

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PROFECTUS CAPITAL PRIVATE LIMITED ("COMPANY") AT ITS MEETING HELD ON JANUARY 8, 2026 AT 01:30 P.M. EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF PROFECTUS CAPITAL PRIVATE LIMITED WITH UGRO CAPITAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The following members of the Board were present at the meeting:

1. Mr. Satyananda Mishra
2. Mr. Karuppasamy Singam
3. Mr. Rajeev Krishnamuralil Agarwal

Leave of Absence: All Directors were present.

The Directors of the Company unanimously elected Mr. Satyananda Mishra as the Chairperson of the meeting.

A. BACKGROUND

1. The draft Scheme of Amalgamation of Profectus Capital Private Limited ("Transferor Company" or "PCPL") with UGRO Capital Limited ("Transferee Company" or "UGRO Capital") and their respective shareholders and creditors (hereinafter referred to as "Scheme"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Amalgamation Rules") and other rules, circulars and notification under the Act, as may be applicable, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR Regulations"), SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular"), SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/000000103 dated July 11, 2025 ("SEBI Debt Circular"), and any amendments thereof to the aforementioned circulars, pursuant to the SEBI LODR Regulations and any other regulations/circulars, as may be applicable, issued by the SEBI, the applicable guidelines, circulars and directions issued by the Reserve Bank of India ("RBI") from time to time and the enabling provisions of the Memorandum of Association and Articles of Association of the Company was presented to the Board at its meeting held on 8 January 2026, for its consideration.

Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share swap ratio and specifying any special valuation difficulties.

It may be further noted that, pursuant to paragraph 2(d) of Part I of Annexure – XII-A of the SEBI Debt Circular, the Board of the Company is required to recommend the draft Scheme, taking into consideration, *inter-alia*, the valuation report and ensuring that the Scheme is not detrimental to the holders of the Non-Convertible Debentures ("NCDs") and also required to comment on impact of the Scheme on the holder of NCDs, safeguards for the protection of the holders of NCDs and exit offer to the dissenting holders of NCD, if any.



This report of the Board is accordingly being made in pursuance of the requirements of Section 232(2)(c) and SEBI Debt Circular.

2. While deliberating on the Scheme, the Board, *inter-alia*, considered and took on record the following document:
 - a) The Draft Scheme;
 - b) Valuation Report dated 31 December 2025 issued by Mr. Pankaj Gupta (IBBI Registration No. IBBI/RV/11/2019/11931), Registered Valuer, in connection with determination of the swap ratio of the listed Non-Convertible Debentures ("NCDs") of the Company to be vested with the Transferee Company;
 - c) Fairness Opinion dated 8 January 2026 issued by M/s. Sundae Capital Advisors Private Limited (SEBI Registration No. INM000012494), an Independent SEBI registered Category – 1, Merchant Banker, in connection with the determination of the above swap ratio of the listed NCDs of the Company;
 - d) Draft certificate issued by M/s. M C Ranganathan & Co, Chartered Accountants (Firm Registration No. 003061S), the Statutory Auditors of the Company, confirming the payment/repayment capability of the Transferee Company (being the resultant company) against outstanding listed NCDs of the Transferor Company; and
 - e) Draft certificate issued by M/s. M C Ranganathan & Co, Chartered Accountants (Firm Registration No. 003061S), the Statutory Auditors of the Company confirming the accounting treatment prescribed in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.
3. The Scheme, amongst others, contemplates the following arrangements (Capitalised terms used and not defined herein shall have the meanings ascribed to them in the Scheme):
 - a) Appointed date of the Scheme shall be April 01, 2026.
 - b) Transfer of all the properties and liabilities of the Transferor Company to the Transferee Company, by virtue of the amalgamation.
 - c) No shares would be issued pursuant to this Scheme as the amalgamation is between the holding company (i.e. the Transferee Company) and its wholly owned subsidiary company (i.e. Transferor Company).
 - d) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety without any further act or deed.
 - e) As provided in Clause 20 of the Scheme, the effectiveness of the Scheme is conditional upon and subject to: (a) receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 37 of the SEBI LODR Regulations by the Transferee Company; (b) receipt of no-objection/ observation letter from the relevant Stock Exchanges in relation to this Scheme under



Regulation 59A of the SEBI LODR Regulations by the Transferor Company and the Transferee Company; (c) the Transferor Company and the Transferee Company complying with other provisions of the SEBI Circular; (d) approval of this Scheme by the requisite majority of shareholders and creditors of the Transferor Company and the Transferee Company, as applicable or as may be required under the Act and as may be directed by the Tribunal; (e) sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act; (f) the certified or authenticated copies of the order of the Tribunal sanctioning the Scheme being filed with the jurisdictional RoC; and (g) receipt of relevant approvals for this Scheme as may be required from RBI and other concerned regulatory and governmental authorities, if any.

- f) Pursuant to the Scheme, the NCDs issued by the Company shall continue on the same terms and conditions without any modification and, upon the Scheme becoming effective, shall stand vested in and become the NCDs of the Transferee Company.
- g) Transfer of the authorized share capital of the Company to the Transferee Company and consequential increase in the authorized share capital of the Company as provided in the Scheme.
- h) The Transferor Company shall stand dissolved without being wound up.

B. RATIONALE OF THE SCHEME

The Scheme is being implemented to give effect to the condition set out in the RBI approval dated September 17, 2025, pursuant to which the acquisition of PCPL by UGRO Capital was approved, requiring consolidation of the businesses of PCPL and UGRO Capital through the merger of PCPL into UGRO Capital. Further the scheme will result in:

- a) The combined entity's strengthened asset mix features higher secured assets, thereby providing further impetus to scale Emerging Market and Embedded Finance businesses;
- b) Significant geographic and product alignment in Secured Loan Against Property (LAP) and Machinery Finance facilitating operational efficiencies;
- c) Synergies of operations resulting in the expansion and long-term sustainable growth, which will consolidate and enhance value for the stakeholders;
- d) Achieve optimal and efficient utilization of capital, enhance operational and management efficiencies;
- e) Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs thereof; and
- f) Improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills.



C. EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS (PROMOTER SHAREHOLDERS AND NON-PROMOTER SHAREHOLDERS) AND KEY MANAGEMENT PERSONNEL ("KMPs") OF THE COMPANY

- i. **Effect of the Scheme on each class of shareholders (promoter shareholders and non-promoter shareholders)**
- a) Upon the Scheme coming into effect, the equity shareholders of the Transferor Company shall not be entitled to receive the equity shares of the Transferee Company as the Transferor Company is a wholly owned subsidiary of the Transferee Company
- b) Upon the Scheme becoming effective and upon amalgamation of the Transferor Company with the Transferee Company, the equity shares of the Transferor Company held by the Transferee Company shall stand cancelled in their entirety.
- c) Upon amalgamation of the Transferor Company into and with the Transferee Company, the Transferor Company shall stand dissolved without winding up in accordance with the Scheme.

ii. Effect of the Scheme on the KMPs

Upon the Scheme becoming effective and with effect from the Appointed Date, since the Transferor Company shall stand dissolved, the Directors and/or Key Managerial Personnel shall cease to be Directors and/or Key Managerial Personnel of the Transferor Company.

iii. Effect of the Scheme on the Employees

Under the Scheme, no rights of the staff and employees (who are on payroll) of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions applicable prior to the proposed Scheme, with the Transferee Company.

Further, upon the Scheme becoming effective, the employees of the Transferor Company will be deemed to have become employees of the Company pursuant to the Scheme with effect from the Effective Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Company, shall not be less favourable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

iv. Effect of the Scheme on the Creditors

No rights of the creditors of the Transferor Company are being affected pursuant to the Scheme. The liability of the Transferee Company towards the creditors of the Transferor Company is neither being reduced nor being varied or extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme.



v. Effect of the Scheme on the holders of the listed NCDs

Pursuant to this Scheme, there will be no impact on the holders of the NCDs of the Company. The NCDs of the Company shall become the NCDs of the Transferee Company pursuant to the Scheme with no change in the terms and conditions of such NCDs.

It is clarified that the NCDs of the Company, as on the Record Date, shall stand vested in or deemed to be vested in and shall be exercised by or against the Transferee Company on the same terms and conditions as it was the issuer of the listed NCDs.

a) Safeguards for the protection of holders of NCDs

Pursuant to the Scheme, the NCDs of the Transferor Company shall be vested with the Transferee Company on same terms, including the coupon rate, tenure, ISIN, redemption price, quantum, and nature of security. Therefore, the Scheme will not have any adverse impact on the holders of the NCDs of the Transferor Company and thus adequately safeguarding the interest of the holders of the NCDs of the Transferor Company.

b) Exit offer to the dissenting holders of NCDs, if any.

Since the Scheme is between the wholly owned subsidiary and the holding company and envisages that the NCDs holders of the Transferor Company will become holders of NCDs of the Transferee Company, no exit offer is required.

c) The holders of NCDs of the Company whose names are recorded in the relevant registers of the Company on the Record Date, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue to hold the same number of NCDs in the Transferee Company as held by such NCD holder respectively in the Company and on the same terms and conditions.

Further, the Board has reviewed the capability of payment of interest/repayment of principal of the outstanding listed NCD of the Company by the Transferee Company (i.e. the Resultant Entity) in terms of the SEBI Debt Circular.

D. Share Exchange Ratio and Valuation Difficulty

- a) Upon the Scheme becoming effective, no shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said Transferor Company is a wholly-owned subsidiary of the Transferee Company.**
- b) Since pursuant to the Scheme, there will be no issuance of shares by the Transferee Company to shareholders of the Transferor Company, there is no valuation exercise required to be undertaken by the Transferor Company or the Transferee Company to determine the share exchange ratio.**
- c) There will be no change in the terms and conditions of the NCDs of the Transferor Company. Pursuant to the Scheme, the NCD holders of the Transferor Company will continue to hold the NCDs of the**



Transferee Company, without any interruption, on the same terms, including the coupon rate, the tenure, the redemption price, quantum, and the nature of security, ISIN, etc. A copy of valuation report dated 31 December 2025 issued by Mr. Pankaj Gupta, Registered Valuer, (IBBI Registration No. IBBI/RV/11/2019/11931) confirming the above, is obtained by the Transferor Company and Transferee Company.

- d) No special valuation difficulties were reported.

E. ADOPTION OF THE REPORT BY THE BOARD OF DIRECTORS

The Report of the Valuation Report, the Fairness Opinion and draft certificates of the Statutory Auditors of the Company have been taken on record by the Board, and the Board has come to the conclusion that:

- a) the Scheme is fair and reasonable to shareholders and KMPs of the Transferor Company;
- b) the Scheme is fair and not detrimental to the NCD holders of the Transferor Company; and
- c) there shall be no prejudice caused to them in any manner by the Scheme.

The Board or any duly authorised committee / person authorized by the Board is entitled to make relevant modifications to this Report, if required and such modifications or amendments shall have deemed to form part of the report.

**ADOPTED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY
for PROFECTUS CAPITAL PRIVATE LIMITED**


SATYANANDA MISHRA
DIRECTOR
DIN: 01807198



Date: January 8, 2026
Place: Mumbai