

May 20, 2025

To,  
**The Board of Directors**  
**Ugro Capital Limited**  
**4th Floor, Tower 3,**  
**Equinox Business Park,**  
**LBS Road, Kurla, Mumbai 400070**

**Subject: Report on Fair Value and Floor Price for Preferential Allotment calculated in accordance with Regulation 164(1) read with Regulation 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.**

Dear Members,

This is in accordance with the terms of reference set out in our engagement letter (referred to as “EL”) wherein we, Sundae Capital Advisors Private Limited (referred to as “Sundae” or “We”), have been requested by Ugro Capital Limited (“UGROCAP” or “UGRO” or “Company”) to provide a report on the calculation of fair value and floor price value for proposed preferential allotment of Equity Shares calculated in accordance with Regulation 164(1) read with Regulation 166A and other applicable provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2018 (“SEBI ICDR Regulations”).

**INTRODUCTION: SUNDAE CAPITAL ADVISORS PRIVATE LIMITED**

**Sundae Capital Advisors Private Limited** is registered with SEBI as Category I Merchant Banker “Merchant Banker” and with IBBI as Registered Valuer (Securities or Financial Assets) “Registered Valuer”. We are engaged in providing Merchant Banking, Valuation, Corporate Advisory and Transaction services and Stock Incentive Plan Advisory services to our clients.

**SCOPE AND PURPOSE OF THIS REPORT**

We have been appointed in the capacity of Registered Valuer and Merchant Banker to calculate the fair value and floor price of Equity Shares of the Company in accordance with Regulation 164(1) read with Regulation 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”) and Rule 21 of Foreign Exchange Management (Non-debt Instruments) Rules.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions.

**BACKGROUND OF THE COMPANY**

With reference to discussion with management, we understand that Ugro Capital Limited is a non-banking financial company (NBFC) registered with the Reserve Bank of India. It is a data-tech empowering small business lending institution primarily engaged in the business of lending to MSME sector. The Company’s sector focus approach on light engineering, food processing, auto components,

hospitality, healthcare, chemicals, education, electrical equipment & components and emerging market segments & nature of the underlying MSMEs helps create impact at multiple levels.

The MSME sector is underpenetrated by NBFCs and there is a unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a opportunity in MSME lending.

Ugro Capital Limited provides comprehensive MSME lending solutions through its technology platforms, offering a range of following loan products, directly and through partnerships and alliances: Secured Business Loan; Business Loan; Emerging Market Loan; Machinery Loan; Embedded Finance.

The Board of Directors/KMP of the Company are as follows:

BOARD OF DIRECTORS/ KEY MANAGERIAL PERSONNEL	
Name	Designation
Shachindra Nath	Managing Director
Suresh Eshwara Prabhala	Nominee Director
Rohit Goyal	Nominee Director
Chetan Kulbhushan Gupta	Nominee Director
Karuppasamy Singam	Director
Rajeev Krishnamuralilal Agarwal	Director
Hemant Bhargava	Director
Satyananda Mishra	Director
Sekar Karnam	Director
Tabassum Abdulla Inamdar	Director
Kishore Kumar Lodha	Chief Financial Officer
Satish Chelladurai Kumar	Company Secretary

(Source: Management input)

The shareholding pattern of the Company as on **March 31, 2025** is as follows:

Particulars	Outstanding Equity Capital		Fully Diluted Basis	
	No. of shares	%	No. of shares	%
Promoter and Promoter group	20,74,009	2.23	23,01,281	1.63%
General Public	8,98,71,333	96.45	13,73,20,021	97.49%
Non-Promoter-Non-Public (ESOP Trust)	12,38,252	1.33	12,38,252	0.88%
<b>Total</b>	<b>9,31,83,594</b>	<b>100.00</b>	<b>14,08,59,554</b>	<b>100.00%</b>

(Source: Management input)

With reference to discussion with management we understand that the Company had made allotment of 92,36,669 and 5,34,088 Compulsory Convertible Debentures (CCD) as on 6th June 2024 and 18th June 2024 respectively at a price of Rs. 264 per CCD. Each CCD is convertible into one Equity Share of the Company of face value Rs. 10 each upon exercise of such conversion right by the CCD holder on or before 5th December 2025 and 17th December 2025. Accordingly, in terms of the applicable laws, the Company has received an aggregate sum of Rs. 257.95 Crores from the CCD holders pursuant to such issuance.

Also, we understand that the Company had made allotment of 176,43,843 and 204,88,631 Warrants as on 6th June 2024 and 18th June 2024 respectively at a price of Rs. 264 per Warrant. Each Warrant is convertible into one Equity Share of the Company of face value Rs. 10 each upon exercise of such conversion right by the warrant holder on or before 5th December 2025 and 17th December 2025. Accordingly, in terms of the applicable laws, the Company has received an aggregate sum of Rs. 251.67 Crores from the warrant holders. The balance amount of Rs. 755.02 Crores will be received on or before the expiry of the warrant conversion period.

**BASIS & PREMISE OF VALUE**

This Valuation is based on “Fair Value” as at the Valuation Date and the Premise of Value is “Going concern”.

The basis of value describes the type of value being measured and considers the perspectives of the parties to the assumed transaction.

The premise of value is driven by the purpose of the valuation and basis of value used, and generally falls into the following categories:

- A going concern premise is the most common premise of value; it presumes the continued use of the assets, and that the company would continue to operate as a business.
- An orderly or forced liquidation premise incorporates an in-exchange assumption (i.e., the assets are operated or sold individually or as a group, not as part of the existing business).

The generally accepted definition of “Fair Value” or “Market Value” is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

**DISCLOSURE AND VALUER INTEREST / CONFLICT**

We do not have any interest or conflict of interest of any kind with the Company, with respect to the valuation being undertaken by us, except the shareholding of our Company / the Director signing this report in the Client as under:

Name	No. of shares held
Sundae Capital Advisors Private Limited	N/A
NitiN Somani	N/A

Our fee for this assignment is based on the engagement with the Client and not contingent upon the result or the value of business or in any other manner.

**DATE OF APPOINTMENT, VALUATION AND REPORT**

Date of Appointment by Audit committee	May 20, 2025
Date of Valuation / Relevant Date *	May 20, 2025
Date of Report	May 20, 2025

\*As informed by the Management the preferential issue will be carried out following shareholders’ approval via postal ballot, last date of voting for which is on June 19, 2025 and accordingly the date 30 days prior to the date of the said postal ballot shall be considered as Relevant Date in terms of the SEBI ICDR Regulations.

**SOURCE OF INFORMATION AND REPRESENTATIONS**

For the purpose of deriving the floor price of Equity Shares of the Company, we have relied on the following information:

- Details of proposed transaction;
- Memorandum and Articles of Association of the Company;
- Historical market price data as available on stock exchanges website;
- Financial projections of the Company on consolidated level till FY30.
- Shareholding pattern for latest quarter;
- Management representation letter;
- Other sources of information available at public domain;
- Oral information for various clarifications provided by the promoters and key managerial personnel.

**INSPECTIONS AND / OR INVESTIGATIONS UNDERTAKEN INCLUDES**

- Analysis of the Company’s historical operating results;
- Review of general financial market conditions, including those for its industry;
- Review of its website;
- Such other information we considered relevant to forming our opinion.

The investigation also included discussions with the Company’s management concerning the history and nature of the business, its financial condition, and its future prospects. In the course of the study, we used financial and other information provided by the Company, or obtained from private and public sources we believe to be reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. However, we have not examined such information and, accordingly, do not express an opinion or any other form of assurance thereon.

**PROCEDURE ADOPTED IN CARRYING OUT THE VALUATION AND VALUATION STANDARDS**

We performed the following procedures and relied upon International Valuation standards and ICAI Valuation Standards to arrive at the value of the Company

- Identified the nature of the business and reviewed the history of the Company.
- Researched the general economic outlook and the outlook for the specific industry at the date of the valuation.
- Collected the Company's relevant financial statements.
- Compared the Company's financial ratios and common-size financial statements to industry guideline data to identify any significant variances.

**VALUATION APPROACHES**

There are three main valuation approaches. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. The goal in selecting valuation approaches and

methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation. The main valuation approaches are:

### **1. Market Approach:**

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market approach should be applied and afforded significant weight under the following circumstances:

- a) The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
- b) The subject asset or substantially similar assets are actively publicly traded, and/or
- c) There are frequent and/or recent observable transactions in substantially similar assets.

There are some of the limitations to the market approach which are as follows:

- It is difficult to identify transactions or companies that are comparable. There is usually a lack of a sufficient number of comparable companies or transactions.
- It is less flexible compared to other methods.
- The method raises question on how much data is available and how good the data is.

There are three methods under which valuation can be done in Market Approach which are as follows:

#### **a) Market Price Method:**

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity share of the company with appropriate adjustments where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the share. But there could be situation where value of the share as quoted on the market would not be regarded as proper index of fair value of share, especially where market values are fluctuating in the volatile capital market.

The equity shares of the Company are listed on the National Stock Exchange of India Limited "NSE" and the BSE Limited "BSE" and there are regular transactions in the equity shares with reasonable volumes on NSE. The pricing regulations stated is considered for arriving the price as per market price method.

**Having been listed on both the NSE and BSE for over 90 trading days, and with the NSE demonstrating significantly higher trading volume (>10%), particularly on the Relevant Date, the minimum price for UGRO equity shares has been calculated in accordance with Regulation 164(1) of the SEBI ICDR Regulations, as per the conditions outlined in Regulation 164(5).**

#### **b) Comparable Companies Quoted Multiple ('CCM') Method:**

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable companies, as manifest through stock market valuation of listed Companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances.

**In the present case, we have considered Price/Earnings Multiple ("PE Multiple") for the peer group under this method.**

### **c) Comparable Companies Transaction Multiple ('CTM') Method:**

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable companies, as manifest through transaction valuations. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances.

In the present case, for the lack of data for Comparable Companies Transaction Multiple, we have not considered this method.

### **2. Income Approach:**

The income approach provides an indication of value by converting future cash flow to single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. The income approach should be applied and afforded significant weight under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or
- Reasonable projections of the amount and timing of future income are available to the subject asset, but there are few, if any, relevant market comparable.

A fundamental basis for the income approach is that investor expects to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

One of the advantages that the Income Approach has over the other two approaches is that it is more flexible in addressing firms or assets that are in different stages of their life-cycle. This is because this approach factors in varying operating conditions over the projected period. The Income Approach is also able to cater to the differing investment or ownership needs of the buyer and seller, by measuring risks through its discount or capitalization rate, or by including cost synergies in its projections.

**In the current case, since information was made available to us regarding the future projections of the Companies, we have considered Income approach as one of the methods for valuation of Equity Shares of the Company.**

### **3. Cost Approach / Asset Approach:**

This approach provides an indication of value using the economic principle that a buyer will pay no construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The cost approach should be applied and afforded significant weight under the following circumstances:

- Partners would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not willing to pay a significant premium for the ability to use the subject asset immediately.
- The asset is not directly income generating and the unique nature of the asset makes using an income approach or market approach unfeasible and/ or
- The basis of value being used is fundamentally based on replacement cost, such as replacement value.

In the present case for determining the value of equity shares we have used Adjusted Net Asset value approach.

**VALUATION APPROACHES AS PER SEBI ICDR REGULATIONS**

As stated in the previous section, we have to determine the floor price of equity shares of the Company, as per the relevant provisions of SEBI ICDR Regulations are applicable, which are as follows:

- (i) As per Regulation 164(1) - for frequently traded security, the floor price of the equity shares to be allotted pursuant to preferential issue shall be higher of 90 / 10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date.
- (ii) As per first proviso to Regulation 164(1) - Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.
- (iii) As per Regulation 164(5) - frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.
- (iv) As per Regulation 161- the ‘relevant date’ in case of preferential issue of equity shares means the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.
- (v) As per Regulation 166A - Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price. Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable

**VALUATION APPROACHES, REGULATION 164(1) of SEBI ICDR REGULATIONS**

**164.** (1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

## VALUATION APPROACHES, REGULATION 166A of SEBI ICDR REGULATIONS

*166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:*

*Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:*

*Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:*

*Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.*

*(2) Any preferential issue, which may result in a change in control of the issuer, shall only be made pursuant to a reasoned recommendation from a committee of independent directors of the issuer after considering all the aspects relating to the preferential issue including pricing, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders.*

*Explanation. —The meeting of the independent directors referred in sub-regulation (2) shall be attended by all the independent directors on the board of the issuer.]*

## SELECTION OF APPROACH AND VALUATION METHOD AND CONCLUSION

### A. As required under Regulation 164(1) of the SEBI ICDR Regulations

The minimum price for the allotment of equity shares pursuant to preferential issue has been calculated as the price which is higher of 90 / 10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date, as traded on NSE (being the stock exchange on which higher volumes have been recorded). In the current case, the value of Equity Shares of the Company as per this approach is **INR 182.79** per Equity Share. (Refer Annexure B).

### B. As required under Regulation 166A of the SEBI ICDR Regulations

#### **Asset Approach:**

The Asset Approach has been applied here given its asset-heavy balance sheet consisting of loans, investments, and other financial assets. This method enables valuation based on the adjusted net asset value, factoring assets and provisioning for NPAs. As UGRO Capital's core business involves deploying capital into interest-earning assets, this approach provides a baseline or floor value of the business, particularly useful for understanding the liquidation or book-based worth of the company. It also helps assess the adequacy of capital buffers and overall asset quality. We have used



provisional/unaudited financial statements as of March 31, 2025. According to the Asset Approach, the value of the Company's equity shares is **INR 174.51** per share (Refer to Annexure E).

**Income Approach:**

The Income Approach has been applied here and is best applied using the Excess Return Method, which captures the firm’s ability to generate returns above its cost of equity on the deployed capital. As a lending-focused NBFC with a capital-intensive model, UGRO’s value is intrinsically linked to how efficiently it can earn incremental profits over and above the required return on its net assets. This method reflects the quality of underwriting, loan yields, operating leverage, and risk-adjusted profitability. By projecting future book value growth and estimating excess returns on equity, this approach provides a more nuanced and appropriate measure of intrinsic value than traditional DCF for financial institutions like UGRO.

In the current case, since information was made available to us regarding the future projections of the Companies, we have considered Income approach as one of the methods for valuation of Equity Shares of the Company, the value of the Company's equity shares is **INR 180.51** per share (Refer to Annexure C)

**Market Approach:**

Under the Market Approach, the valuation is based on the market value of the Company in case of listed companies and comparable companies trading or transaction multiples, as available. The Market Approach generally reflects the investors' perception about the true worth of the Company. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Further, the value determined on the basis of multiples is derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

In the current case, the value of Equity Shares of the Company as per Market Approach is **INR 184.82** per Equity Share (Refer Annexure D)

**Methodology under the Articles of Association:**

There is no specific methodology provided under the Articles of Association of Ugro for undertaking valuation of equity shares / convertible securities of the Company.

**Rationale for allocating weights:**

Equal weightage to the Asset, Income, and Market approaches ensures a balanced valuation of UGRO Capital by capturing all key dimensions of its business. The Asset Approach reflects the fair value of its loan book and provides downside protection, the Income Approach (via the Excess Return Method) captures future profitability and return on equity, while the Market Approach offers perspective on how similar NBFCs are valued. This approach avoids bias toward any single method and provides a fair, comprehensive estimate of intrinsic value.

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**The valuation of the equity shares of the Company using various approaches of valuation is as under:**

Method / Approaches for valuation	Ugro Capital Limited (UGRO)	
	Equity Value Per Share (In INR)	Weight
Income Approach (Refer Annexure C)	180.51	1.00
Market Approach (Refer Annexure D)	184.82	1.00
Asset Approach (Refer Annexure E)	174.51	1.00
Value per share (in INR per share) in accordance with Regulation 166A		179.94

Further, there is no provision in the Articles of Association of the Company which requires use of any specific method of valuation.

The Summary of the minimum price as calculated in accordance with Regulation 164(1) and the valuation as calculated in accordance with Regulation 166A is as under:

Particulars	Price (in INR per share)
Minimum price as calculated in accordance with Regulation 164(1) of the SEBI ICDR Regulations	182.79
Valuation as calculated in accordance with Regulation 166A of the SEBI ICDR Regulations and as required under the Articles of Association of the Company	179.94
Higher of above two	

Since the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than INR 182.79, i.e. the floor price has been computed as per Regulation 164(1) of the SEBI ICDR Regulations.

Based on the above the floor price of the equity shares of UGRO can be considered as INR 182.79 (Indian Rupees One Hundred Eighty-Two and paisa seven nine) in terms of Regulation 164(1) the SEBI ICDR Regulations.

The said valuation is undertaken by us on arms-length basis and is based on generally accepted principles and methods of valuation followed internationally.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of report.

*for Sundae Capital Advisors Private Limited*  
*(SEBI Regn. No. INM000012494)*  
*(IBBI Regn. No IBBI/RV-E/03/2021/136)*

**NitiN Somani**  
**Director**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/03/2020/13127**

## **CAVEATS, LIMITATIONS AND DISCLAIMERS**

**i. Restriction on use of Valuation Report**

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this report. Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

This is only a valuation report and not a comment on the decision to undertake any buy or sell transaction. Any decision to buy or sell the securities for which valuation has been undertaken through this report shall be at the sole discretion of the user of this report. Further, the issuance of this report shall not be meant as issuance of an opinion of confirmation on the proposed transaction structure proposed to be undertaken by the user of this report. The user of the report shall have the responsibility to ensure compliance of the laws of the land while using this report for their proposed transaction.

**ii. Responsibility of Registered Valuer**

We owe responsibility to only to the authority/client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event we shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

**iii. Accuracy of Information**

While the work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information and we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the client company(s). Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance. Accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us. Our report is subject to the scope and limitations detailed in the Valuation Report. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

**iv. Achievability of the forecast results**

We do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely

the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

**v. Post Valuation Date Events**

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

**vi. Value Estimate**

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. The valuation of Company and business is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

**vii. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, the nature of the business, The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

**viii. Reliance on the representations of the owners/clients, their management and other third parties**

The owner company and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the company, their management and other third parties concerning the financial data and operational data. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Company. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents.

**ix. No procedure performed to corroborate information taken from reliable external sources**

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and are reproduced in its proper form and context of Valuation Report.

**x. Compliance with relevant laws**

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of

legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the financial statements provided to us.

- xi. Multiple factors affecting the Valuation Report:**

The valuation report is tempered by the exercise of judicious discretion, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Financials Statements but could strongly influence the value.
- xii. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.
- xiii. Provisional information as on Valuation Date**

We have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date, valuation report may change post availability of such information.
- xiv. Events occurring after the date**

Events occurring after the date hereof may affect this Report and the assumptions in preparing it, and we do not assume any obligation to update revise or reaffirm this report.
- xv. Analysis and review carried out but have not carried out a due diligence or audit**

In the course of the Valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad enquiry, analysis and review but have not carried out due diligence or audit of the information provided for the purpose of this engagement. The conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

**Annexure B**

**Calculation of minimum price as per prescribed under Regulation 164(1) of the SEBI ICDR Regulations**

Date of Board Meeting	May 20, 2025
Date of approval via postal ballot (proposed by the Management)	June 19, 2025
Relevant Date	May 20, 2025

**Stock Exchanges on which the equity shares of the Company are frequently traded in terms of Regulation 164(5) of the SEBI ICDR Regulations:**

Details of equity shares traded on Stock Exchanges during the period from May 30, 2024 to May 19, 2025 (240 trading days preceding the relevant date)

Particulars	BSE	NSE
No. of shares traded	60,81,038	7,50,20,010
Shares outstanding during the aforesaid period	9,31,83,594	9,31,83,594
Traded volume (in %age)	6.53%	80.51%

Stock Exchange on which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 90 trading days to the relevant date in terms of Explanation to Regulation 164(5) of the SEBI ICDR Regulations: **National Stock Exchange of India Limited**

Particulars	BSE	NSE
No. of shares traded	23,53,498	2,79,12,605
%age on outstanding number of shares	2.53%	29.95%

(Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) )

**Volume weighted average price of 90 Trading days**

S. No.	Date	VOLUME	VALUE
1	19-May-25	4,98,115	9,52,54,805
2	16-May-25	1,97,953	3,70,19,938
3	15-May-25	7,39,173	13,69,97,534
4	14-May-25	7,61,485	14,04,00,310
5	13-May-25	2,22,965	4,07,26,400
6	12-May-25	3,16,498	5,63,27,692
7	09-May-25	99,764	1,66,78,139
8	08-May-25	1,13,470	1,95,91,134
9	07-May-25	1,63,741	2,77,93,771
10	06-May-25	1,56,589	2,69,03,273
11	05-May-25	2,41,256	4,24,59,266
12	02-May-25	2,06,860	3,62,70,450
13	30-Apr-25	2,02,748	3,60,56,626
14	29-Apr-25	2,20,569	4,03,23,600
15	28-Apr-25	5,16,764	9,53,22,640
16	25-Apr-25	2,31,712	4,33,46,098
17	24-Apr-25	2,83,276	5,54,36,600
18	23-Apr-25	3,66,183	6,99,91,210
19	22-Apr-25	1,59,879	3,08,36,158
20	21-Apr-25	5,15,926	10,13,17,282
21	17-Apr-25	3,12,273	5,97,52,221

S. No.	Date	VOLUME	VALUE
22	16-Apr-25	4,72,849	8,89,04,939
23	15-Apr-25	5,76,690	10,48,69,683
24	11-Apr-25	2,98,799	5,23,62,177
25	09-Apr-25	88,335	1,47,83,566
26	08-Apr-25	1,05,373	1,75,83,891
27	07-Apr-25	1,78,290	2,87,03,854
28	04-Apr-25	1,93,866	3,35,73,811
29	03-Apr-25	1,68,314	2,94,57,687
30	02-Apr-25	2,23,813	3,82,70,695
31	01-Apr-25	1,59,298	2,68,52,328
32	28-Mar-25	4,54,572	7,53,03,563
33	27-Mar-25	4,34,840	7,36,78,178
34	26-Mar-25	2,79,560	4,79,47,017
35	25-Mar-25	2,60,141	4,53,81,386
36	24-Mar-25	4,95,090	8,81,43,182
37	21-Mar-25	5,28,288	9,35,68,020
38	20-Mar-25	7,84,830	13,58,18,880
39	19-Mar-25	24,19,453	40,16,07,373
40	18-Mar-25	2,14,437	3,49,72,447
41	17-Mar-25	3,14,045	4,94,43,535
42	13-Mar-25	2,35,465	3,73,78,309
43	12-Mar-25	2,10,959	3,34,79,578
44	11-Mar-25	3,66,735	5,91,76,113
45	10-Mar-25	2,46,845	4,07,65,099
46	07-Mar-25	3,07,903	5,22,03,921
47	06-Mar-25	6,63,832	11,27,21,338
48	05-Mar-25	1,90,689	3,05,14,737
49	04-Mar-25	2,36,602	3,64,51,863
50	03-Mar-25	3,17,216	4,80,90,825
51	28-Feb-25	3,62,732	5,63,77,449
52	27-Feb-25	3,68,681	5,80,35,623
53	25-Feb-25	2,07,231	3,32,00,685
54	24-Feb-25	2,13,041	3,35,84,036
55	21-Feb-25	3,20,618	5,22,74,034
56	20-Feb-25	3,22,887	5,36,62,051
57	19-Feb-25	8,55,856	13,98,23,098
58	18-Feb-25	3,33,520	5,21,13,652
59	17-Feb-25	3,97,718	6,33,04,334
60	14-Feb-25	4,44,283	7,26,99,046
61	13-Feb-25	1,87,307	3,28,99,797
62	12-Feb-25	2,34,577	4,03,74,516
63	11-Feb-25	1,79,904	3,18,84,933
64	10-Feb-25	9,81,469	17,75,78,740
65	07-Feb-25	1,39,729	2,67,67,206
66	06-Feb-25	59,963	1,16,59,831
67	05-Feb-25	1,10,914	2,15,99,676
68	04-Feb-25	1,08,261	2,07,58,036
69	03-Feb-25	1,64,847	3,15,38,843
70	01-Feb-25	69,398	1,39,13,375

S. No.	Date	VOLUME	VALUE
71	31-Jan-25	1,94,072	3,88,32,301
72	30-Jan-25	1,26,606	2,54,07,906
73	29-Jan-25	2,36,534	4,73,67,215
74	28-Jan-25	4,47,475	8,65,76,616
75	27-Jan-25	3,94,721	7,97,28,699
76	24-Jan-25	1,27,000	2,68,58,187
77	23-Jan-25	75,409	1,59,75,542
78	22-Jan-25	2,27,153	4,84,15,824
79	21-Jan-25	2,81,684	6,25,81,998
80	20-Jan-25	1,30,502	2,92,86,157
81	17-Jan-25	1,29,607	2,86,18,638
82	16-Jan-25	51,948	1,15,03,071
83	15-Jan-25	1,30,106	2,81,73,173
84	14-Jan-25	1,69,121	3,65,00,628
85	13-Jan-25	2,77,098	6,10,98,626
86	10-Jan-25	3,98,809	9,06,49,239
87	09-Jan-25	1,16,860	2,81,82,679
88	08-Jan-25	1,50,878	3,67,11,392
89	07-Jan-25	1,20,012	2,80,40,376
90	06-Jan-25	1,09,746	2,53,78,690
Total		2,79,12,605	5,00,07,49,054
VWAP			179.157

Volume weighted average price of 10 Trading days

S.NO	Date	VOLUME	VALUE
1	19-May-25	4,98,115	9,52,54,805
2	16-May-25	1,97,953	3,70,19,938
3	15-May-25	7,39,173	13,69,97,534
4	14-May-25	7,61,485	14,04,00,310
5	13-May-25	2,22,965	4,07,26,400
6	12-May-25	3,16,498	5,63,27,692
7	09-May-25	99,764	1,66,78,139
8	08-May-25	1,13,470	1,95,91,134
9	07-May-25	1,63,741	2,77,93,771
10	06-May-25	1,56,589	2,69,03,273
Total		32,69,753	59,76,92,997
VWAP			182.79

Minimum price as per Regulation 164A of the SEBI ICDR Regulations

Particulars	Value per share (in Rs.)
90 Trading days Volume Weighted Average Price (VWAP)	179.16
10 Trading days Volume Weighted Average Price (VWAP)	182.79
Higher of the above	182.79



Annexure C

Calculation of Equity Value per share using Income Approach

						All Figures in INR Cr
Particulars	March 31, 2026	March 31, 2027	March 31, 2028	March 31, 2029	March 31, 2030	Sustainable Steady State
						Perpetuity Growth %
Net Income (PAT)	280.07	378.78	517.60	566.36	676.88	4%
Less: Equity Cost	351.98	415.97	481.12	570.14	667.56	694.26
Excess Equity Return	-71.91	-37.19	36.49	-3.78	9.33	32.29
Adjustment Factor as per valuation date	-9.65					
Adjusted Excess Equity Return	-62.26	-37.19	36.49	-3.78	9.33	32.29
Terminal Value of Excess Equity Return						244.63
Discounting Period	0.43	1.37	2.37	3.37	4.37	
Discount Rate - Ke	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%
Discounting Factor	0.93	0.81	0.69	0.59	0.50	0.50
Present Value	-58.12	-29.94	25.06	-2.22	4.66	122.35
Beginning BV of Equity	2,046.39	2,418.41	2,797.19	3,314.79	3,881.15	4,036.39
Cost of Equity	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%
Equity Cost	351.98	415.97	481.12	570.14	667.56	694.26
Return on Equity	14%	16%	19%	17%	17%	18%
Equity Invested	2,046.39					
PV of Equity Excess Return	61.79					
Value of Equity	2,108.18					
Less: Consideration already received pursuant to warrants (Initial 25%) #	-250.42					
Adjusted Equity Value	1,857.76					
Number of shares Outstanding on fully diluted basis^	10,29,16,473					
Value Per Share (INR)	180.51					

Calculation of Cost of Equity	
Particulars	
Risk-Free Rate (Rf) has been considered form ccil.com	6.3%
Equity Risk Premium (Rp) has been considered from damodaran.com	7.3%
Beta (B) for the target has been taken from moneycontrol.com	1.21
Cost of Equity (A) = (Rf + Rp*(B))	15.2%
Company specific risk premium ( C )	2.0%
Cost of Equity (D) = ((A)+(C))- rounded off	17.2%

^Since the conversion of CCD is pre-determined at the time of issuance and the CCD holders shall receive equity shares in future and the expansion of the capital base is known, we have, for the purpose of our valuation assessment; included the dilutive number of shares to be issued upon conversion of CCDs for the purpose of calculation of fully diluted number of equity shares.

#Since the conversion of warrant is subjective to the receipt of money from the warrant holders in future and the potential expansion of the capital base, subject to conversion of warrants, we have, for the purpose of our valuation assessment:  
 -reduced the amount already received on warrants from the net value attributable to the equity shareholders of the Company on fully diluted basis, assuming liquidation value; and  
 -to maintain fairness, not included the potential dilutive number of shares to be issued upon conversion of warrants for the purpose of calculation of fully diluted number of equity shares.

Calculation of Equity Value per share using Market Approach

PE Multiple	
Particulars	
Price/Earnings value Multiple basis Peer Companies	14.96
PAT for the year March 31, 2025	143.93
Equity Value (INR Cr)	2,152.47
Less: Consideration already received pursuant to warrants (Initial 25%)#	-250.42
Adjusted Equity Value	1,902.05
Number of shares on fully diluted basis*	10,29,16,473
Value Per Share ( INR)	184.82

Particulars	PE^
Fedbank Financial Services Ltd.	14.96
Mas Financial Services Ltd.	15.74
Indostar Capital Finance Ltd.	84.77
Edelweiss Financial Services Ltd.	14.95
Satin Creditcare Network Ltd.	10.20
Fusion Finance Ltd.	8.99
Median	14.96

^Multiples has been taken from <https://finance.yahoo.com/>

\*Since the conversion of CCD is pre-determined at the time of issuance and the CCD holders shall receive equity shares in future and the expansion of the capital base is known, we have, for the purpose of our valuation assessment; included the dilutive number of shares to be issued upon conversion of CCDs for the purpose of calculation of fully diluted number of equity shares.

#Since the conversion of warrant is subjective to the receipt of money from the warrant holders in future and the potential expansion of the capital base, subject to conversion of warrants, we have, for the purpose of our valuation assessment:  
-reduced the amount already received on warrants from the net value attributable to the equity shareholders of the Company on fully diluted basis, assuming liquidation value; and  
-to maintain fairness, not included the potential dilutive number of shares to be issued upon conversion of warrants for the purpose of calculation of fully diluted number of equity shares.

Rationale for selecting Peer set

With reference to discussion with the management we understand that the peers selected for valuation are primarily engaged in the lending business, with several having a strategic focus on MSME lending—aligning closely with our business model. The selection is also guided by comparable asset under management (AUM) and operational scale, ensuring relevance in terms of business size and financial profile. We believe these peers offer a meaningful benchmark, as they reflect similar operational dynamics, market positioning, and financial metrics, thereby providing a robust basis for relative valuation.

Calculation of Equity Value using Asset Approach

Ugro Capital Limited			
Calculation of Equity Value via Net Asset Value as of March 31, 2025			
(All Amount in INR Cr)			
Particulars	Book Value as on March 31, 2025	Adjustments	Fair Value as on March 31, 2025
<b>Assets</b>			
Cash and cash equivalents	189.24	-	189.24
Bank balances other than cash and cash equivalents above	355.15	-	355.15
Derivative financial instruments	18.61	-	18.61
Loans	7,919.11	-	7,919.11
Investments	103.40	-	103.40
Other financial assets	37.42	-	37.42
Current tax assets (net)	1.93	-	1.93
Deferred tax assets (net)	0.00	-	-
Property, plant and equipment	26.37	-	26.37
Non-current assets held for sale	243.18	-	243.18
Right-of-use assets	61.75	-	61.75
Capital work-in-progress	0.00	-	-
Intangible assets under development	5.65	-	5.65
Other intangible assets	74.20	-	74.20
Other non-financial assets	132.30	-	132.30
<b>Total Assets (A)</b>	<b>9,168.31</b>	<b>-</b>	<b>9,168.31</b>
<b>Liabilities</b>			
Derivative financial instruments	-	-	-
Payables	1.40	-	1.40
Debt securities	1,982.71	-	1,982.71
Borrowings (other than debt securities)	4,887.69	-	4,887.69
Subordinated liabilities	33.71	-	33.71
Other financial liabilities	83.63	-	83.63
Current tax liabilities (net)	27.44	-	27.44
Provisions	71.61	-	71.61
Deferred tax liabilities (net)	23.96	-	23.96
Other non-financial liabilities	9.77	-	9.77
	-	-	-
<b>Total Liabilities (B)</b>	<b>7,121.92</b>	<b>-</b>	<b>7,121.92</b>
<b>Net Asset Value (A - B)</b>			<b>2,046.39</b>
<b>Less: Consideration already received pursuant to warrants (Initial 25%)#</b>			<b>(250.42)</b>
Net Asset Value as of March 31, 2025 (INR Cr)			<b>1,795.97</b>
Divide by: Total number of equity shares as on valuation date on fully diluted basis*			10,29,16,473
<b>Value Per Share (INR)</b>			<b>174.51</b>

\*Since the conversion of CCD is pre-determined at the time of issuance and the CCD holders shall receive equity shares in future and the expansion of the capital base is known, we have, for the purpose of our valuation assessment; included the dilutive number of shares to be issued upon conversion of CCDs for the purpose of calculation of fully diluted number of equity shares.

#Since the conversion of warrant is subjective to the receipt of money from the warrant holders in future and the potential expansion of the capital base, subject to conversion of warrants, we have, for the purpose of our valuation assessment:

-reduced the amount already received on warrants from the net value attributable to the equity shareholders of the Company on fully diluted basis, assuming liquidation value; and

-to maintain fairness, not included the potential dilutive number of shares to be issued upon conversion of warrants for the purpose of calculation of fully diluted number of equity shares.