Less: Deductions / modification during the year	(29.38)	-
Add: Interest Expense	54.91	4.94
Less: Lease Payments	(81.73)	(28.99)
Balance as at end of the year	**467.70**	**34.23**

E Contractual maturities of lease liabilities on an undiscounted basis

	Leasehold Property	
	As at March 31, 2025	As at March 31, 2024
Less than 1 year	120.94	30.51
1-3 years	279.69	4.58
3-5 years	207.85	-
More than 5 years	-	-
Total	**617.48**	**35.09**

F Right-of-use Assets and Lease liabilities related expenses / income booked in Statement of Profit and Loss

	For year ended March 31, 2025	For year ended March 31, 2024
a. Depreciation on Right-of-use Assets	97.22	27.42
b. Interest on Lease liabilities	54.91	4.94
c. Gain on termination of lease	2.04	-

G Short term Leases (in Statement of Profit and loss)

	For year ended March 31, 2025	For year ended March 31, 2024
i) Office premises / Branch offices	-	-
Total	-	-

Notes:

Weighted average incremental borrowing rate applied to lease liabilities for the year ended March 31,2025 is 14% (for previous year ended March 31, 2024: 14%)

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 42 Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A Defined contribution plans

The Company's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Employer's contribution to provident fund & Others	4.69	3.39

B Defined Benefit plans

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 :

a) Principal assumptions used for the actuarial valuations are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Mortality table	IALM (2012-24) ULT	IALM (2012-24) ULT
Discount rate	6.70%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	-	-
Expected average remaining working lives of employees (in years)	9.31 *	9.32 *
Average remaining working life (years)	29.56 ^	30.00 ^
Retirement Age	60 Years	60 Years
Withdrawal Rate		
Age upto 30 years	10%	10%
Age 31-40 years	10%	10%
Age 41-50 years	10%	10%
Age above 50 years	10%	10%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

^ It is simple arithmetical difference between retirement age and average age (by zeroing out negatives for employees above retirement age) and is calculated without using any decrements.

b) Table showing changes in present value of obligations:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the period	5.52	-
Acquisition adjustment	-	-
Transfer In / (Out)	-	-
Interest Expense	0.40	-
Past service cost	-	-
Current service cost	6.96	5.52
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-	-
Remeasurements on obligation - (Gain) / Loss	(0.01)	-
Present value of obligation as at the end of the period	12.86	5.52

c) Breakup of service cost

Particulars	As at March 31, 2025	As at March 31, 2024
Past Service Cost	-	-
Current Service Cost	6.96	5.52
Curtailment Cost / (Credit) on plan amendments	-	-
Settlement Cost / (Credit) on plan amendments	-	-

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants ★ Pune-1 ★

d) Table Showing Changes In Fair Value Of Plan Assets

No Applicable as plan is not funded

e) Net Interest (Income)/Expense :

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Interest (Income) / Expense – Obligation	0.40	-
Interest (Income) / Expense – Plan assets	-	-
Net interest (Income) / Expense for the year	0.40	-

f) Change In The Effect Of Asset Ceiling

Particulars	As at	
	March 31, 2025	March 31, 2024
Effect of Asset Ceiling at the beginning	-	-
Interest (Income)/ Expense (excluding amount included in net interest on plan assets)	-	-
Remeasurement - (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

g) Remeasurements For The Year Actuarial (Gain) / Loss

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Experience (Gain) / Loss on plan liabilities	(0.55)	-
Demographic (Gain) / Loss on plan liabilities	-	-
Financial (Gain) / Loss on plan liabilities	0.54	-
Financial (Gain) / Loss on plan assets	-	-
Experience (Gain) / Loss on plan assets	-	-

h) Amounts Recognised In Statement Of Other Comprehensive Income (OCI)

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Opening amount recognised in OCI outside profit and loss account	-	-
Remeasurement for the year - obligation (Gain) / Loss	(0.01)	-
Remeasurement for the year - plan asset (Gain) / Loss	-	-
Remeasurement arising because of change in effect of asset ceiling	-	-
Total Remeasurements Cost / (Credit) for the year recognised in OCI	(0.01)	-
Closing amount recognised in OCI outside profit and loss account	(0.01)	-

i) The Amounts To Be Recognised In The Balance Sheet

Particulars	As at	
	March 31, 2025	March 31, 2024
Present value of obligation at the end of period	12.86	5.52
Fair value of the plan assets at the end of period	-	-
Surplus / (Deficit)	(12.86)	(5.52)
Current liability	0.02	0.01
Non-current liability	12.84	5.51
Amount not recognised due to asset ceiling	-	-
Net asset / (liability) recognised in balance sheet	(12.86)	(5.52)

j) Expense Recognised In The Statement Of Profit and Loss

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Service Cost	6.96	5.52
Acquisition (Gain) / Loss	-	-
Past service cost	-	-
Net interest (Income)/ Expense	0.40	-
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	7.35	5.52

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

k) Reconciliation Of Net Asset / (Liability) Recognised

Particulars	As at	
	March 31, 2025	March 31, 2024
Net asset / (liability) recognised at the beginning of the period	(5.52)	-
Company contributions	-	-
Benefits directly paid by Company	-	-
Amount recognised outside profit & loss for the year	0.01	-
Expense recognised at the end of period	(7.35)	5.52
Mortality Charges and Taxes	-	-
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognised at the end of the period	(12.86)	5.52

l) Major Categories of Plan Assets (As a % of Total Plan Assets) : (Not appliable as plan is not funded)

m) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.63 years

n) Expected Future Benefit Payments

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2026	2,000.00
2027	3,000.00
2028	4,000.00
2029	2,11,000.00
2030	3,30,000.00
2031-2035	30,52,000.00

The above cashflows have been arrived at based on the demographic and financial assumptions as mentioned earlier in section 6

o) Expected contribution for the next year (The plan is unfunded as on the valuation date)

p) Expected Expense to be Recognized in Profit and Loss Account for Next Year :

Particulars	01 April 2025 to 31 March 2026
Service Cost	9.72
Net Interest Cost	0.86
Expected Expense for next year	10.58

q) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its

- Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation
5.70%	14.07
7.70%	11.82

- Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation
6.00%	11.93
8.00%	13.93

- Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation
9.00%	12.89
11.00%	12.84

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

r) Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutraiize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities

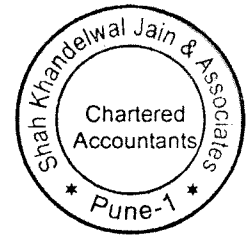
c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.





Note: 43 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below the table:

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 (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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.

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
31 March 2025	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	-	-	80.48	**80.48**	80.48	-	-	**80.48**
Bank balances other than Cash and cash equivalents	-	-	1,758.53	**1,758.53**	1,758.53	-	-	**1,758.53**
Loans	4,797.88	-	26,747.86	**31,545.74**	-	-	31,545.74	**31,545.74**
Other financial assets	-	-	71.50	**71.50**	-	-	71.50	**71.50**
Total	**4,797.89**	**-**	**28,658.37**	**33,456.27**	**1,839.01**	**-**	**31,617.25**	**33,456.27**
Financial Liabilities								
Debt Securities	-	-	21,318.68	**21,318.68**	-	-	21,318.68	**21,318.68**
Borrowings	-	-	5,203.53	**5,203.53**	-	-	5,203.53	**5,203.53**
Other payables	-	-	17.26	**17.26**	-	-	17.26	**17.26**
Lease liabilities	-	-	467.70	**467.70**	-	-	467.70	**467.70**
Other financial liabilities	-	-	1,186.50	**1,186.50**	-	-	1,186.50	**1,186.50**
Total	**-**	**-**	**28,193.67**	**28,193.67**	**-**	**-**	**28,193.67**	**28,193.67**

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
31 March 2024	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	-	-	1,661.13	**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	**3,794.57**	**-**	**25,831.45**	**29,626.02**	**2,112.37**	**-**	**27,513.65**	**29,626.02**
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**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
01 April 2023	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	-	-	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	**5,966.00**	**-**	**16,908.14**	**22,874.14**	**310.28**	**-**	**22,563.86**	**22,874.14**
Financial Liabilities								
Subordinated Liabilities	-	-	7.10	**7.10**	-	-	7.10	**7.10**
Debt Securities	-	-	5,636.50	**5,636.50**	-	-	5,636.50	**5,636.50**
Borrowings	-	-	12,308.07	**12,308.07**	-	-	12,308.07	**12,308.07**
Other payables	-	-	0.06	**0.06**	-	-	0.06	**0.06**
Lease liabilities	-	-	2.14	**2.14**	-	-	2.14	**2.14**
Other financial liabilities	-	-	17.01	**17.01**	-	-	17.01	**17.01**
Total	**-**	**-**	**17,970.87**	**17,970.87**	**-**	**-**	**17,970.87**	**17,970.87**

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.

For all financial assets and liabilities that are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximate the fair values.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 44 Credit Risk

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 March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	31,296.77	328.97	-	31,625.74	27,552.57	-	-	27,552.57
Less: Impairment loss allowance	(79.17)	(0.82)	-	(80.00)	(69.13)	-	-	(69.13)
Net carrying amount	**31,217.60**	**328.14**	**-**	**31,545.74**	**27,483.44**	**-**	**-**	**27,483.44**

Particulars	As at April 01, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	22,607.48	-	-	22,607.48
Less: Impairment loss allowance	(56.11)	-	-	(56.11)
Net carrying amount	**22,551.37**	**-**	**-**	**22,551.37**

B) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

Particulars	As at March 31, 2025							
	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
Gross carrying amount opening balance	**27,552.57**	**69.13**	**-**	**-**	**-**	**-**	**27,552.57**	**69.13**
Transfers during the year							-	-
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(245.25)	(0.61)	245.25	0.61	-	-	-	-
transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures (additional disbursement net of	(16,311.14)	(40.09)	83.71	0.21	-	-	**(16,227.43)**	**(39.88)**
New credit exposures during the year, net of repayments	20,300.60	50.75	-	-	-	-	**20,300.60**	**50.75**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**31,296.77**	**79.17**	**328.97**	**0.82**	**-**	**-**	**31,625.74**	**80.00**

Particulars	As at March 31, 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
Gross carrying amount opening balance	**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	(18,648.35)	(45.97)	-	-	-	-	**(18,648.35)**	**(45.97)**
New credit exposures during the year, net of repayments	23,593.44	58.98	-	-	-	-	**23,593.44**	**58.98**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**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 : 45 Financial Risk Management

i) Risk Management Framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities. Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze 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.

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. The carrying amounts of financial assets represent the maximum credit risk exposure

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event
- When a borrower becomes more than 120 days past due in its contractual payments

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable)

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes 120 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR 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.

Following indicators are incorporated:

i) DPD analysis as on each reporting date

ii) significant increase in credit risk on other financial instruments of same borrower

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(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

h) Expected credit loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 120 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 120 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12 months ECL from lifetime ECL.

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. These parameters are derived from the Company's internally developed models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly

Cash and cash equivalents and bank balance other than cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

iii) 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.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at March 31, 2025

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	21,318.68	**21,318.68**	132.91	475.00	3,044.00	17,666.77	-
Borrowings	5,203.53	**5,203.53**	536.40	766.67	2,749.65	774.01	376.81
Lease Liabilities	467.70	**467.70**	63.00	65.63	276.87	62.21	-
Other payables	17.26	**17.26**	17.26	-	-	-	-
Other financial Liabilities	1,186.50	**1,186.50**	131.59	214.72	840.19	-	-
Total	**28,193.67**	**28,193.67**	**881.15**	**1,522.01**	**6,910.71**	**18,502.99**	**376.81**

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 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	**34.23**	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 April 01, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	5,636.50	**5,636.50**	-	610.00	-	5,026.50	-
Borrowings (other than debt securities)	12,308.07	**12,308.07**	10,199.97	583.10	725.00	800.00	-
Lease liabilities	2.14	**2.14**	2.14	-	-	-	-
Subordinated liabilities	7.10	**7.10**	-	7.10	-	-	-
Other payables	0.06	**0.06**	0.06	-	-	-	-
Other financial Liabilities	17.01	**17.01**	17.01	-	-	-	-
Total	**17,970.87**	**17,970.87**	**10,219.17**	**1,200.20**	**725.00**	**5,826.50**	**-**

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which 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. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of interest	23.34	17.47	15.33	11.47

v) Operational Risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes

The framework, at its core, has the following elements

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure
4. Standardized reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture

Note : 46 Capital Management

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis

Gearing ratio : The gearing ratio at each date were as follows :

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
a. Debt (I)*	26,522.21	22,938.23	17,951.67
b. Cash and bank balances (II)	1,839.01	2,112.37	310.28
c. Net debt (I-II)	24,683.20	20,825.86	17,641.39
d Total Equity	8,496.44	7,198.91	5,073.34
e.Net debt to equity ratio	**2.91**	**2.89**	**3.48**

*Debt includes debt securities, borrowings & subordinated liabilities

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 47 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 March 31, 2025			As at March 31, 2024			As at April 01, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. ASSETS										
I. Financial assets										
Cash and cash equivalents	4	80.48	-	80.48	1,661.13	-	1,661.13	118.65	-	118.65
Bank Balance other than cash and cash equivalei	5	426.25	1,332.28	1,758.53	89.87	361.37	451.24	1.63	190.00	191.63
Loans	6	15,733.84	15,811.90	31,545.74	4,792.05	22,691.39	27,483.44	7,508.02	15,043.34	22,551.37
Investments	7	-	2,146.26	2,146.26	-	1,123.76	1,123.76	-	100.01	100.01
Other Financial assets	8	21.75	49.75	71.50	15.56	14.64	30.20	9.60	2.88	12.48
		16,262.33	**19,340.19**	**35,602.52**	**6,558.61**	**24,191.16**	**30,749.77**	**7,637.90**	**15,336.23**	**22,974.14**
II. Non-financial assets										
Current tax assets (net)	9	71.43	-	71.43	155.82	-	155.82	-	-	-
Deferred tax assets (net)	10	-	70.55	70.55	-	77.96	77.96	-	11.46	11.46
Property, plant and equipment	11	-	1,065.30	1,065.30		250.97	250.97	-	219.18	219.18
Intangible assets under development	12	-	73.85	73.85	-	43.60	43.60	-	-	-
Other Intangible assets	13	-	0.16	0.16	-	0.26	0.26	-	-	-
Other non-financial assets	14	16.14	25.20	41.34	5.41	-	5.41	48.00	13.56	61.56
		87.57	**1,235.05**	**1,322.62**	**161.23**	**372.79**	**534.02**	**48.00**	**244.19**	**292.20**
Total Assets		**16,349.90**	**20,575.24**	**36,925.14**	**6,719.84**	**24,563.95**	**31,283.79**	**7,685.91**	**15,580.43**	**23,266.33**
2. LIABILITIES										
I. Financial liabilities										
Payables	15	-	-	-	-	-	-	-	-	-
(b) Other Payables										
(i) total outstanding dues of micro enterprises and small enterprises		2.49	-	2.49	1.17	-	1.17	0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.76	-	14.76	0.45	-	0.45	0.05	-	0.05
Debt securities	16	607.91	20,710.77	21,318.68	610.00	11,885.00	12,495.00		5,636.50	5,636.50
Borrowings (other than debt securities)	17	1,303.06	3,900.47	5,203.53	1,084.57	9,358.67	10,443.23	1,100.00	11,187.34	12,287.34
Subordinated liabilities	18	-	-	-			-	7.10	-	7.10
Lease liabilities	19	128.63	339.08	467.70	30.55	3.68	34.23	2.14	0.00	2.14
Other financial liabilities	20	346.30	840.19	1,186.50	286.35	171.37	457.72	24.17	13.56	37.74
		2,403.16	**25,790.51**	**28,193.67**	**2,013.09**	**21,418.71**	**23,431.81**	**1,133.47**	**16,837.40**	**17,970.87**
II. Non-Financial liabilities										
Current tax liabilities (net)	21	-	-	-	-	-	-	106.81	-	106.81
Provisions	22	0.01	12.85	12.86	0.01	5.51	5.52	-	-	-
Other non-financial liabilities	23	1.66	220.50	222.17	647.56	-	647.56	115.31	0.00	115.31
		1.67	**233.36**	**235.03**	**647.57**	**5.51**	**653.08**	**222.12**	**0.00**	**222.12**
Total Liabilities		**2,404.83**	**26,023.86**	**28,428.69**	**2,660.66**	**21,424.22**	**24,084.88**	**1,355.59**	**16,837.40**	**18,192.99**
Net Assets / (Liabilities)		**13,945.07**	**(5,448.63)**	**8,496.44**	**4,059.18**	**3,139.73**	**7,198.91**	**6,330.31**	**(1,256.97)**	**5,073.34**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 48 Related Party Disclosure

A List of Related parties

List of related parties and relationship with related parties where control exists or transactions have taken place during the year:

No.	Name of the Related Party	Relationship
I	**Related Parties over which control exists:**	
	Prachay Investment Managers Private Limited	Wholly owned Subsidiary
	Prachay Securities Pvt Ltd	Wholly owned Subsidiary (Incorporated on October 04, 2024)
	Prachay AIF Scheme I - Category II	Subsidiary
II	**Enterprises over which Management and/or their relatives have significant influence**	
	Prachay Foundation	
	Prachay Holding Private Limited	
	Prachay Advisors Private Limited	
III	**Key Management Personnel**	
	Mr. Girish Lakhotiya	Managing Director (w.e.f 27th Jun, 2024)
	Mr. Roshan Sancheti	Director
	Miss. Divya Raizada	Director (w.e.f 27th Jun, 2024)
	Mrs. Pooja Porwal	Company Secretary (upto 31st Mar, 2024)
	Miss. Sonal Gupta	Company Secretary (w.e.f. 01st Apr, 2024)
	Mr. Ankur Agrawal	Chief Financial Officer (w.e.f. 01st Jul, 2024)
	Mr. Nilesh Saboo	Independent Director ((w.e.f 27th Jun, 2024)
	Mrs. Archna Rastogi	Independent Director ((w.e.f 27th Jun, 2024)
	Mrs. Vineeta Bhatacharya	Independent Director (w.e.f.16th Dec, 2024)
IV	**Relative of Key Management Personnel**	
	Mrs. Sneha Dhoot	Wife of director
	Mrs. Anita Mohta	Sister of director
	Roshan Sancheti HUF	HUF of director
	Rajendra Sancheti HUF	HUF of director's father
	Mrs. Preeti Raizada	Sister of director
	Mr. Dharamveer Raizada	Brother of director
	Mr. Vinay Raizada	Father of director
	Mrs. Pramila Raizada	Mother of director
	Mrs. Meena Agrawal	Mother of CFO

B Transactions with Related parties during the year

Particulars	For year ended March 31, 2025	For year ended March 31, 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	35.00	25.00
Prachay Advisors Private Limited	110.00	-
Inter- corporate deposits given :		
Prachay Investment Managers Pvt Ltd	-	3.00

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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	271.88	25.07
Investments in units of AIF:		
Prachay AIF Scheme I - Category II	975.00	1,023.75
Investments in Equity shares:		
Prachay Securities Pvt Ltd	150.00	-
Investments received in Secured Non convertible debentures:		
Anita Mohta	-	2.50
Roshan Rajendra Sancheti HUF	-	28.00
Rajendra Sancheti HUF	-	25.00
Redemption of Non Convertible Debentures of:		
Divya Raizada	2.50	-
Preeti Raizada	2.50	-
Anita Mohta	0.50	-
Sitting fees :		
Nilesh Saboo	0.79	-
Archna Rastogi	1.44	-
Vinita Bhattacharjee	0.20	-
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	4.93	3.85
Interest paid on Non Convertible Debentures:		
Anita Mohta	0.95	0.69
Roshan Rajendra Sancheti HUF	3.43	1.70
Rajendra Sancheti HUF	2.22	1.42
Divya Raizada	3.09	0.54
Preeti Raizada	1.98	0.46
Vinay Raizada	0.68	0.09
Dharamveer Raizada	0.35	0.09
Pooja Porwal	-	0.05
Pramila Raizada	0.33	-
Meena Agrawal	1.30	-
Remuneration to director / KMP:		
Girish Lakhotiya	3.00	3.00
Roshan Sancheti	48.30	49.00
Divya Raizada	37.78	4.96
Pooja Porwal	-	11.64
Ankur Agrawal	16.49	-
Sonal Gupta	10.68	-

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Prachay Capital Private Limited

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Professional fees paid:		
Girish Lakhotiya	36.00	36.00
Sneha Dhoot	48.00	48.00
Royalty paid:		
Girish Lakhotiya	6.00	-
Commission paid:		
Prachay Securities Pvt Ltd	56.46	-
Redemption of Preference Shares:		
Girish Lakhotiya	-	0.60
Payment of Dividend on Preference Shares:		
Girish Lakhotiya	-	0.04

C Closing balances with Related parties as at year end

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Loans payable:			
Girish Lakhotiya	-	-	1.00
Roshan Sancheti	-	-	1.00
Non Convertible Debentures:			
Anita Mohata	7.00	7.50	5.00
Divya Raizada	22.50	20.00	15.00
Roshan Rajendra Sancheti HUF	38.00	28.00	5.00
Rajendra Sancheti HUF	25.00	25.00	-
Preeti Raizada	12.50	15.00	10.00
Vinay Raizada	7.50	2.50	2.50
Dharamveer Raizada	2.50	2.50	2.50
Pramila Raizada	5.00	-	-
Meena Agrawal	10.00	-	-
Pooja Porwal	-	-	7.50
Inter- corporate deposits Taken:			
Prachay Holding Private Limited	-	28.00	-
Prachay Investment Managers Pvt Ltd	15.00	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	1,896.25	1,023.75	-
Investments in Equity Shares:			
Prachay Foundation	0.01	0.01	0.01
Prachay Investment Managers Pvt Ltd	100.00	100.00	100.00
Prachay Securities Pvt Ltd	150.00	-	-
Interest on Investments Receivable :			
Prachay AIF Scheme I	20.89	0.38	-

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants

Note : 49 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 (Nos)	Weighted Average Exercise Price (In Rupees)
Options outstanding **as at April 01, 2023**	Nil	Not Applicable
Options granted during the year	3,69,635	125.00
Options canceled / forfeited / expired during the year	21,820	125.00
Options exercised during the year	Nil	Not Applicable
Options outstanding **as at March 31, 2024**	3,47,815	125.00
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	17,660	-
Options exercised during the period	-	-
Options outstanding **as at March 31, 2025**	3,30,155	125.00
Options exercisable at the end of the year	Nil	Not Applicable
Exercise price of options outstanding at the end of the year (IN INR)		125.00
Average share price during the year (IN INR)		125.00
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

Note : During the year, an employee to whom 20,780 Employee Stock Options were granted was transferred to Prachay Securities Private Limited, a subsidiary company

B) 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 of options as on Grant date (INR)	42.04
Stock Price (IN INR)	125.00
Standard Deviation (Volatility)	Nil *
Risk Free Rate	7.07%
Exercise Price (IN INR)	125.00
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.

C) Notes:

Expense arrising from share based payment transation

The total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses is Rs. 35.46 lakhs (March 31, 2024 : Rs. 28.28 lakh

Note : 50 Analytical ratios

A) Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021 are as below:

Particulars	Formula	As at March 31, 2025	As at March 31, 2024	% Change	Notes
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	24.82%	24.87%	-0.05%	
Tier I CRAR	Tier I Capital / Risk Weighted Assets	24.58%	24.62%	-0.04%	
Tier Ii CRAR	Tier II Capital / Risk Weighted Assets	0.24%	0.24%	0.00%	
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			

B) Explanation for change in ratios exceeding 25% compared to previous year (For CRAR, Tier I and

The change in ratio is less than 25% compared to previous year

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 51 First time adoption of Ind AS

1) For periods upto March-24, 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). During the year, the company has listed "Debt securities" on stock exchange (BSE). Therefore company has adopted IndAS and prepared its first financial statements under for year ended 31 March , 2025. 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.

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 exception /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.

VI 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.

Note : 52 An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

A) Reconciliation of equity as at April 01, 2023 and March 31, 2024

B) Reconciliation of total comprehensive income for the year ended March 31, 2024;

There are no material adjustments to the cash flow statements

A. Reconciliation of total equity as at March 31, 2024 and April 01, 2023 :

Particulars	Notes to first time adoption	As at March 31, 2024	As at April 01, 2023
Equity as per Indian GAAP		7,436.18	5,129.16
Adjustments to retained earnings			
Leases	a)	(4.85)	(1.47)
Fair valuation of rental security deposits (asset)	b)	2.64	1.26
Amortisation of loans and NCDs given	c)	(194.89)	55.07
Amortisation of loans taken	d)	(119.97)	(117.35)
Fair valuation of preference shares (liability)	e)	-	(7.10)
Deferred tax	f)	79.80	13.77
Total of Ind AS adjustment to retained earnings		**(237.27)**	**(55.82)**
Equity as per Ind AS		**7,198.91**	**5,073.34**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

B. Reconciliation of total comprehensive income for the year ended March 31, 2024:

Particulars	Notes to first time adoption	For year ended March 31, 2024
Net profit as per Indian GAAP		1,286.30
Adjustments to net profit		
Amortisation of Processing fees	c)	(249.96)
Fair valuation of rental security deposits (liability)	b)	1.38
Depreciation on RoU	a)	(27.42)
Interest on RoU	a)	(4.94)
Amortisation of Processing fees paid on Loans	d)	(17.50)
Fair valuation of preference shares (liability) - (Finance costs)	e)	(0.46)
Reversal of lease rent	a)	28.99
Provision for standard asset on NCDs	c)	14.88
Deferred Tax	f)	66.03
Total of Ind AS adjustments to net profit		**(189.00)**
Net Profit as per Ind AS		**1,097.30**
Adjustments to other comprehensive income that will not be reclassified to profit and loss account		
Actuarial gains and losses (net of tax)		-
Investments measured at fair value through other comprehensive income (net of tax)		-
Deferred tax impact on investments		-
Total of Ind AS adjustments to other comprehensive income		-
Total comprehensive income as per Ind AS		**1,097.30**

Notes to first time adoption:

a) Leases

Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using incremental borrowing rate.

b) Interest - free security deposits (asset)

Under Indian GAAP, security deposits are recorded at transaction value. Under Ind AS, security deposits given for leased premises have been fair valued and the difference between the fair value and the transaction value have been recognised as a part of right of use asset. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest income on security deposit is recorded using risk free rate of interest.

c) Financial assets at amortised cost - Impact of amortisation of processing fees and documentation charges on loans.

Under Indian GAAP, these processing fees and documentation charges were recognised upfront as income in the statement of profit and loss. Under Ind AS 109, the processing fees and documentation charges received towards origination of loans is required to be deducted from the carrying amount of the loans on initial recognition. These incomes are recognized in the statement of profit and loss over the tenure of the loans as part of the interest income by applying the effective

d) Financial liabilities at amortised cost - Impact of amortisation of transaction cost on borrowing & debt securities

Under Indian GAAP, these transaction costs were charged to upfront to the statement of profit and loss. Under Ind AS 109, the transaction costs incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method.

e) Liability - Preference shares

Under Indian GAAP, preference shares forms part of share capital. Under Ind AS, these preference shares are treated as liability at amortised cost.

f) Taxation

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is

g) Reclassification

Appropriate reclassification adjustments have been made to suit the Ind AS presentation requirements.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 53 Regulatory disclosures - RBI

1 The Company's exposure of Unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil).

2 The Company has not participated in any Credit Default Swaps (CDS) Contracts in the reporting period or previous periods.

3 **Intra-group exposures**

Intra-group exposures for Current year is Rs. Nil (Previous year Rs. Nil)

Exposure excludes investment made in wholly owned subsidiary and other receivables there of

4 **Customer complaints**

Customer complaints during Current year are Nil (Previous year Nil)

5 **Rating assigned by credit rating agencies**

Rating Agency	Instrument	Rating assigned March 25	Rating assigned March 24	Remarks	Amount (in lakhs)
Infomerics Valuation and Rating Private Limite	Bank loans	BBB Stable	BBB- Positive		7,500.00
CRISIL Ratings Limited	Bank loans	BBB- Stable			6,100.00
CRISIL Ratings Limited	Non Convertible Debentures	BBB- Stable			25,000.00
CARE Ratings Limited	Non Convertible Debentures	BBB- Stable		Unaccepted Rating	25,000.00

4 **Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2023 onward**

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2025	As at March 31, 2024
Number of Significant Counterparties @	-	11
Amount (₹ Crores) ##	-	9,791.62
Percentage of funding concentration to total deposits	Not applicable	Not applicable
Percentage of funding concentration to total liabilities**	-	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.

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	As at March 31, 2025	As at March 31, 2024
Amount in Crores ##	11,685.98	14,351.43
% of total borrowings #	44.06%	62.57%

iv) Funding Concentration based on significant instrument/product

Particulars	As at March 31, 2025		As at March 31, 2024	
Name of the instrument/product	Amount (₹ Crores)	% of Total Liabilities**	Amount (₹ Crores)	% of Total Liabilities**
Non convertible debentures	215.50	75.80%	124.95	51.88%
Inter Corporate Deposits	5.35	1.88%	73.78	30.63%
Loan from Banks	47.14	16.58%	30.96	12.86%

v) Stock Ratios:

Particulars	As at March 31, 2025	As at March 31, 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***	8.97%	11.58%
Other Short Term Liabilities* to Total Liabilities**	8.46%	11.05%
Other Short Term Liabilities* to Total Asset	6.51%	8.50%

* Other short term liabilities include all the liabilities maturing within next 12 months

** Total liabilities are arrived as Total of Financial and Non financial liabilities as per the balance sheet

*** Total public funds consist of Non convertible funds, Inter coporate deposits and loan from banks

Total borrowings are arrived as total of Debt securities & Borrowings (other then debt securities) as per the balance sheet

All the above numbers are excluding notional Ind AS adjustments

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 manages 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

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known As Prachay Capital Private Limited)

5 Sectoral Exposures

Disclosure Pursuant to Reserve Bank of India Scale Based Regulation RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023 amended from time to time.

i) Exposure to real estate sector

Particulars	As at March 31, 2025	As at March 31, 2024
› Direct exposure		
a) Residential mortgages -	**290.60**	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Exposure includes non-fund based (NFB) limits.)		
b) Commercial real estate -	**25,885.36**	**22,432.57**
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.		
c) Investments in mortgage backed securities (MBS) and other securitised exposures -	**4,823.00**	**3,800.00**
- Residential	-	-
- Commercial Real Estate	4,823.00	3,800.00
› Indirect exposure	**-**	**-**
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
Total	**30,998.95**	**26,232.57**

ii) Exposure to capital market

Particulars	As at March 31, 2025	As at March 31, 2024
a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	1,000.00	1,000.00
d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	418.58
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
i) Financing to stockbrokers for margin trading	-	-
j) All exposures to Alternative Investment Funds:	-	
(i) Category I	-	-
(ii) Category II	1,896.25	1,023.75
(iii) Category III	-	-
k) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
l) others (not covered above)	-	-
Total exposure to capital market	**2,896.25**	**2,442.33**

iii) Sectoral Exposures

Particulars	As at March 31, 2025			As at March 31, 2024		
	Total Exposure *	Gross NPAs (GNPA)	% of GNPAs to total exposure in that sector %	Total Exposure *	Gross NPAs (GNPA)	% of GNPAs to total exposure in that sector %
Total sectors exposure						
1) Agriculture and Allied Activities	-	-	-	-	-	-
2) Industry						
(i) Commercial Real Estate *	30,998.95	-	-	26,232.57	-	-
Total of Industry	**30,998.95**	**-**	**-**	**26,232.57**	**-**	**-**
3) Services						
(i) Insurance Services	-	-	-	418.58	-	-
(ii) Others	-	-	-	-	-	-
Total of Services	**-**	**-**	**-**	**418.58**	**-**	**-**
4) Personal Loans						
(i) Advances to Individuals against Shares, Bonds	1,000.00	-	-	1,000.00	-	-
Total of Personal Loans	**1,000.00**	**-**	**-**	**1,000.00**	**-**	**-**
5) Others, if any (please specify)	-	-	-	-	-	-
Total of Others	**31,998.95**			**27,651.15**		

* Inclusive of Investments in Unquoted Debentures

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants ★ Pune-1 ★

6 Intra Group exposures

Particulars	As at March 31, 2025	As at March 31, 2024
i) Total Amount of intra-group exposures	-	-
ii) Total Amount of top 20 intra group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers	0.00%	0.00%

7 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS

As at March 31, 2025

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							
Standard	Stage-1		31,296.77	(79.17)	31,217.61	(79.17)	-
	Stage-2		328.97	(0.83)	328.14	(0.83)	
Sub total for Performing (A)			**31,625.74**	**(80.00)**	**31,545.74**	**(80.00)**	-
Non Performing Assets (NPA)							
Substandard (B)	Stage-3		-	-	-	-	-
Doubtful							
up to 1 year	Stage-3		-	-	-	-	-
1 to 3 Years	Stage-3		-	-	-	-	-
More than 3 years	Stage-3		-	-	-	-	-
Sub total for Doubtful (C)			-	-	-	-	-
Loss (D)	Stage-3		-	-	-	-	-
Subtotal for NPA (E = B + C + D)			-	-	-	-	-
Other items	Stage-1		-	-	-	-	-
Other items	Stage-2		-	-	-	-	-
Other items	Stage-3		-	-	-	-	-
Subtotal for Other items			-	-	-	-	-
Total	Stage-1		31,296.77	(79.17)	31,217.61	(79.17)	-
	Stage-2		328.97	(0.83)	328.14	(0.83)	-
	Stage-3		-	-	-	-	-
Total			**31,625.74**	**(80.00)**	**31,545.74**	**(80.00)**	-

As at March 31, 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							
Standard	Stage-1		27,552.57	(69.13)	27,483.44	(69.13)	-
	Stage-2		-	-	-		-
Sub total for Performing (A)			**27,552.57**	**(69.13)**	**27,483.44**	**(69.13)**	-
Non Performing Assets (NPA)							
Substandard (B)	Stage-3		-	-	-	-	-
Doubtful							
up to 1 year	Stage-3		-	-	-	-	-
1 to 3 Years	Stage-3		-	-	-	-	-
More than 3 years	Stage-3		-	-	-	-	-
Sub total for Doubtful (C)			-	-	-	-	-
Loss (D)	Stage-3		-	-	-	-	-
Subtotal for NPA (E = B + C + D)			-	-	-	-	-
Other items	Stage-1		-	-	-	-	-
Other items	Stage-2		-	-	-	-	-
Other items	Stage-3		-	-	-	-	-
Subtotal for Other items			-	-	-	-	-
Total	Stage-1		27,552.57	(69.13)	27,483.44	(69.13)	-
	Stage-2		-	-	-	-	-
	Stage-3		-	-	-	-	-
Total			**27,552.57**	**(69.13)**	**27,483.44**	**(69.13)**	-

*Other items include-guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification Provisioning (IRACP) norms

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

8 Schedule to the Balance Sheet (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :				
1) Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	21,318.68	-	12,495.00	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	4,668.53	-	3,065.23	-
(d) Inter-corporate loans and borrowings	-	-		-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans - Inter Corporate Deposits	520.00	-	7,250.00	-
(h) Other Loans - Inter Corporate Deposits from related parties	15.00	-	128.00	-
(i) Other Loans - Loans from share holders/directors	-	-	-	-
Total 1	**26,522.21**	**-**	**22,938.23**	**-**
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 se	-	-	-	-
(c) Other public deposits	-	-	-	-

3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Particulars	As at March 31, 2025	As at March 31, 2024
Asset Side:		
(a) Secured	31,444.39	27,476.89
(b) Unsecured	101.35	6.54
Total	**31,545.74**	**27,483.44**

4) Break up of Leased Assets and stock on hire

Particulars	As at March 31, 2025	As at March 31, 2024
(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	**-**	**-**

5) Break-up of Investments

Particulars	As at March 31, 2025	As at March 31, 2024
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 - (please specify)	-	-

Prachay Capital Ltd. CIN-U65900PN2017PLC168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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	250.01	100.01
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - Fixed Deposit	-	-
(v) Others - AIF Units	1,896.25	1,023.75

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount As at March 31, 2025			Amount As at 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	31,444.39	101.35	**31,545.74**	27,476.89	6.54	**27,483.44**
Total	**31,444.39**	**101.35**	**31,545.74**	**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 at March 31, 2025		Amount As at 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	2,146.25	2,146.25	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	**2,146.26**	**2,146.26**	**1,123.76**	**1,123.76**

8) Other Information

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-performing assets	-------- Nil --------	-------- Nil --------
(a) Related Parties		
(b) Other than related parties		
(ii) Net Non-performing assets	-------- Nil --------	-------- Nil --------
(a) Related Parties		
(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.

9 Expenditure in Foreign Currency

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.

Prachay Capital Ltd. ★ CIN- U65900PN 2017PLC 168737 ★ (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates ★ Chartered Accountants ★ Pune-1 ★

10 A) Summary information on complaints received by the NBFCs from customers & from the offices of Ombudsman

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Complaints received by the NBFC from its customers		
1) Number of complaints pending at the beginning of the year	-	-
2) Number of complaints received during the year	-	-
3) Number of complaints disposed during the year	-	-
3.1) Of which, number of complaints rejected by the NBFC	-	-
4) Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1) Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3) Of 5, number of complaints resolved after passing of awards by the office of Ombudsman against the NBFC	-	-
6) Number of Awards unimplemented within the stipulated time.	-	-

B) Top Five grounds of complaints received by the NBFC from customers

Grounds of complaints	Number of complaints	Number of complaints received during the year	% increase in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Current year			
Ground - 1					
Ground - 2			---------- Not Applicable ----------		
Ground - 3					
Total					
		Previous year			
Ground - 1					
Ground - 2			---------- Not Applicable ----------		
Ground - 3					
Total					

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 54 Related party transactions

A Disclosure of pursuant to apara 4.3 fo the Annex to RBI Master direction No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 amended from time to time is provided below.

B Related party disclosure of pursuant to Section I of Annexure VII to RBI Master direction No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 amended from time to time is provided below.

Outstanding Balances

(Amount in Lakhs)

Related Party	Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Directors		Relatives of Directors		Others		Total	
Items	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Borrowings #	15.00	50.00	-	78.00	-	-	-	20.00	-	80.50	-	-	15.00	228.50
Deposits Given #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments #	250.00	100.00	-	-	-	-	-	-	-	-	1,896.25	1,023.75	2,146.25	1,123.75
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	4.93	3.85	5.52	6.39	-	4.45	3.09	0.54	11.24	4.44	-	-	24.78	19.67
Interest received	-	0.73	-	-	-	-	-	-	-	-	271.88	25.07	271.88	25.80
Others *	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Maximum During the year

(Amount in Lakhs)

Related Party	Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Directors		Relatives of Directors		Others		Total	
Items	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Borrowings #	15.00	50.00	-	78.00	-	-	-	20.00	-	80.50	-	-	15.00	228.50
Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments #	250.00	100.00	-	-	-	-	-	-	-	-	1,998.75	1,023.75	2,248.75	1,123.75

The outstanding at the year end and the maximum during the year are to be disclosed

*Specify item if total for the item is more than 5 percent of total related party transactions

Other related party transaction is items which is less than 5% of total related party transactions

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 55 Other Statutory Information:

1 The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

2 The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3 The Company has not been declared willful defaulter by any bank or financial institution or other lender or government or any government authority

4 The Company did not have transactions with struck off companies u/s 248 of the Companies Act, 2013 or u/s 560 of Companies Act, 1956 during year the March 31, 2025.

5 The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries), with the understanding 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.

7 The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

8 The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9 The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) & Intangible assets during the year

10 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.

11 The Company has taken loans from banks on the basis of security of current assets and the quarterly returns filed by Company with the banks are in accordance with the unaudited books of accounts of the Company for the respective quarters, except for the following:

Quarter	As per bank submission	As per Books	Difference	Reason
Q1	222.39	222.26	0.13	Difference is attributable mainly due to the reconciliation entries between final & provisional portfolio report. Bank submissions were made prior to reconcillation of data.
Q2	269.67	267.62	2.05	
Q3	250.11	250.11	-	
Q4	314.19	314.19	-	

12 Compliance with approved Scheme(s) of Arrangements: Not applicable

13 Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

14 The Company confirms that, the title deeds of immovable properties are held in the name of the Company.

15 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Note : 56 Accounting Software Used for maintenance of Books of Accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled or tampered with during the year.

Note : 57 Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049078
Place: Pune
Date : May 21st, 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 : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankit Agrawal
Chief Financial Officer

Place: Pune
Date : May 21st, 2025

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 AUDITOR'S REPORT

To the Members of Prachay Capital Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Prachay Capital Limited ("the Holding Company"),and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') as listed in Annexture 1, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the then year ended, notes to the Consolidated financial statements including material accounting policies and other explanatory information (referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2025, its consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Information other than the financial statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

The Holding Company's Management and Board of Directors are responsible for the preparation of the Consolidated 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Management and 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of the Directors of the Companies included in the group 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 Management and Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the Company. As per the Rule 11(g) of the Companies (Audit and Auditors) Amendment Rules, 2021; every company which uses accounting software for maintaining its books of accounts, is required to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The management has a responsibility for effective implementation of the requirements prescribed by account rules and for ensuring selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations (including those related to retention of audit logs).

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors.

d. Conclude on the appropriateness of the managements and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

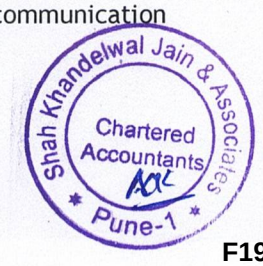
e. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f. Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors., We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on the audit and on the consideration of the reports of the other entities included in the Group we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2 below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;

   d. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. In our opinion, there are no matters that may have an adverse effect on the functioning of the Company.

   f. On the basis of the written representations received from the directors of Holding company as on March 31, 2025 and taken on record by the Board of Directors of the Holding Company , and reports of the statutory auditors of its subsidiaries, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

   h. The modification relating to the maintenance of accounts and other matters connected herewith are as stated in para 1(b) above on reporting under Section 143(3) (b) of the act and paragraph 2 below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule 2014.

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of subsidiaries:

   a. The Group does not have any pending litigations which would impact its financial position.

   b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   d. The respective management of the Holding Company and its subsidiaries whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

      i. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

ii. No funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

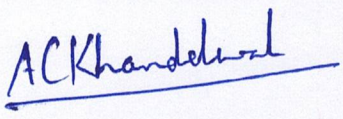
e. The Board of Directors of the Holding company and the Board of Directors of subsidiaries have not declared and paid dividend during the year.

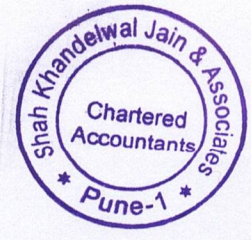
f. Based on our examination carried out in accordance with the Implementation Guide on Reporting of Audit trail under rule 11(g) of the Companies (Audit and Auditors) issued by the Institute of Chartered Accountant of India, the Holding Company has used accounting software for maintaining its Books of Accounts, which has a feature of recording Audit Trail (edit log) facility. The feature of recording audit trail (edit log) has not been operated throughout the year for the accounting software used for maintaining its books of accounts for all relevant transactions recorded in the software.

3. With respect to the matters specified in para 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, to be included in Auditors report, according to information and explanation given to us and based on the CARO report issued by us for which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in these CARO reports.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, In our opinion and according to information and explanations given to us and based on the reports of the statutory auditors of the subsidiaries , the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any directors by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.142740W





Ashish Khandelwal
Partner
Membership No.049278
Place: Pune
Date: 21-05-2025
UDIN: 25049278BMHYZL1365

ANNEXURE 1

List of entities included in the Consolidated Financial Statements

Name of the Entity	Relationship
Prachay Investment Managers Private Limited	Wholly owned Subsidiary
Prachay Securities Pvt Ltd	Wholly owned Subsidiary (Incorporated on October 04, 2024)
Prachay AIF Scheme I - Category II	Subsidiary



T I + 91. 20. 6721 5500
www.skjican.com
Level 3, Riverside Business Bay,
Wellesley Road, Near RTO,
Pune- 411 001. (MH) India

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 OF PRACHAY CAPITAL LIMITED ("the Holding Company")

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company to whom the reporting requirement under Section 134 (5) of Companies Act, 2013 is applicable over financial reporting of Prachay Capital Limited ("the Holding Company") as of March 31, 2025.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Shah Khandelwal Jain & Associates Chartered Accountants ACAC Pune-1

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

Meaning of Internal Financial Controls over Financial Reporting

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

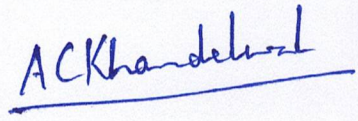
Inherent Limitations of Internal Financial Controls over Financial Reporting

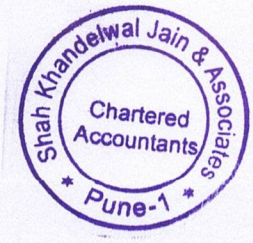
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

According to the information and explanations given to us and based on our audit, the Holding Company and its subsidiaries, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2025.

For Shah Khandelwal Jain & Associates
Chartered Accountant
Firm Registration No. 142740W





Ashish Khandelwal
Partner
Membership No.049278
Place : Pune
Date : 21-05-2025
UDIN : 25049278BMHYZL1365

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Balance sheet as at 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
1. ASSETS				
I. Financial assets				
Cash and cash equivalents	4	298.59	1,732.08	128.74
Bank Balance other than cash and cash equivalents	5	1,779.45	459.19	194.55
Receivables	6			
(i) Trade receivables		-	-	-
(ii) Other Receivables		21.60	-	132.59
Loans	7	33,561.03	28,498.80	22,511.87
Investments	8	0.01	0.01	0.01
Other Financial assets	9	61.20	16.82	29.16
		35,721.88	**30,706.90**	**22,996.92**
II. Non-financial assets				
Current tax assets (net)	10	75.66	162.38	30.23
Deferred tax assets (net)	11	85.14	78.46	11.83
Property, plant and equipment	12	1,066.12	252.19	221.79
Intangible assets under development	13	103.05	43.60	-
Other intangible assets	14	0.16	0.26	-
Other non-financial assets	15	37.48	5.41	61.56
Goodwill on consolidation		70.70	70.70	70.70
		1,438.31	**613.00**	**396.12**
Total Assets		**37,160.18**	**31,319.89**	**23,393.04**
2. LIABILITIES AND EQUITY				
LIABILITIES				
I. Financial liabilities				
Payables	16			
(a) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		2.49	1.19	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		33.40	0.57	9.40
Debt securities	17	21,375.13	12,495.00	5,636.50
Borrowings (other than debt securities)	18	5,188.53	10,393.23	12,311.67
Subordinated liabilities	19	-	-	7.10
Lease liabilities	20	467.70	34.23	2.14
Other financial liabilities	21	1,188.04	458.71	18.76
		28,255.31	**23,382.93**	**17,985.58**
II. Non-Financial liabilities				
Current tax liabilities (net)	22	-	-	106.81
Provisions	23	12.86	5.52	-
Other non-financial liabilities	24	226.05	649.52	149.30
		238.91	**655.04**	**256.11**
EQUITY				
Equity share capital	25	2,165.00	2,165.00	2,085.00
Other equity	26	6,397.33	5,116.92	3,066.35
Non-controlling interest		103.63	-	-
		8,665.96	**7,281.92**	**5,151.35**
Total Liabilities and Equity		**37,160.18**	**31,319.89**	**23,393.04**
Summary of material accounting policies	1-3			
Notes to financial statements	4-55			

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For **Shah Khandelwal Jain & Associates**

Chartered Accountants

Firm Registration No.:142740W

Ashish Khandelwal

Partner

Membership No: 049278

Place: Pune

Date : May 21st, 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 : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025	Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of Profit and Loss Account for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note No.	For year ended March 31, 2025	For year ended March 31, 2024
Revenue from operations			
Interest Income	27	5,549.56	4,189.48
Fees and commission Income	28	32.85	16.57
Total revenue from operations		**5,582.41**	**4,206.05**
Other income	29	280.23	47.74
Total income		**5,862.64**	**4,253.79**
Expenses			
Finance costs	30	2,929.25	2,038.30
Impairment on financial instruments	31	10.87	13.02
Employee benefits expenses	32	483.05	315.83
Depreciation, amortisation and impairment	33	193.45	52.97
Others expenses	34	553.22	353.87
Total expenses		**4,169.84**	**2,773.99**
Profit / (loss) before tax		1,692.80	1,479.80
Profit before tax		**1,692.80**	**1,479.80**
Tax expense:			
Current tax		448.82	446.47
Deferred tax		(6.69)	(66.63)
Prior year Income tax		(2.01)	(2.33)
Profit / (loss) for the period from continuing operations		**1,252.68**	**1,102.30**
Profit/(loss) from discontinued operations			
Tax Expense of discontinued operations			
Profit/(loss) from discontinued operations (After tax)			
Profit for the period / year		**1,252.68**	**1,102.30**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on Equity instrument		-	-
Remeasurement of the net defined benefit obligation gain / (loss)		0.01	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.00)	-
Subtotal (A)		**0.01**	**-**
Subtotal (B)		**-**	**-**
Other Comprehensive Income (A + B)		**0.01**	**-**
Total comprehensive income for the year		**1,252.69**	**1,102.30**
Total Comprehensive Income for the year attributable to:			
Owners of the Company		1,244.12	1,102.30
Non-controlling interest		8.57	-
Earnings per equity share (for continuing operations)	35		
Basic (Rs.)		5.79	5.15
Diluted (Rs.)		5.79	5.15
Summary of material accounting policies	1-3		
Notes to financial statements	4-55		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Shah Khandelwal Jain & Associates

Chartered Accountants

Firm Registration No.:142740W

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)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of Cash Flow for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	For year ended 31 March 2025	For year ended 31 March 2024
A	**Cash flow from operating activities**		
	Profit before tax	1,692.80	1,479.80
	Adjustments for		
	Interest income (Fixed deposits)	(81.63)	(46.49)
	Interest on Lease liability	54.91	4.94
	Depreciation & amortisation	193.45	52.97
	Impairment on financial instruments (Provision for Standard Asset)	10.87	13.02
	Write off - Fixed Assets	-	0.03
	Share Based Payments to employees	36.29	28.28
	Gain on early termination of Lease	(2.04)	-
	Interest on loans and others	(5,549.56)	(4,189.48)
	Finance cost	2,811.51	2,003.92
	Cash inflow from interest on loans and others	5,815.36	4,416.30
	Cash outflow towards interest on borrowings and debt securities	(3,000.13)	(2,011.82)
	Operating Profit/(Loss) before changes in working capital	**1,981.83**	**1,751.46**
	Add / (Less): Adjustments for working capital changes		
	(Increase)/Decrease in		
	Loans	(5,342.79)	(6,228.14)
	Receivables	(21.60)	132.59
	Other Financial Assets	(60.40)	10.60
	Other Non-financial Assets	(32.06)	56.15
	Trade payables	34.14	(7.66)
	Provision	7.35	5.52
	Other financial liability	729.33	439.95
	Other Non-financial liability	(423.47)	500.22
	Cash used in operations	**(3,127.66)**	**(3,339.31)**
	Income taxes paid (Net of Refunds Received)	(360.09)	(683.09)
	Net cash generated from /(used in) operating activities -A	**(3,487.75)**	**(4,022.40)**
B	**Cash flow from investing activities**		
	Investment in Fixed deposits not considered as cash and cash equivalent	(1,262.14)	(250.46)
	Purchase of Property plant and equipment and Intangible assets	(584.48)	(68.00)
	Interest received on Fixed Deposit	23.52	32.32
	Net cash generated from / (used in) investing activities - B	**(1,823.11)**	**(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	9,054.50	6,858.50
	Repayment of Subordinated Liabilities	-	(7.10)
	Changes in Non-controlling interst	95.05	-
	Repayment from borrowings (net)	(5,190.45)	(1,910.53)
	Payment for the principal portion of lease liabilities	(26.82)	(24.05)
	Payment for the interest portion of lease liabilities	(54.91)	(4.94)
	Net cash generated from/(used in) financing activities - C	**3,877.38**	**5,911.88**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(1,433.49)**	**1,603.34**
	Cash and cash equivalent as at the beginning of the year	**1,732.08**	**128.74**
	Cash and cash equivalent as at the end of the year	**298.59**	**1,732.08**

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)

Consolidated Statement of Cash Flow for the year ended 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Notes:

1	**Components of cash and cash equivalents**		
a)	Cash on hand	2.10	2.70
b)	Balances with Banks (of the nature of cash and cash equivalents)		
	i) In current accounts	296.48	1,729.37
c)	Cheques on hand	-	-
	Total cash and cash equivalents	**298.59**	**1,732.08**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3 Figures in brackets represent outflows.

4 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'.

5 **Changes in liabilities arising from financing activities**

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Other changes	Closing balance as at 31 March 2025
Borrowings	22,896.14	3,864.05	-	26,760.18

Particulars	Opening balance as at 1 April 2023	Cash flows (net)	Other changes	Closing balance as at 31 March 2024
Borrowings	17,948.17	4,947.97	-	22,896.14

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

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)

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025
UDIN:

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer
Place: Pune
Date : May 21st, 2025

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)

Consolidated Statement of changes in Equity as at 31st March 2025

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A Equity Share Capital

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equityshares outstanding						
As at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00	2,00,00,000	20,00,00,000.00
Changes in equity share capital due to prior period errors						
Restated balance as at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00	2,00,00,000	20,00,00,000.00
Add: Shares Issued during the year	-	-	8,00,000	80.00	8,50,000	85,00,000.00
Issued, subscribed and fully paid up equity shares	**2,16,50,000**	**2,165.00**	**2,16,50,000**	**2,165.00**	**2,08,50,000**	**20,85,00,000.00**

B Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income Total		Total other equity attributable to the owners of the parent	Non-controlling Interest
	Retained Earnings	Statutory Reserve pursuant to Section 45-IC of the RBI Act,	Securities Premium	Capital Reserve	Employee Share Option Outstanding	OCI - Fair Valuation of Investment	Remeasurement of defined benefit plans		
Balance as at April 01, 2023	**2,092.71**	**548.64**	**425.00**	**-**	**-**	**-**	**-**	**3,066.35**	**-**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2023	**2,092.71**	**548.64**	**425.00**	**-**	**-**	**-**	**-**	**3,066.35**	**-**
Profit for the year	1,102.30	-	-	-	-	-	-	**1,102.30**	-
Other comprehensive income / (losses) for the year	-	-	-	-	-	-	-	-	-
	1,102.30	**-**	**-**	**-**	**-**	**-**	**-**	**1,102.30**	
Securities premium proceeds received on rights issue of equity shares	-	-	920.00	-	-	-	-	**920.00**	-
On account of ESOP exercised / lapsed	-	-	-	-	28.28	-	-	**28.28**	-
Transfer from / (to) Capital redemption reserve	(7.10)	-	-	7.10	-	-	-	-	-
Transfer from / (to) retained earnings	(220.46)	220.46	-		-	-	-	-	-
	(227.56)	**220.46**	**920.00**	**7.10**	**28.28**	**-**	**-**	**948.28**	**-**
Balance as at March 31, 2024	**2,967.45**	**769.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,116.92**	**-**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2024	**2,967.45**	**769.10**	**1,345.00**	**7.10**	**28.28**	**-**	**-**	**5,116.92**	**-**
Profit for the year	1,244.11	-	-	-	-	-	-	**1,244.11**	8.57
Other comprehensive income / (losses) for the year	0.01	-	-	-	-	-	0.01	**0.01**	-
	1,244.12	**-**	**-**	**-**	**-**	**-**	**0.01**	**1,244.12**	**8.57**
Addition during the year	-	-	-	-	-	-	-	-	103.63
Distributions	-	-	-	-	-	-	-	-	(8.57)
Share based payment to employees	-	-	-	-	36.29	-	-	**36.29**	-
Transfer from / (to) retained earnings	(248.82)	248.82	-	-	-	-	(0.01)	**(0.01)**	-
	(248.82)	**248.82**	**-**	**-**	**36.29**	**-**	**(0.01)**	**36.29**	**95.05**
Balance as at March 31, 2025	**3,962.74**	**1,017.92**	**1,345.00**	**7.10**	**64.57**	**-**	**-**	**6,397.33**	**103.63**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025
UDIN:

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 : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : May 21st, 2025

Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 * (Formerly Known As Prachay Capital Private Limited)

(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 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. Statement of compliance and basis of preparation and presentation

The financial statements for the year ended March 31, 2025 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. For periods up to and including the year ended March 31, 2024, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act 2013 and are in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP'). The financial statements for the year ended March 31, 2025 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance of the Company is provided in note 51. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

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.

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.

(a) 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 31st March 2025	% of Ultimate Holding 31st March 2024	% of Ultimate Holding 1st April 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%	-
Prachay Securities Private Limited	Subsidiary	India	100%	100%	-

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(b) 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.

(c) 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)

(d) 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

Prachay Capital Ltd. CIN U65990PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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 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 36.

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 37.

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 48.

(e) 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.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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

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.

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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 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 on the proceeds received, net of direct issue costs.
Non-convertible preference shares issued by the Group are classified as financial liabilities.

Prachay Capital Pvt. Ltd. CIN U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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
Leasehold improvements	5 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.

Prachay Capital Ltd. CIN U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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 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 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 refer note 43.

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.

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(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 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.

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates 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. Refer note 42

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. Refer note no 48

(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 39 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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.





Note : 4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Cash-on-hand	2.10	2.70	2.71
Balances with banks			
Current account	296.48	1,729.37	31.02
Fixed deposit accounts with original maturity less than 3 months	-	-	95.00
	298.59	**1,732.08**	**128.74**

Note : 5 Bank Balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
In fixed deposit accounts			
Fixed deposit accounts with original maturity of more than 3 months	1,779.45	459.19	194.55
	1,779.45	**459.19**	**194.55**

Notes :
- Out of the above, Rs. 640 lacs (As at March 31, 2024 - Rs. 190 lacs; As at April 01, 2023 - Rs. 190 lacs) balance in deposit accounts with banks are being earmarked towards Loans facilities taken from banks
- Out of the above, Rs. 1,046.03 lacs (As at March 31, 2024 - Rs. 245.36 lacs; As at April 01, 2023 - Rs. Nil) balance in deposit accounts with banks are created out of cash collateral received from customers
- Deposits are made for varying period from 3 month to 3 years and earn interest from 5% to 7.75% p.a

Note : 6 Receivables

Particulars	As at 31 Mar 2025	As at 31 Mar 2024	As at 01 Apr 2023
- Trade Receivables			
- Other Receivables			
Secured Considered good	21.60	-	132.59
	21.60	**-**	**132.59**

Notes :
- Trade receivables/Other receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
  Nor anytrade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note : 7 Loans

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
A. Category of Loans wise Details			
Amortised Cost			
Term loans	26,714.20	23,741.97	16,587.12
Intercorporate Deposit	100.15	-	-
Employee Loan	1.45	6.54	-
Through OCI			
Unquoted Non convertible Debentures	6,825.23	4,819.42	5,980.86
Total (i) - Gross	**33,641.03**	**28,567.93**	**22,567.98**
Amortised Cost - impairment			
Allowance for impairment loss	(67.94)	(59.63)	(41.24)
FVOCI - impairment			
Allowance for impairment loss	(12.06)	(9.50)	(14.88)
Total (ii) - Impairment loss allowance	**(80.00)**	**(69.13)**	**(56.11)**
Total (A) = (i - ii) Net	**33,561.03**	**28,498.80**	**22,511.87**
B. Nature of Security wise details			
Amortised Cost			
Secured	26,714.20	23,741.97	16,587.12
Unsecured	101.60	6.54	-
Through OCI			
Secured	6,825.23	4,819.42	5,980.86
Unsecured	-	-	-
Total (B) - Gross	**33,641.03**	**28,567.93**	**22,567.98**
Less: Impairment loss allowance	(80.00)	(69.13)	(56.11)
Total (B) - Net	**33,561.03**	**28,498.80**	**22,511.87**
C. Location wise details			
i) Loans in India			
a. Public Sector	-	-	-
b. Others	33,641.03	28,567.93	22,567.98
ii) Loans outside India			
Total (C) - Gross	**33,641.03**	**28,567.93**	**22,567.98**
Less: Impairment loss allowance	(80.00)	(69.13)	(56.11)
Total (C) - Net	**33,561.03**	**28,498.80**	**22,511.87**

Notes :
- The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.
- The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest and also sell accordingly the NCDs are measured at FVTOCI.
- There is no change in Fair Value of NCDs as on reporting date as compared to its carrying value.
- The Company does not have any loans outside India
- Figures are inclusive of interest accrued but not due as on 31st March 2025.

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 March 31, 2025	As at March 31, 2024	As at April 01, 2023
A. Category of Investments wise Details			
Through FVOCI			
Equity Instruments - Unquoted *	0.01	0.01	0.01
	0.01	**0.01**	**0.01**
B. Location wise details			
i. Investments outside India			
ii. Investments in India	0.01	0.01	0.01
	0.01	**0.01**	**0.01**

Notes :

- * The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTOCI, since the Company believes that impact of change on account of fair value is insignificant.

C. Scrip wise details of investments

Particulars	Face Value	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
		Quantity (Nos)	Amount (Rs. In lakhs)	Quantity (Nos)	Amount (Rs. In lakhs)	Quantity (Nos)	Amount (Rs. In lakhs)
Investments in Others - Equity shares (Unquoted)							
i. Prachay Foundation	10.00	100	0.01	100	0.01	100	0.01
			0.01		**0.01**		**0.01**

Note : 9 Other Financial assets

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Unsecured, considered good			
Lease deposits	46.02	11.64	13.38
Other deposits	14.65	3.10	-
Stamp Duty Refund Receivable	-	2.08	-
Others	0.53	-	15.79
	61.20	**16.82**	**29.16**

Note : 10 Current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Advance Tax Paid	75.66	162.38	30.23
	75.66	**162.38**	**30.23**

Note : 11 Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Deferred tax assets	85.14	78.46	11.83
	85.14	**78.46**	**11.83**

* For yearly movement in balances of deferred tax assets/(liabilities) refer Note no. - 37

Note : 12 Property, plant and equipment

Particulars	Furniture & fixtures	Office Equipments	Computers & Laptops	Leasehold improvements	Building	Vehicles	ROU Assets	Total
Gross Carrying Amount								
Balance as at April 01, 2023	**6.46**	**13.35**	**15.36**	**-**	**198.25**	**13.37**	**12.28**	**259.06**
Additions	0.87	15.48	7.69	-	-	-	59.26	83.30
Disposals	-	0.12	0.38	-	-	-	12.28	12.78
Balance as at March 31, 2024	**7.33**	**28.71**	**22.67**	**-**	**198.25**	**13.37**	**59.26**	**329.58**
Additions	185.43	125.45	21.98	193.08	-	-	510.72	1,036.66
Disposals	-	-	-	-	-	-	29.38	29.38
Balance as at March 31, 2025	**192.76**	**154.16**	**44.65**	**193.08**	**198.25**	**13.37**	**540.60**	**1,336.86**
Accumulated depreciation								
Balance as at April 01, 2023	**3.77**	**2.70**	**11.73**	**-**	**6.38**	**2.45**	**10.23**	**37.27**
Depreciation charged during the year	0.89	7.10	4.75	-	9.34	3.38	27.42	52.87
Disposals	-	0.11	0.36	-	-	-	12.28	12.75
Balance as at March 31, 2024	**4.66**	**9.69**	**16.12**	**-**	**15.72**	**5.83**	**25.38**	**77.39**
Depreciation charged during the year	17.26	23.47	10.00	34.18	8.89	2.33	97.22	193.35
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**21.92**	**33.15**	**26.12**	**34.18**	**24.61**	**8.16**	**122.59**	**270.74**
Net carrying amount as at April 01, 2023	**2.68**	**10.65**	**3.62**	**-**	**191.87**	**10.92**	**2.05**	**221.79**
Net carrying amount as at March 31, 2024	**2.67**	**19.02**	**6.55**	**-**	**182.53**	**7.54**	**33.88**	**252.19**
Net carrying amount as at March 31, 2025	**170.84**	**121.00**	**18.52**	**158.90**	**173.64**	**5.21**	**418.01**	**1,066.12**

Note : 13 Intangible assets under development

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Intangible assets under development	103.05	43.60	-
	103.05	**43.60**	**-**

Prachay Capital Ltd. (Formerly known as Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note:

a) For intangible assets under development, the following ageing schedule shall be given: 31st March-25

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	59.45	43.60	-	-	103.05
Projects temporarily suspended	-	-	-	-	-

a) For intangible assets under development, the following ageing schedule shall be given: 31st March-24

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	43.60	-	-	-	43.60
Projects temporarily suspended	-	-	-	-	-

Note : 14 Other Intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at April 01, 2023	-	-
Additions	0.36	0.36
Disposals	-	-
Balance as at March 31, 2024	**0.36**	**0.36**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2025	**0.36**	**0.36**
Accumulated Amortisation		
Balance as at April 01, 2023	-	-
Depreciation charged during the year	0.10	0.10
Disposals	-	-
Balance as at March 31, 2024	**0.10**	**0.10**
Depreciation charged during the year	0.10	0.10
Disposals	-	-
Balance as at March 31, 2025	**0.20**	**0.20**
Net carrying amount as at April 01, 2023	-	-
Net carrying amount as at March 31, 2024	**0.26**	**0.26**
Net carrying amount as at March 31, 2025	**0.16**	**0.16**

Note : 15 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Prepaid Expenses	19.53	4.50	25.43
Balance with Revenue Authorities	8.15	-	2.25
Capital advances	5.78	-	-
Other non financial asset - Others	4.02	0.92	33.89
	37.48	**5.41**	**61.56**

Note : 16 Payables

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Other payables			
Total outstanding dues of micro enterprises and small enterprises	2.49	1.19	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	33.40	0.57	9.40
	35.90	**1.75**	**9.41**

Trade payables / Other payables ageing:

As at March 31, 2025

Particulars	Outstanding for following periods from the date of transaction					
	Amount Not due	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	2.49	-	-	-	-	2.49
ii) Others	33.40	-	-	-	-	33.40
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	35.90	**-**	**-**	**-**	**-**	**35.90**

As at March 31, 2024

Particulars	Outstanding for following periods from the date of transaction					
	Amount Not due	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	1.19	-	-	-	-	1.19
ii) Others	0.57	-	-	-	-	0.57
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	1.75	**-**	**-**	**-**	**-**	**1.75**

As at April 01, 2023

Particulars	Outstanding for following periods from the date of transaction					
	Amount Not due	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**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 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.			
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :			
Principal	-	-	-
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	-	-	-

Notes: - The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group

Note : 17 Debt securities

Particulars		As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost				
Non convertible debentures				
i. Secured				
a) Non convertible debentures (listed, fully paid and publicly placed)		5,131.63	-	-
b) Non convertible debentures (Unlisted, fully paid and privately placed)	*	16,243.50	12,495.00	5,636.50
Total		**21,375.13**	**12,495.00**	**5,636.50**

Notes:

* 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) / five (5) 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 / five (5) 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.

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
i) Debt securities in India	21,375.13	12,495.00	5,636.50
ii) Debt securities outside India	-	-	-
Total	**21,375.13**	**12,495.00**	**5,636.50**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2025

Rate of Interest	Maturity years					Grand Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
13.00%	-	185.50	540.00	1,189.50	5,435.00	**7,350.00**
13.50%	-	-	105.00	-	-	**105.00**
14.00%	422.50	1,257.50	-	975.00	1,300.00	**3,955.00**
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	3,400.00	**8,745.00**
Subtotal (A)	**587.50**	**1,894.00**	**1,150.00**	**7,718.00**	**10,200.00**	**21,549.50**
Less: Unamortised transaction cost (B)						**(194.78)**
Add: Accrued interest on NCD borrowings (C)						**20.41**
Total (A-B+C)						**21,375.13**

Terms of repayment of non-convertible debentures (NCDs) as at March 31, 2024

Rate of Interest	Maturity years					Grand Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
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**
Subtotal (A)	**610.00**	**737.50**	**1,959.00**	**1,445.00**	**7,743.50**	**12,495.00**
Less: Unamortised transaction cost (B)						-
Add: Accrued interest on NCD borrowings (C)						-
Total (A-B+C)						**12,495.00**

Terms of repayment of non-convertible debentures (NCDs) as at April 01, 2023

Rate of Interest	Maturity years					Grand Total
	2023-24	2024-25	2025-26	2026-27	2027-28	
13.00%	-	-	-	190.50	595.00	**785.50**
13.50%	-	-	-	-	105.00	**105.00**
14.00%	-	610.00	722.50	1,317.50	740.00	**3,390.00**
14.50%	-	-	-	451.00	-	**451.00**
14.75%	-	-	-	-	505.00	**505.00**
15.00%	-	-	400.00	-	-	**400.00**
Subtotal (A)	**-**	**610.00**	**1,122.50**	**1,959.00**	**1,945.00**	**5,636.50**
Less: Unamortised transaction cost (B)						-
Add: Accrued interest on NCD borrowings (C)						-
Total (A-B+C)						**5,636.50**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 18 Borrowings (other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost			
Term loans-from banks	3,329.81	2,484.60	1,650.02
Loan from Related Party	-	-	5.60
Loan from Member	-	-	8,480.01
Inter corporate deposit-Related Party	-	78.00	-
Inter corporate deposit- Others	520.00	7,250.00	-
Cash credit from banks	-	-	1,185.73
Dropline overdraft balance	1,338.72	580.63	990.31
	5,188.53	**10,393.23**	**12,311.67**

Notes:

a) Term loans from banks

- The Term loan 1 of Rs 1000 Lakhs is repayable in 10 half yearly instalments of Rs. 100 lakhs each, commencing from August 2023.
- The Term loan 2 of Rs 1250 Lakhs is repayable in 10 half yearly instalments of Rs. 125 lakhs each, commencing from September 2024.
- The Term loan 3 of Rs 375 Lakhs is repayable in 10 half yearly instalments of Rs. 37.50 lakhs each, commencing from December 2023.
- The Term loan 4 of Rs 1500 Lakhs is repayable in 72 monthly instalments of Rs. 20.83 lakhs each, commencing from November 2025.
- Above loans carry rate of interest ranging from 10.65 % to 15.25 %

Term Loan 1, Term Loan 2, Term Loan 3 (from SBI Bank) & and Term Loan 4 (from IOB Bank) facilities are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Collateral Security : In the form of registered mortgage of Flat (Office of the company), Land (Third Party) & Cash collateral in the form of Fixed Deposit (only in case of Loan 4)
- Personal Guarantee of : Directors
- Third Party Corporate Guarantee

Term Loan from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans & advances of the company
- Personal Guarantee of : Director

b) Inter corporate deposits

- The Inter corporate deposits are for a tenure of 2 months to 3 year

c) Dropline Overdraft from Bank

- Dropline Overdraft Limit 1 of Rs 1000 Lakhs is repayable in 30 principal monthly installments of Rs 33.33 lakhs starting from May 2023.
- Dropline Overdraft Limit 2 of Rs 2000 Lakhs is repayable in 30 principal monthly installments of Rs 66.67 lakhs starting from Sept 2024.

Dropline Overdraft Limit from AU Small Finance Bank are secured by:-

- Primary Security : Pari passu charge by way of Hypothecation on book debts, receivables, loans, advances of the company
- Personal Guarantee of : Directors
- Lien on Fixed Deposits

Note : 19 Subordinated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At Amortised Cost			
Nil, (March 31, 2024 : Nil; April 01, 2023 : 71,000) Non convertible Non cumulative 8% Preference shares	-	-	7.10
Total	**-**	**-**	**7.10**

Note : 20 Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Lease liabilities	467.70	34.23	2.14
	467.70	**34.23**	**2.14**

Note : 21 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Others			
Cash Collateral collected from borrower	1,046.03	245.36	-
Borrower TDS Refundable	120.49	197.83	-
Employee Benefit Expenses Payable	12.65	-	2.14
Other Payables	8.87	15.53	16.62
	1,188.04	**458.71**	**18.76**

Note : 22 Current tax liabilities (Net)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Provision for Tax	-	-	296.01
Less: TDS Receivables	-	-	(166.70)
Less: Advance Tax Paid	-	-	(22.50)
	-	**-**	**106.81**

Note : 23 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Provision for employee benefits			
Gratuity (Refer note no. 43)	12.86	5.52	-
	12.86	**5.52**	**-**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)
Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 24 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Revenue received in advance	220.50	646.36	115.31
Statutory dues payable			
GST Payable	-	1.33	33.99
TDS Payable	3.88	0.02	-
Provident Fund - Employees Contribution	0.41	1.81	-
Professional Tax - Employees	0.09	-	-
Others			
Electricity Expenses Payable	1.17	-	-
	226.05	**649.52**	**149.30**

Note : 25 Equity share capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised capital						
Equity shares of Rs. 10/- each	2,80,00,000	2,800.00	2,80,00,000	2,800.00	2,80,00,000	2,800.00
Preference shares of Rs. 10/- each	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00
Issued, subscribed and fully paid up						
Equity shares of Rs. 10/- each fully paid	2,16,50,000	2,165.00	2,16,50,000	2,165.00	2,08,50,000	2,085.00
Total	**2,16,50,000**	**2,165.00**	**2,16,50,000**	**2,165.00**	**2,08,50,000**	**2,085.00**

b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,16,50,000	2,165.00	2,08,50,000	2,085.00
Add: Shares issued during the year	-	-	8,00,000	80.00
Less: Shares bought back during the year	-	-	-	-
	2,16,50,000	**2,165.00**	**2,16,50,000**	**2,165.00**

c. Terms/rights 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.

d. Particulars of shareholders holding more than 5% of the share capital

Name of Shareholder	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Girish Lakhotiya	1,71,59,870	79.26%	1,71,59,870	79.26%	1,71,59,870	82.30%
Rahul Rathi	8,50,000	3.93%	17,00,000	7.85%	17,00,000	8.15%
Prachay Advisors Private Limited	23,48,442	10.85%	14,98,442	6.92%	14,98,442	7.19%

e. Particulars of shares held by promoters

Promoter name	As at 31 Mar 2025		As at 31 Mar 2024		As at 01 Apr 2023	
	No. of Shares	% change	No. of Shares	% change	No. of Shares	% change
Girish Lakhotiya	1,71,59,870	0.00%	1,71,59,870	3.04%	1,71,59,870	8.35%

f. 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.

Note : 26 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Retained earnings	3,962.74	2,967.45	2,092.71
Statutory reserves u/s 45-IC of The RBI Act, 1934	1,017.92	769.10	548.64
Securities premium	1,345.00	1,345.00	425.00
Share Options Outstanding Account	64.57	28.28	-
Capital redemption reserve	7.10	7.10	-
Other comprehensive income	-	-	-
	6,397.33	**5,116.92**	**3,066.35**

Note : 26A Other Equity Movements

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Retained earnings			
Opening Balance	2,967.45	2,092.71	1,251.64
Add: Profit / (Loss) for the year	1,244.11	1,102.30	1,031.84
Add: Other Comprehensive Income	0.01	-	-
Less: Transfer to statutory reserve u/s 45-IC of The RBI Act, 1934	(248.82)	(220.46)	(190.77)
Less: Transfer to capital redemption reserve	-	(7.10)	-
Closing Balance	**3,962.74**	**2,967.45**	**2,092.71**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Opening Balance	769.10	548.64	357.87
Add : Transferred from retained earnings	248.82	220.46	190.77
Closing Balance	**1,017.92**	**769.10**	**548.64**
Securities premium			
Opening Balance	1,345.00	425.00	425.00
Add : Premium collected on share allotment	-	920.00	-
Closing Balance	**1,345.00**	**1,345.00**	**425.00**
Other reserves & surplus - Employee stock option outstanding			
Opening Balance	28.28	-	-
Less : Transferred to Retained Earnings	-	-	-
Add/(Less) : Movement during the year	36.29	28.28	-
Closing Balance	**64.57**	**28.28**	**-**
Capital redemption reserve			
Opening Balance	7.10	-	-
Addition during the year	-	7.10	-
Closing Balance	**7.10**	**7.10**	**-**
Other comprehensive income			
Opening Balance	-	-	-
Add : Remeasurment gain on defined benefit obligation	0.01	-	-
Less : Transferred to Retained Earnings	(0.01)	-	-
Closing Balance	**-**	**-**	**-**

26B 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) Statutory Reserve pursuant to Section 45-IC of the RBI 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 used for allottment of bonus share in accordance with the provisions of the Companies Act, 2013.

(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) Other reserves & surplus - Employee stock option outstanding

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 appropriate reserve account.





Note : 27 Interest Income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest income on financial assets measured at FVOCI		
Interest income from investments - NCD	1,116.93	772.69
Interest income on financial assets measured at amortised cost		
Interest on loans	4,425.06	3,414.91
Interest on inter-corporate deposits	3.35	-
Interest income on staff loans	0.33	0.50
Interest on Security Deposit	3.89	1.38
	5,549.56	**4,189.48**

Note : 28 Fees and commission Income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Fees and Charges	32.85	16.57
	32.85	**16.57**

Note : 29 Other income

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest on Fixed Deposits	81.63	46.49
Penal Charges	192.20	-
Interest on income tax refund	4.35	1.25
Gain on lease cancellation	2.04	-
	280.23	**47.74**

Note : 30 Finance costs

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings Inter corporate deposits	240.13	163.89
Interest on borrowings Cash credit and overdraft	-	10.61
Interest on borrowings Term loans and dropline overdraft	391.30	341.65
Interest on borrowings Loan from Share Holders/Directors	-	411.69
Interest on Non convertible Debentures	2,180.08	1,076.08
Interest on subordinated liabilities	-	0.46
Interest on Lease liability	54.91	4.94
Interest on Cash Collateral	9.01	-
Other Borrowing Cost		
Bank charges and other related cost	18.42	25.56
Comission on Borrowings	35.39	3.43
	2,929.25	**2,038.30**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note: 31 Impairment on financial instruments

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
on loans at FVOCI	2.56	18.39
on loans at amortised cost	8.31	(5.38)
	10.87	**13.02**

Note: 32 Employee benefits expenses

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Salaries and wages	415.48	267.09
Contribution to provident and other funds	8.57	3.68
Gratuity Expenses	7.35	5.52
Share based payment to employees	36.29	28.28
Staff welfare expenses	15.36	11.27
	483.05	**315.83**

Note: 33 Depreciation, amortisation and impairment

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Depreciation of Property, plant and equipment	193.35	52.87
Amortisation of Intangible assets	0.10	0.10
	193.45	**52.97**

Note: 34 Others expenses

Particulars		For year ended March 31, 2025	For year ended March 31, 2024
Rent Expense		6.47	0.70
Rates and taxes		1.76	0.53
Repairs and maintenance		0.45	2.57
Insurance Expense		3.04	0.21
Power and fuel		7.85	5.04
Legal and Professional charges		341.84	246.92
Advertisement and publicity		38.72	6.56
Auditor's fees and expenses	(refer note A)	8.40	6.46
CSR Expenditure	(refer note B)	25.58	33.18
Royalty Expenses		12.54	-
Miscellaneous expenses		106.57	51.71
		553.22	**353.87**

Note A: Payment to auditor includes:

a. as statutory auditor	4.25	3.00
b. for certification related matters	0.80	0.23
c. for other services	-	-
Total	**5.05**	**3.23**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note B: Details of expenditure on Corporate Social Responsibility:		
a. Gross amount required to be spent during the year	25.58	19.73
b. Amount spent during the year:		
CSR Expenses paid	25.58	33.18
CSR Expenses yet to be paid	-	-
c. Shortfall at the end of the year	-	(13.45)
d. Total of previous years shortfall Paid	-	13.45
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	Schedule VII fund	Schedule VII fund

Note: 35 Earnings per equity share (for continuing operations)

Particulars	**For year ended March 31, 2025**	**For year ended March 31, 2024**
A. Basic Earnings per Share		
a) Profit after tax attributable to equity shareholders	1,252.68	1,102.30
b) Weighted average number of equity shares outstanding during the year (No.s)	2,16,50,000	2,13,96,448
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Basic earnings per share (EPS) (Rs.)	5.79	5.15
B. Diluted Earnings per Share		
a) Profit after tax attributable to equity shareholders for diluted EPS'	1,252.68	1,102.30
b) Weighted average number of equity shares for calculating diluted EPS (No.s)	2,16,50,000	2,13,96,448
c) Nominal value of equity shares (Rs.)	10.00	10.00
d) Diluted earnings per share (EPS) (Rs.)	5.79	5.15
C. No. of equity shares for calculating diluted EPS		
Weighted average number of equity shares for calculating Basic EPS	2,16,50,000	2,13,96,448
Weighted average number of equity shares for calculating diluted EPS	2,16,50,000	2,13,96,448





Note : 36 Disclosure pursuant to Ind AS 12 "Income Taxes"

A Income Tax recognised in statement of profit and loss

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Income-tax related to items recognised directly in the statement of profit and loss		
Current income tax:		
i) Current income tax expense	448.82	446.47
ii) Excess) / Short provision for tax relating to prior years	(2.01)	(2.33)
Deferred tax (benefit) / charge	(6.69)	(66.63)
Total Income tax expense recognised relating to continuous operations	**440.12**	**377.51**
Income-tax related to other comprehensive income		
Remeasurement of the net defined benefit obligation gain / (loss)	0.00	-
Total Income tax expense recognised relating to other comprehensive income	**0.00**	**-**

B Reconciliation of income tax expense for the year:

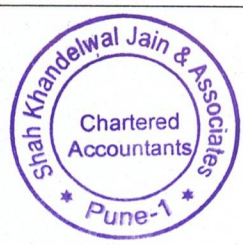
A reconciliation of income-tax expense applicable to profit before income-tax at statutory rate to income-tax expense at the Company's effective income-tax rate for the year ended March 31, 2025 is as follows :

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Profit before tax	1,692.80	1,479.80
Total tax expense (As per Statement of Profit and loss)		
i) Current tax	448.82	446.47
ii) Deferred tax	(6.69)	(66.63)
Total Tax Expenses	**442.13**	**379.84**
Effective tax rate (%)	**26.12%**	**25.67%**
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due to Permanent Difference		
a) Permanent Difference	**16.09**	**7.40**
On account of consolidation adjustment	8.11	(1.01)
Non allowability of Claim of CSR	6.44	8.35
Expenses not allowed	1.53	-
Non allowability of statutory delay interest	0.01	0.07
b) Others	**0.00**	**-**
OCI on Gratuity	0.00	-
Total (A)	**16.09**	**7.40**
a) Difference due to Tax Rate of STCG	-	-
Total (B)	**-**	**-**
Total of items affecting tax rate (A+B)	**16.09**	**7.40**

C Reconciliation of income tax rate is as follows:

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
a) Normal Tax Rate	22.00%	22.00%
b) Surcharge (@ 10% of Normal Tax Rate)	2.20%	2.20%
c) Health and Education Cess	0.97%	0.97%
Total Tax Rate (%)	**25.17%**	**25.17%**
Effect in Tax rate due to permanent difference	0.95%	0.50%
Effective Tax Rate (%)	**26.12%**	**25.67%**





Note : 37 Movement in Deferred Taxes

A Movement in deferred tax balances For the year ended March 31, 2025

Particulars	As at March 31, 2024	Recognised in profit or loss	Recognised in OCI	As at March 31, 2025
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(2.85)	8.89	-	6.04
Right of use asset	(8.06)	(97.14)	-	(105.20)
Lease liabilities	8.62	109.10	-	117.71
Provision for Employee benefits	1.39	1.85	0.00	3.24
Amortised Fees Income	87.10	33.76	-	120.85
Amortised Finance Cost	(7.85)	(53.92)	-	(61.77)
Others (net)	0.11	4.16	-	4.27
Total	**78.46**	**6.69**	**0.00**	**85.14**

B Movement in deferred tax balances For the year ended March 31, 2024

Particulars	As at April 01, 2023	Recognised in profit or loss	Recognised in OCI	As at March 31, 2024
Deferred tax assets / (liabilities)				
Difference between WDV as per books and tax books	(2.17)	(0.68)	-	(2.85)
Right of use asset	(0.48)	(7.58)	-	(8.06)
Lease liabilities	0.54	8.08	-	8.62
Provision for Employee benefits	-	1.39	-	1.39
Amortised Fees Income	24.19	62.91	-	87.10
Amortised Finance Cost	(12.26)	4.40	-	(7.85)
Others (net)	2.01	(1.90)	-	0.11
Total	**11.83**	**66.63**	**-**	**78.46**

Note : 38 Contingent Liabilities and Commitments

Contingent liabilities

There are no contingent liabilities as on March 31, 2025; March 31, 2024 & April 01, 2023

Commitments

a) Estimated amounts of contracts remaining to be executed on capital accounts (Tangible assets) and not provided for are Rs. Nil (March 31, 2024 : Nil & April 01, 2023 : Nil)

b) Estimated amounts of contracts remaining to be executed on intangible assets and not provided for are Rs. 38.25 lakhs (March 31, 2024 : 51.00 lakhs & April 01, 2023 : Nil)

Note : 39 Segment reporting

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note : 40 The Group did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses

Note : 41 The Group has not given loan or guarantee and has not made investments u/s 186(2) of the Companies Act 2013





Note : 42 Leases

A A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

B Group as a lessee

The Group's lease asset classes primarily consist of leases for premises. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

C The details of Right to use Asset of the Group are as follows:

	Leasehold Property	
Asset Class	**As at March 31, 2025**	**As at March 31, 2024**
Balance as at beginning of the year (net)	33.88	2.05
Add: Additions during the year	510.72	59.26
Less: Deductions during the year on account of modification / termination of leases	(29.38)	-
Less: Depreciation	(97.22)	(27.42)
Balance as at end of the year (net)	**418.01**	**33.88**

D Following is the movement in lease liabilities for the year

	As at March 31, 2025	**As at March 31, 2024**
Balance as at beginning of the year	34.23	2.14
Add: Additions / modification during the year	489.66	56.15
Less: Deductions / modification during the year	(29.38)	-
Add: Interest Expense	54.91	4.94
Less: Lease Payments	(81.73)	(28.99)
Balance as at end of the year	**467.70**	**34.23**

E Contractual maturities of lease liabilities on an undiscounted basis

	Leasehold Property	
	As at March 31, 2025	**As at March 31, 2024**
Less than 1 year	129.94	30.51
1-3 years	279.69	4.58
3-5 years	207.85	-
More than 5 years	-	-
Total	**617.48**	**35.09**

F Right-of-use Assets and Lease liabilities related expenses booked in Statement of Profit and Loss

	For year ended March 31, 2025	**For year ended March 31, 2024**
a. Depreciation on Right-of-use Assets	97.22	27.42
b. Interest on Lease liabilities	54.91	4.94
c. Gain on termination of lease	2.04	-

G Short term Leases (in Statement of Profit and loss)

	For year ended March 31, 2025	**For year ended March 31, 2024**
i) Office premises / Branch offices	-	-
Total	**-**	**-**

Notes:

Weighted average incremental borrowing rate applied to lease liabilities for the year ended March 31,2025 is 14% (for previous year end March 31, 2024: 14%)

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 43 Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A Defined contribution plans

The Group's state governed provident fund scheme are defined contribution plan for its employees. The contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from group or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
Employer's contribution to provident fund & Others	4.69	3.39

B Defined Benefit plans

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 :

a) Principal assumptions used for the actuarial valuations are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Mortality table	IALM (2012-24) ULT	IALM (2012-24) ULT
Discount rate	6.70%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	0	0
Expected average remaining working lives of employees (in years)	9.31 *	9.32 *
Average remaining working life (years)	29.56 ^	30.00 ^
Retirement Age	60 Years	60 Years
Withdrawal Rate		
Age upto 30 years	10%	10%
Age 31-40 years	10%	10%
Age 41-50 years	10%	10%
Age above 50 years	10%	10%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

^ It is simple arithmetical difference between retirement age and average age (by zeroing out negatives for employees above retirement age) and is calculated without using any decrements.

b) Table showing changes in present value of obligations:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the period	5.52	-
Acquisition adjustment	-	-
Transfer In / (Out)	-	-
Interest Expense	0.40	-
Past service cost	-	-
Current service cost	6.96	5.52
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-	-
Remeasurements on obligation - (Gain) / Loss	(0.01)	-
Present value of obligation as at the end of the period	12.86	5.52

c) Breakup of service cost

Particulars	As at March 31, 2025	As at March 31, 2024
Past Service Cost	-	-
Current Service Cost	6.96	5.52
Curtailment Cost / (Credit) on plan amendments	-	-
Settlement Cost / (Credit) on plan amendments	-	-

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

d) Table Showing Changes In Fair Value Of Plan Assets

No Applicable as plan is not funded

e) Net Interest (Income)/Expense :

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Interest (Income) / Expense – Obligation	0.40	-
Interest (Income) / Expense – Plan assets	-	-
Net interest (Income) / Expense for the year	0.40	-

f) Change In The Effect Of Asset Ceiling

Particulars	As at	
	March 31, 2025	March 31, 2024
Effect of Asset Ceiling at the beginning	-	-
Interest (Income)/ Expense (excluding amount included in net interest on plan assets)	-	-
Remeasurement - (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

g) Remeasurements For The Year Actuarial (Gain) / Loss

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Experience (Gain) / Loss on plan liabilities	(0.55)	-
Demographic (Gain) / Loss on plan liabilities		-
Financial (Gain) / Loss on plan liabilities	0.54	-
Financial (Gain) / Loss on plan assets	-	-
Experience (Gain) / Loss on plan assets	-	-

h) Amounts Recognised In Statement Of Other Comprehensive Income (OCI)

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Opening amount recognised in OCI outside profit and loss account	-	-
Remeasurement for the year - obligation (Gain) / Loss	(0.01)	-
Remeasurement for the year - plan asset (Gain) / Loss	-	-
Remeasurement arising because of change in effect of asset ceiling	-	-
Total Remeasurements Cost / (Credit) for the year recognised in OCI	(0.01)	-
Closing amount recognised in OCI outside profit and loss account	(0.01)	-

i) The Amounts To Be Recognised In The Balance Sheet

Particulars	As at	
	March 31, 2025	March 31, 2024
Present value of obligation at the end of period	12.86	5.52
Fair value of the plan assets at the end of period	-	-
Surplus / (Deficit)	(12.86)	(5.52)
Current liability	0.02	0.01
Non-current liability	12.84	5.51
Amount not recognised due to asset ceiling	-	-
Net asset / (liability) recognised in balance sheet	(12.86)	(5.52)

j) Expense Recognised In The Statement Of Profit and Loss

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Service Cost	6.96	5.52
Acquisition (Gain) / Loss	-	-
Past service cost	-	-
Net interest (Income)/ Expense	0.40	-
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	7.35	5.52

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

k) Reconciliation Of Net Asset / (Liability) Recognised

Particulars	As at	
	March 31, 2025	March 31, 2024
Net asset / (liability) recognised at the beginning of the period	(5.52)	-
Company contributions	-	-
Benefits directly paid by Company	-	-
Amount recognised outside profit & loss for the year	0.01	-
Expense recognised at the end of period	(7.35)	5.52
Mortality Charges and Taxes	-	-
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognised at the end of the period	(12.86)	5.52

l) Major Categories of Plan Assets (As a % of Total Plan Assets) : (Not appliable as plan is not funded)

m) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.63 years

n) Expected Future Benefit Payments

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2026	2,000.00
2027	3,000.00
2028	4,000.00
2029	2,11,000.00
2030	3,30,000.00
2031-2035	30,52,000.00

The above cashflows have been arrived at based on the demographic and financial assumptions as mentioned earlier in section 6

o) Expected contribution for the next year (The plan is unfunded as on the valuation date)

p) Expected Expense to be Recognized in Profit and Loss Account for Next Year :

Particulars	01 April 2025 to 31 March 2026
Service Cost	9.72
Net Interest Cost	0.86
Expected Expense for next year	10.58

q) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

- Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation (in Rs.)
5.70%	14.07
7.70%	11.82

- Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation (in Rs.)
6.00%	11.93
8.00%	13.93

- Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Discount rate	March 31, 2025 Present value of obligation (in Rs.)
9.00%	12.89
11.00%	12.84

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

r) Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.





Note : 44 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below the table.

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 (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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:

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
31 March 2025	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	-	-	298.59	**298.59**	298.59	-	-	**298.59**
Bank balances other than Cash and cash equivalen	-	-	1,779.45	**1,779.45**	1,779.45	-	-	**1,779.45**
Loans	6,813.17	-	26,747.86	**33,561.03**	-	-	33,561.03	**33,561.03**
Other financial assets	-	-	61.20	**61.20**	-	-	61.20	**61.20**
Trade receivables	-	-	21.60	**21.60**	-	-	21.60	**21.60**
Total	**6,813.18**	**-**	**28,908.70**	**35,721.88**	**2,078.05**	**-**	**33,643.83**	**35,721.88**
Financial Liabilities								
Debt Securities	-	-	21,375.13	**21,375.13**	-	-	21,375.13	**21,375.13**
Borrowings	-	-	5,188.53	**5,188.53**	-	-	5,188.53	**5,188.53**
Other payables	-	-	35.90	**35.90**	-	-	35.90	**35.90**
Lease liabilities	-	-	467.70	**467.70**	-	-	467.70	**467.70**
Other financial liabilities	-	-	1,188.04	**1,188.04**	-	-	1,188.04	**1,188.04**
Total	**-**	**-**	**28,255.31**	**28,255.31**	**-**	**-**	**28,255.31**	**28,255.31**

Financial Assets and Liabilities as at	Carried at				Fair Value Hierarchy			
31 March 2024	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 equivalen	-	-	459.19	**459.19**	459.19	-	-	**459.19**
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	**4,809.93**	**-**	**25,896.97**	**30,706.90**	**2,191.28**	**-**	**28,515.62**	**30,706.90**
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	-	-	1.75	**1.75**	-	-	1.75	**1.75**
Lease liabilities	-	-	34.23	**34.23**	-	-	34.23	**34.23**
Other financial liabilities	-	-	458.71	**458.71**	-	-	458.71	**458.71**
Total	**-**	**-**	**23,382.93**	**23,382.93**	**-**	**-**	**23,382.93**	**23,382.93**

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly known as Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Financial Assets and Liabilities as at 01 April, 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 equivalen	-	-	194.55	**194.55**	194.55	-	-	**194.55**
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**
Other receivables	-	-	132.59	**132.59**	-	-	132.59	**132.59**
Total	**5,966.00**	**-**	**17,030.92**	**22,996.92**	**323.30**	**-**	**22,673.62**	**22,996.92**
Financial Liabilities								
Subordinated Liabilities	-	-	7.10	**7.10**	-	-	7.10	**7.10**
Debt Securities	-	-	5,636.50	**5,636.50**	-	-	5,636.50	**5,636.50**
Borrowings	-	-	12,311.67	**12,311.67**	-	-	12,311.67	**12,311.67**
Other payables	-	-	9.41	**9.41**	-	-	9.41	**9.41**
Lease liabilities	-	-	2.14	**2.14**	-	-	2.14	**2.14**
Other financial liabilities	-	-	18.76	**18.76**	-	-	18.76	**18.76**
Total	**-**	**-**	**17,985.58**	**17,985.58**	**-**	**-**	**17,985.58**	**17,985.58**

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.

For all financial assets and liabilities that are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximate the fair values.





Note: 45 Credit risk

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 March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	33,312.06	328.97	-	33,641.03	28,567.93	-	-	28,567.93
Less: Impairment loss allowance	(79.17)	(0.82)	-	(80.00)	(69.13)	-	-	(69.13)
Net carrying amount	**33,232.89**	**328.14**	**-**	**33,561.03**	**28,498.80**	**-**	**-**	**28,498.80**

Particulars	As at April 01, 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) An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

Particulars	As at March 31, 2025							
	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
Gross carrying amount opening balance	**28,567.93**	**69.13**	**-**	**-**	**-**	**-**	**28,567.93**	**69.13**
Transfers during the year							-	-
transfers to stage 1	-	-	-	-	-	-	-	-
transfers to stage 2	(245.25)	(0.61)	245.25	0.61	-	-	-	-
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)	(16,812.64)	(40.73)	83.71	0.21	-	-	**(16,728.93)**	**(40.52)**
New credit exposures during the year, net of repayments	21,556.77	51.39	-	-	-	-	**21,556.77**	**51.39**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**33,312.06**	**79.17**	**328.97**	**0.82**	**-**	**-**	**33,395.77**	**80.00**

Particulars	As at March 31, 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
Gross carrying amount opening balance	**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)	(17,632.99)	(45.97)	-	-	-	-	**(17,632.99)**	**(45.97)**
New credit exposures during the year, net of repayments	23,593.44	58.98	-	-	-	-	**23,593.44**	**58.98**
Amounts written off during the year	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**28,567.93**	**69.13**	**-**	**-**	**-**	**-**	**28,567.93**	**69.13**





Note : 46 Financial Risk Management

i) Risk Management Framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities. Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's activities.

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event
- When a borrower becomes more than 120 days past due in its contractual payments

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Group employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

c) Definition of default

The Group considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes 120 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR 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.

Following indicators are incorporated:

i) DPD analysis as on each reporting date.

ii) significant increase in credit risk on other financial instruments of same borrower.

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Group is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Group has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

(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

h) Expected credit loss on Loans

The Group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 120 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 120 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12 months ECL from lifetime ECL.

The Group 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. These parameters are derived from the Company's internally developed models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

Cash and cash equivalents and bank balance other than cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

iii) Liquidity risk

Liquidity risk is the risk that the Group 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.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

Maturity patterns of financial liabilities

As at March 31, 2025

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Debt Securities	21,375.13	**21,375.13**	132.91	475.00	3,044.00	17,723.22	-
Borrowings	5,188.53	**5,188.53**	536.40	766.67	2,749.65	759.01	376.81
Lease Liabilities	467.70	**467.70**	63.00	65.63	276.87	62.21	-
Other payables	35.90	**35.90**	16.48	19.42	-	-	-
Other financial Liabilities	1,188.04	**1,188.04**	131.59	214.72	841.73	-	-
Total	**28,255.31**	**28,255.31**	**880.37**	**1,541.43**	**6,912.25**	**18,544.45**	**376.81**

As at March 31, 2024

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 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**	3,683.43	3,584.50	709.81	2,415.50	-
Lease liabilities	34.23	**34.23**	17.19	13.36	3.68	-	-
Other payables	1.75	**1.75**	1.75	-	-	-	-
Other financial Liabilities	458.71	**458.71**	458.71	-	-	-	-
Total	**23,382.93**	**23,382.93**	**4,161.08**	**4,207.86**	**1,450.99**	**13,563.00**	**-**

As at April 01, 2023

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years
Financial Liabilities							
Subordinated Liabilities	7.10	**7.10**	-		7.10		
Debt Securities	5,636.50	**5,636.50**	-	-	610.00	5,026.50	-
Borrowings	12,311.67	**12,311.67**	10,224.30	562.37	725.00	800.00	-
Other payables	9.41	**9.41**	9.41				
Lease liabilities	2.14	**2.14**	2.14			-	-
Other financial Liabilities	18.76	**18.76**	9.41	9.35	-	-	-
Total	**17,985.58**	**17,985.58**	**10,245.25**	**571.72**	**1,342.10**	**5,826.50**	**-**

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

iv Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Group'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. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Effect on profit	Effect on Equity	Effect on profit	Effect on Equity
Impact in INR on +/(-) .5% change in rate of Interest	23.34	17.47	15.33	11.47

v) Operational Risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes

The framework, at its core, has the following elements

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure
4. Standardized reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture





Note : 47 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 March 31, 2025			As at March 31, 2024			As at April 01, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. ASSETS										
I. Financial assets										
Cash and cash equivalents	4	298.59	-	298.59	1,661.13	70.95	1,732.08	1,661.13	(1,532.39)	128.74
Bank Balance other than cash and cash equivalents	5	426.25	1,353.20	1,779.45	89.87	369.32	459.19	89.87	104.68	194.55
Receivables	6			-		-	-		-	-
(i) Trade receivables				-		-	-		-	-
(ii) Other Receivables		21.60		21.60		-	-		132.59	132.59
Loans	7	15,733.84	17,827.19	33,561.03	4,792.05	23,706.75	28,498.80	4,792.05	17,719.82	22,511.87
Investments	8	-	0.01	0.01	-	0.01	0.01	-	0.01	0.01
Other Financial assets	9	21.75	39.45	61.20	15.56	1.26	16.82	15.56	13.60	29.16
		16,502.03	**19,219.85**	**35,721.88**	**6,558.61**	**24,148.29**	**30,706.90**	**6,558.61**	**16,438.31**	**22,996.92**
II. Non-financial assets										
Current tax assets (net)	10	75.66	-	75.66	155.82	6.55	162.38	155.82	(125.59)	30.23
Deferred tax assets (net)	11	-	85.14	85.14	-	78.46	78.46	-	11.83	11.83
Property, plant and equipment	12	-	1,066.12	1,066.12		252.19	252.19		221.79	221.79
Intangible assets under development	13	-	103.05	103.05	-	43.60	43.60	-	-	-
Other Intangible assets	14	-	0.16	0.16	-	0.26	0.26	-	-	-
Other non-financial assets	15	16.14	21.33	37.48	5.41	0.00	5.41	5.41	56.15	61.56
Goodwill on consolidation		-	70.70	70.70	-	70.70	70.70	-	70.70	70.70
		91.80	**1,346.50**	**1,438.31**	**161.23**	**451.76**	**613.00**	**161.23**	**234.88**	**396.12**
Total Assets		**16,593.83**	**20,566.35**	**37,160.18**	**6,719.84**	**24,600.05**	**31,319.89**	**6,719.84**	**16,673.19**	**23,393.04**
2. LIABILITIES										
I. Financial liabilities										
Payables	16	-	-	-	-	-	-	-	-	-
(a) Trade Payables										-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-	-	-	-
(b) Other Payables										-
(i) total outstanding dues of micro enterprises and small enterprises		2.49	-	2.49	1.19	-	1.19	0.01	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		33.40	-	33.40	0.57	-	0.57	9.40	-	9.40
Debt securities	17	607.91	20,767.22	21,375.13	610.00	11,885.00	12,495.00	-	5,636.50	5,636.50
Borrowings (other than debt securities)	18	1,303.06	3,885.47	5,188.53	7,267.93	3,125.31	10,393.23	-	12,311.67	12,311.67
Subordinated liabilities	19	-	-	-			-	7.10	-	7.10
Lease liabilities	20	128.63	339.08	467.70	30.55	3.68	34.23	2.14		2.14
Other financial liabilities	21	346.30	841.73	1,188.04	458.71	-	458.71	18.76	-	18.76
		2,421.80	**25,833.51**	**28,255.31**	**8,368.94**	**15,013.99**	**23,382.93**	**37.41**	**17,948.17**	**17,985.58**
II. Non-Financial liabilities										
Current tax liabilities (net)	22	-	-	-	-	-	-	-	106.81	106.81
Provisions	23	0.01	12.85	12.86	-	5.52	5.52	-	-	-
Other non-financial liabilities	24	1.66	224.39	226.05	649.52	-	649.52	-	149.30	149.30
		1.67	**237.24**	**238.91**	**649.52**	**5.52**	**655.04**	**-**	**256.11**	**256.11**
Total Liabilities		**2,423.47**	**26,070.75**	**28,494.22**	**9,018.46**	**15,019.50**	**24,037.97**	**37.41**	**18,204.27**	**18,241.69**
Net Assets / (Liabilities)		**14,170.36**	**(5,504.40)**	**8,665.96**	**(2,298.62)**	**9,580.54**	**7,281.92**	**6,682.43**	**(1,531.08)**	**5,151.35**





Note : 48 Related Party Disclosure

A List of Related parties

List of related parties and relationship with related parties where control exists or transactions have taken place during the year:

No.	Name of the Related Party	Relationship
I	**Related Parties over which control exists:**	
	Prachay Investment Managers Private Limited	Wholly owned Subsidiary
	Prachay Securities Pvt Ltd	Wholly owned Subsidiary (Incorporated on October 04, 202
	Prachay AIF Scheme I - Category II	Subsidiary (Non-Corporate Entity)
II	**Enterprises over which Management and/or their relatives have significant influence**	
	Prachay Foundation	
	Prachay Holding Private Limited	
	Prachay Advisors Private Limited	
III	**Key Management Personnel**	
	Mr. Girish Lakhotiya	Managing Director (w.e.f 27th Jun, 2024)
	Mr. Roshan Sancheti	Director
	Miss. Divya Raizada**	Director (w.e.f 27th Jun, 2024)
	Miss. Pooja Porwal*	Company Secretary (upto 30th Mar, 2024)
	Miss. Sonal Gupta ***	Company Secretary (w.e.f. 01st Apr, 2024)
	Mr. Ankur Agrawal	Chief Financial Officer (w.e.f. 01st Jul, 2024)
	Mr. Nilesh Saboo	Independent Director ((w.e.f 27th Jun, 2024)
	Mrs. Archna Rastogi	Independent Director ((w.e.f 27th Jun, 2024)
	Mrs. Vineeta Bhatacharya	Independent Director (w.e.f.16th Dec, 2024)
IV	**Relative of Key Management Personnel**	
	Mrs. Sneha Dhoot	Wife of director
	Mrs. Anita Mohta	Sister of director
	Roshan Sancheti HUF	HUF of director
	Rajendra Sancheti HUF	HUF of director's father
	Mrs. Preeti Raizada	Sister of director
	Mr. Dharamveer Raizada	Brother of director
	Mr. Vinay Raizada	Father of director
	Mrs. Pramila Raizada	Mother of director
	Mrs. Meena Agrawal	Mother of CFO

B Transactions with Related parties during the year

Particulars	For year ended March 31, 2025	For year ended March 31, 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	-

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Investments received on Secured Non convertible debentures:		
Anita Mohta	-	2.50
Roshan Rajendra Sancheti HUF	-	28.00
Rajendra Sancheti HUF	-	25.00
Pramila Raizada	5.00	-
Redemption of Non Convertible Debentures of:		
Divya Raizada	2.50	-
Preeti Raizada	2.50	-
Anita Mohta	0.50	-
Sitting fees :		
Nilesh Saboo	0.79	-
Archna Rastogi	1.44	-
Vinita Bhattacharjee	0.20	-
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	0.95	0.69
Roshan Rajendra Sancheti HUF	3.43	1.70
Rajendra Sancheti HUF	2.22	1.42
Divya Raizada	3.09	0.54
Preeti Raizada	1.98	0.46
Vinay Raizada	0.68	0.09
Dharamveer Raizada	0.35	0.09
Pooja Porwal	-	0.05
Pramila Raizada	0.33	-
Meena Agrawal	1.30	-
Remuneration to director / KMP:		
Girish Lakhotiya	3.00	3.00
Roshan Sancheti	48.30	49.00
Divya Raizada	37.78	4.96
Pooja Porwal	-	11.64
Ankur Agrawal	16.49	-
Sonal Gupta	10.68	-
Professional fees paid:		
Girish Lakhotiya	78.00	36.00
Sneha Dhoot	48.00	48.00
Royalty paid:		
Girish Lakhotiya	12.00	-
Redemption of Preference Shares:		
Girish Lakhotiya	-	0.60
Payment of Dividend on Preference Shares:		
Girish Lakhotiya	-	0.04

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 As Prachay Capital Private Limited

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

C Closing balances with Related parties as at year end

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Loans payable:			
Girish Lakhotiya	-	-	1.00
Roshan Sancheti	-	-	1.00
Non Convertible Debentures:			
Anita Mohata	7.00	7.50	5.00
Divya Raizada	22.50	20.00	15.00
Roshan Rajendra Sancheti HUF	38.00	28.00	5.00
Rajendra Sancheti HUF	25.00	25.00	-
Preeti Raizada	12.50	15.00	10.00
Vinay Raizada	7.50	2.50	2.50
Dharamveer Raizada	2.50	2.50	2.50
Pramila Raizada	5.00	-	-
Meena Agrawal	10.00	-	-
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	0.01
Royalty :			
Girish Lakhotiya	1.08	-	





Note : 49 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 (Nos)	Weighted Average Exercise Price (In Rupees.)
Options outstanding **as at April 01, 2023**	Nil	Not Applicable
Options granted during the year	3,69,635.00	125.00
Options canceled / forfeited / expired during the year	21,820.00	125.00
Options exercised during the year	Nil	Not Applicable
Options outstanding **as at March 31, 2024**	3,47,815.00	125.00
Options granted during the period	-	-
Options canceled / forfeited / expired during the period	17,660.00	-
Options exercised during the period	-	-
Options outstanding **as at March 31, 2025**	3,30,155.00	125.00
Options exercisable at the end of the year	Nil	Not Applicable
Range of exercise price of options outstanding at the end of the year (IN INR)		125.00
Average share price during the year (IN INR)		125.00
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 (IN INR)		42.06

B) 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 of option on grant date	42.04
Stock Price (IN INR)	125.00
Standard Deviation (Volatility)	Nil *
Risk Free Rate	0.07
Exercise Price (IN INR)	125.00
Time to Maturity	6 Years
Dividend Yield	Nil

* Since the company's management does not have any intention to get Equity listed in next 5 years, expected volatility has been assumed as Nil.

C) Notes:

Expense arrising from share based payment transation

The total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses is Rs. 36.29 lakhs (March 31, 2024 : Rs. 28.28 lakhs)

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Note : 50 Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements as on 31st March, 2025

Particulars	Holding	Wholly owned subsidiaries		Subsidiary	Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay Securities Private Limited	Prachay AIF Scheme I - Category II	
Net Assets #					
As a % of consolidated net assets	**73.81%**	**0.93%**	**1.22%**	**24.04%**	**100%**
Amount *	6,396.00	80.93	105.98	2,083.05	**8,665.96**
Share in consolidated profit or (loss)					
As a % of consolidated profit or (loss)	**83.94%**	**-2.78%**	**-3.51%**	**22.35%**	**100%**
Amount *	1,051.55	(34.80)	(44.02)	279.95	**1,252.68**
Share in Consolidated other comprehensive income					
As a % of consolidated Other comprehensive income	**100%**	**0.00%**	**0.00%**	**0.00%**	**100%**
Amount *	**0.01**	-	-	-	**0.01**
Share in consolidated total comprehensive income					
As a % of consolidated total comprehensive income	**83.94%**	**-2.78%**	**-3.51%**	**22.35%**	**100%**
Amount *	1,051.56	(34.80)	(44.02)	279.95	1,252.69

Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements as on 31st March, 2024

Particulars	Holding	Wholly owned subsidiaries		Subsidiary	Total
	Prachay Capital Limited (Formerly known as Prachay Capital Private Limited)	Prachay Investment Managers Private Limited	Prachay Securities Private Limited	Prachay AIF Scheme I - Category II	
Net Assets #					
As a % of consolidated net assets	**84.90%**	**0.50%**	-	**14.60%**	**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)	**97.50%**	**0.22%**	-	**2.28%**	**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	**100%**	**0.00%**	-	**0.00%**	**100%**
Amount *	**-**	-	-	-	**-**
Share in consolidated total comprehensive income					
As a % of consolidated total comprehensive income	**97.50%**	**0.22%**	-	**2.28%**	**100%**
Amount *	1,074.72	2.43	-	25.15	1,102.30

 # : Net Assets = total assets minus total liability

** - Amounts net off elimination*





Note : 51 First time adoption of Ind AS

1) For periods upto March-24, the Group 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). During the year, the company has listed "Debt securities" on stock exchange (BSE). Therefore Group has adopted IndAS and prepared its first financial statements under for year ended 31 March , 2025. 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.

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 exception /exemptions

I Estimates

The groups'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 groups'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 Group 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 Group 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 Group 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 Group has undertaken following exemptions:
As permitted the Group 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.

VI 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 Group has elected to measure its investment in subsidiary as per previous GAAP carrying value.





Note : 52 An explanation of how the transition from Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flow is set out in the following tables and notes that acGroup the tables. The reconciliations include-

A) Reconciliation of equity as at April 01, 2023 and March 31, 2024

B) Reconciliation of total comprehensive income for the year ended March 31, 2024;

There are no material adjustments to the cash flow statements.

A. Reconciliation of total equity as at March 31, 2024 and April 01,, 2023 :

Particulars	Notes to first time adoption	As at March 31, 2024	As at April 01, 2023
Equity as per Indian GAAP		7,519.19	5,207.17
Adjustments to retained earnings			
Leases	a)	(4.85)	(1.47)
Fair valuation of rental security deposits (asset)	b)	2.64	1.26
Amortisation of loans and NCDs given	c)	(194.89)	55.07
Amortisation of loans taken	d)	(119.97)	(117.35)
Fair valuation of preference shares (liability)	e)	-	(7.10)
Deferred tax	f)	79.80	13.77
Total of Ind AS adjustment to retained earnings		**(237.27)**	**(55.82)**
Equity as per Ind AS		**7,281.92**	**5,151.35**

B. Reconciliation of total comprehensive income for the period / year ended March 31, 2024 :

Particulars	Notes to first time adoption	For year ended March 31, 2024
Net profit as per Indian GAAP		1,291.30
Adjustments to net profit		
Amortisation of Processing fees	c)	-249.96
Fair valuation of rental security deposits (liability)	b)	1.38
Depreciation on RoU	a)	-27.42
Interest on RoU	a)	-4.94
Amortisation of Processing fees paid on Loans	d)	-17.50
Fair valuation of preference shares (liability) - (Finance costs)	e)	-0.46
Reversal of lease rent	a)	28.99
Provision for standard asset on NCDs	c)	14.88
Deferred Tax	f)	66.03
Total of Ind AS adjustments to net profit		**-189.00**
Net Profit as per Ind AS		1,102.30
Adjustments to other comprehensive income that will not be reclassified to profit and loss account		
Actuarial gains and losses (net of tax)		-
Investments measured at fair value through other comprehensive income (net of tax)		-
Deferred tax impact on investments		-
Total of Ind AS adjustments to other comprehensive income		-
Total comprehensive income as per Ind AS		**1,102.30**

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 Formerly Known As Prachay Capital Private Limited

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Notes to first time adoption:

a) **Leases**

Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using incremental borrowing rate.

b) **Interest - free security deposits (asset)**

Under Indian GAAP, security deposits are recorded at transaction value. Under Ind AS, security deposits given for leased premises have been fair valued and the difference between the fair value and the transaction value have been recognised as a part of right of use asset. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest income on security deposit is recorded using risk free rate of interest.

c) **Financial assets at amortised cost - Impact of amortisation of processing fees and documentation charges on loans.**

Under Indian GAAP, these processing fees and documentation charges were recognised upfront as income in the statement of profit and loss. Under Ind AS 109, the processing fees and documentation charges received towards origination of loans is required to be deducted from the carrying amount of the loans on initial recognition. These incomes are recognized in the statement of profit and loss over the tenure of the loans as part of the interest income by applying the effective interest method.

d) **Financial liabilities at amortised cost - Impact of amortisation of transaction cost on borrowing & debt securities**

Under Indian GAAP, these transaction costs were charged to upfront to the statement of profit and loss. Under Ind AS 109, the transaction costs incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method.

e) **Liability - Preference shares**

Under Indian GAAP, preference shares forms part of share capital. Under Ind AS, these preference shares are treated as liability at amortised cost.

f) **Taxation**

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

g) **Reclassification**

Appropriate reclassification adjustments have been made to suit the Ind AS presentation requirements.





Note : 53 Other Statutory Information:

1 The Group had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

2 The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3 The Group has not been declared willful defaulter by any bank or financial institution or other lender or government or any government authority.

4 The Group did not have transactions with struck off companies u/s 248 of the Companies Act, 2013 or u/s 560 of Companies Act, 1956 during year the March 31, 2025.

5 The Group did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

6 The Group has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries), with the understanding 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.

7 The Group has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Group did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9 The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) & Intangible assets during the year.

10 The Group 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.

11 The holding company has taken loans from banks on the basis of security of current assets and the quarterly returns filed by Company with the banks are in accordance with the unaudited books of accounts of the Company for the respective quarters, except for the following:

Quarter	As per bank submission	As per Books	Difference	Reason
Q1	222.39	222.26	0.13	Difference is attributable mainly due to the reconciliation entries between final & provisional portfolio report. Bank submissions were made prior to reconcillation of data.
Q2	269.67	267.62	2.05	
Q3	250.11	250.11	-	
Q4	314.19	314.19	-	

12 Compliance with approved Scheme(s) of Arrangements: Not applicable.

13 Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

14 The Group confirms that, the title deeds of immovable properties are held in the name of the Company.

15 The Group has not traded or invested in crypto currency or virtual currency during the financial year.

Note : 54 Accounting Software Used for maintenance of Books of Accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled or tampered with during the year.

Note : 55 Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No.:142740W

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. * (Formerly Known As Prachay Capital Private Limited) * CIN- U65900PN2017PLC168737

Ashish Khandelwal
Partner
Membership No: 049278
Place: Pune
Date : May 21st, 2025

Shah Khandelwal Jain & Associates * Chartered Accountants * Pune-1 *

Girish Lakhotiya
Managing Director
DIN 02699138
Place: Pune
Date : May 21st, 2025

Roshan Sancheti
Director
DIN 07707109
Place: Pune
Date : May 21st, 2025

Sonal Gupta
Company Secretary
Mem No : A69043
Place: Pune
Date : May 21st, 2025

Ankur Agrawal
Chief Financial Officer

Place: Pune
Date : May 21st, 2025

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.

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

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.

Shah Khandelwal Jain & Associates Chartered Accountants ACK Pune-1

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

Shah Khandelwal Jain & Associates
Chartered Accountants
Pune-1

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

Ashish Khandelwal
Partner
Membership No: 049278
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)

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 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 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

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 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

Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

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:

Chartered Accountants Pune-1
Prachay Capital Ltd. 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 Vimal Jain & Associates Chartered Accountants Pune-1
Pradhay Capital Ltd. CIN-U65900PN2017PLC168737 Formerly Known As Pradhay 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 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 risk are set out

Chartered Accountants Pune-1
Prachay Capital Ltd (Formerly Known As Prachay Capital Private Limited) CIN: U65990PN2017PLC168737

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.

Chartered Accountants Pune-1

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.

Chandelwal 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 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.

Pranchay Capital Ltd. (Formerly Known As Pranchay Capital Private Limited) CIN-U65900PN2017PLC168737

Shah 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.

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 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	13.48	-
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	-	-
Balance with Revenue Authorities	4.50	25.43
Advances to Creditors	-	2.25
Others	0.91	-
Total	-	33.89
	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**

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (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	128.00	-
- 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	-	-





*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	115.31
Total	647.56	115.31

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 March 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- U65900PN2017PLC168737 * (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**

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

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. * (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

Prachay Capital Limited (Formerly known as Prachay Capital Private Limited) (CIN: U65900PN2017PLC168737)
Notes to the Special Purpose Standalone Financial Statements for the period ended 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

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 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 31 March, 2024
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

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. * (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN 2017PLC 168737

(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

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

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

Chartered Accountants * Pune-1 *

Prachay Capital Ltd. * (Formerly Known As Prachay Capital Private Limited) CIN- U65900PN2017PLC168737

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 Bhandelwal 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)

Shah Khandelwal 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.

Singhi 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)

	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

Shah Kuchhalwal Jain & Associates 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- U65900PN 2017PLC 168737 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	-	-	-	-	-

Chartered Accountants * Pune-1 *

* Prachay Capital Ltd. * CIN- U65900PN 2017PLC 168737 (Formerly Known as Prachay Capital Private Limited)

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	

Agarwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. (Formerly Prachay Capital Private Limited) CIN-U65900PN2017PLC168737

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 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 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.

Shah Khandelwal Jain & Associates
Chartered Accountants
ACIC
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.

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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



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 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

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

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. 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 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

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 the year ended 31 March 2024.by adopting the date of transition as 1StApril, 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.

Sriram Khandelwal Jain & Associates 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 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 37.

Prachay Capital Ltd. CIN- U65900PN2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Chartered Accountants 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.

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *
Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (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.

Shah Khandelwal Jain & Associates 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.

Shah Gandelwal Jain & Associates Chartered Accountants Pune-1
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 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 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 Kapadewalain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168707 (Formerly Known As Prachay Capital Private Limited)

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 U65900PN 2017PLC 168737

Shah Khandelwal Jain & 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. CIN- U65900PN 2017PLC 168757 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates 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

Shah Khandelwal Jain & Associates 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:				
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	(2.17)	(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	-	-

Shah 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**

Shah Khandelwal Jain & Associates 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

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (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- U65900PN2017PLC168737 (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- U65900PN2017PLC168737 (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

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

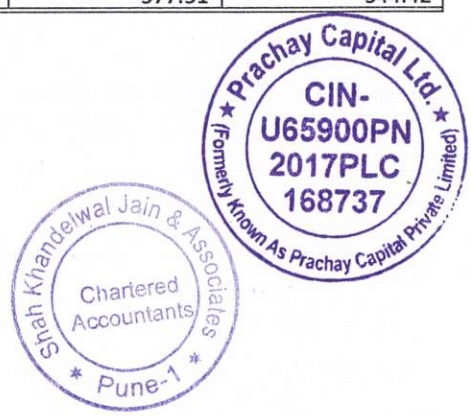
NOTE - 36

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**	**-**

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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.

Satish Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (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

Shah Khandelwal Jain & Associates Chartered Accountants * Pune-1 *

Prachay Capital Ltd. CIN- U65900PN2017PLC168737 (Formerly Known As Prachay Capital Private Limited)

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. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

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**	-

Shah Khandelwal 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

Prachay Capital Ltd. CIN- U65900PN 2017PLC 168737 (Formerly Known As Prachay Capital Private Limited)

Shah Khandelwal Jain & Associates Chartered Accountants Pune-1

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**

Shah 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- U65900PN2017PLC168737 (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

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)