

**Independent Auditor's Review Report on Unaudited Quarterly and Year to date Financial Results of UGRO Capital Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
UGRO Capital Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of UGRO Capital Limited (the 'Company') for the quarter ended December 31, 2021 and the year to-date results for the period April 1, 2021 to December 31, 2021 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Regulation').
2. This Statement has been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - 'Interim Financial Reporting' (the 'Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 5 to the Statement, which describes the extent to which the Covid - 19 pandemic will continue to impact the Company's financial results will depend on ongoing and uncertain future developments.

Our conclusion is not modified in respect of this matter.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 105047W



Swapnil Kale  
Partner  
Membership Number: 117812  
UDIN: 22117812AAUOVH3716  
Mumbai

February 08, 2022

**UGRO CAPITAL LIMITED**

Registered Office: 4th Floor, Tower 3 -West Wing, Equinox Business Park, LBS Road, Kurla (West), Mumbai City MH 400070

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CIN:L67120MH1993PLC070739

**Statement of Unaudited Financial Results For The Quarter and Nine Months Ended December 31, 2021**

Rs. In Lacs

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Mar 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
	Revenue from operations						
	(a) Interest Income	7,642.91	5,716.24	3,885.69	18,336.65	10,355.81	14,738.08
	(b) Dividend Income	-	-	-	-	-	-
1	(c) Net Gain / (Loss) on derecognition of financial instruments	330.65	323.79	(9.11)	715.77	27.82	74.77
	(d) Profit on Sale of Investment	-	-	-	-	152.54	153.65
	(e) Fair Value Adjustment for Investment	(5.25)	11.02	-	38.94	(132.39)	(118.97)
	(f) Other Operating Income	257.35	114.13	29.62	427.33	62.65	133.54
2	Other Income	300.23	100.00	1.90	400.23	1.90	352.77
3	<b>Total Income (1 + 2)</b>	<b>8,525.89</b>	<b>6,265.18</b>	<b>3,908.10</b>	<b>19,918.92</b>	<b>10,468.33</b>	<b>15,333.84</b>
	<b>Expenses</b>						
	(a) Employee benefits expense	1,894.51	1,370.17	1,056.31	4,493.58	3,241.49	4,532.67
	(b) Finance cost	3,839.88	2,693.69	1,178.16	8,770.62	2,825.95	4,456.24
4	(c) Depreciation and amortization expenses	310.22	286.34	301.17	856.43	860.29	1,173.91
	(d) Impairment on financial instruments	936.03	586.98	586.25	2,015.23	1,094.24	1,961.71
	(e) Other expenses	1,038.06	856.16	498.77	2,568.34	1,471.74	1,996.40
	<b>Total expense</b>	<b>8,018.70</b>	<b>5,793.34</b>	<b>3,620.66</b>	<b>18,704.20</b>	<b>9,493.71</b>	<b>14,120.93</b>
5	<b>Profit/(Loss) before tax (3-4)</b>	<b>507.19</b>	<b>471.84</b>	<b>287.44</b>	<b>1,214.72</b>	<b>974.62</b>	<b>1,212.91</b>
	Tax expense						
6	(a) Current Tax	246.42	142.47	154.28	388.89	366.35	482.99
	(b) Deferred Tax	(77.81)	(8.42)	(493.89)	(20.69)	(2,109.30)	(2,142.83)
	<b>Total Tax expense (a + b)</b>	<b>168.61</b>	<b>134.05</b>	<b>(339.61)</b>	<b>368.20</b>	<b>(1,742.95)</b>	<b>(1,659.84)</b>
7	<b>Profit/(Loss) for the period (5-6)</b>	<b>338.58</b>	<b>337.79</b>	<b>627.05</b>	<b>846.52</b>	<b>2,717.57</b>	<b>2,872.75</b>
8	<b>Other Comprehensive income</b>						
	<b>Items that will not be reclassified to profit and loss</b>						
	Remeasurements of the defined benefit obligations	5.30	16.18	(9.82)	28.45	6.81	19.19
	Income tax relating to items that will not be reclassified to profit and loss	(1.54)	(4.71)	2.73	(8.29)	(1.89)	(5.59)
	<b>Items that will be reclassified to profit and loss</b>						
	The effective portion of Gains and Loss on hedging instrument in a cash flow hedge	(82.86)	-	-	(82.86)	-	-
	Income tax relating to items that will be reclassified to profit and loss	24.13	-	-	24.13	-	-
	<b>Total Other Comprehensive income (Net of Tax)</b>	<b>(54.97)</b>	<b>11.47</b>	<b>(7.09)</b>	<b>(38.57)</b>	<b>4.92</b>	<b>13.60</b>
9	<b>Total comprehensive income (7+8)</b>	<b>283.61</b>	<b>349.26</b>	<b>619.96</b>	<b>807.95</b>	<b>2,722.49</b>	<b>2,886.35</b>
10	Paid Up Equity Share Capital (Face Value Rs. 10)	7,052.86	7,052.86	7,052.86	7,052.86	7,052.86	7,052.86
11	<b>Earnings per Share (Face Value of Rs 10 each)</b>						
	Basic (in rupees)	0.48	0.48	0.89	1.20	3.85	4.07
	Diluted (in rupees)	0.47	0.48	0.89	1.20	3.85	4.07
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised



**Notes to Statement of Unaudited Financial Results for The Quarter & Nine months Ended December 31, 2021:**

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("the RBI").
2. The above Unaudited Financial Results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on today. The above results have been subjected to limited review by the Statutory auditor of the Company.
3. These financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard ("IND AS")- 34- Interim Financial Reporting as prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and in compliance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified from time to time and in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India.
4. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments, as per the IND AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.
5. The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the current year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities and emerging business scenarios.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. Notwithstanding the gradual increase in loan originations and efficiency in collections being now witnessed, impact of Covid 19 may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, will continue to impact the Company's results will depend on ongoing as well as future developments, which are uncertain. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at December 31, 2021. Basis the same, the Company has made an additional management overlay provision of Rs. 273.79 lacs towards its loans and advances during the quarter ended December 31, 2021.



6. As at December 31, 2021 to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI dated May 05, 2021.

Disclosure as per format prescribed under circular no. RBI/2021-22/31 DOR. STR.REC.11/21.04.048/2021-22 dated May 05, 2021 pertaining to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Individuals and Small Businesses.\*

(Rs. in Lacs.)

Sr. No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	-	-	50
(B)	Number of accounts where resolution plan has been implemented under this window	-	-	50
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	-	-	5614.31***
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	-	-	561.43 **

\* The Company has not done any incremental restructuring during the quarter ended December 31, 2021.

\*\* Total ECL provision for the above loans as on December 31, 2021 is Rs. 656.30 Lacs.

\*\*\* Exposure value considered as:

- Exposure at Default value as of June 30, 2021 for cases restructured in quarter ending September 30, 2021.
  - Exposure at Default value as of March 31, 2021 for cases restructured in quarter ending June 30, 2021.
7. The Parliament has approved the Code on Social Security, 2020 ("Code") which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.
8. Disclosures pursuant to Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").



- a. Details of transfer through Assignment in respect of loans not in default during the nine months ended December 31, 2021 \*

Sr.No.	Particulars	To Bank / NBFC's
i.	Aggregate principal outstanding of loans transferred through assignment ( in Lacs.)	18,376.55
ii.	Aggregate consideration received ( in Lacs.)	18,376.55
iii.	Weighted average residual tenor of loans sold (In years)	3.19
iv.	Weighted average Maturity of Loans (in years)	4.54
v.	Weighted average Holding period of Loans (in years)	1.21
vi.	Retention of Beneficial retention economic interest (in %)	12.61%
vii.	Coverage of Tangible security Coverage (in % ) **	207.86%
viii.	Rating- wise distribution of rated loans	Non- Rated

Note

- \* a. The above table includes Special Mention Account ("SMA") Loans  
b. The above table does not include loans transferred by the Company through Co-Lending arrangements  
\*\* For computation of coverage of Tangible Security coverage ratio, Company has considered only the secured loans

- b. Details of loans acquired in respect of loans not in default during the nine months ended December 31, 2021

Sr.No.	Particulars	From NBFC's
i.	Aggregate principal outstanding of loans acquired (in Lacs.)	12,199.68
ii.	Aggregate consideration paid (in Lacs.)	12,199.68
iii.	Weighted average residual tenor of loans acquired (in years)	1.60
iv.	Weighted average Maturity of Loans (in years)	1.96
v.	Weighted average Holding period of Loans (in years)	0.43
vi.	Retention of Beneficial economic interest (in %)	88.57%
vii.	Coverage of Tangible security Coverage (in % ) *	709%
viii.	Rating- wise distribution of rated loans (in Lacs.)	a. A-(SO) - 1438.79 b. BBB+(SO) - 8456.59 c. BBB (SO) - 2304.30

Note \* - For computation of coverage of Tangible Security coverage ratio, Company has considered only the secured loan.



- c. Details of stressed loans transferred during the nine months ended December 31, 2021  
i. NPA as on the date of Transfer

Sr.No.	Particulars	To Assest Reconstruction Companies (ARC's)
i.	No. of accounts	3377
ii.	Aggregate principal outstanding of loans transferred (in Lacs.)	4385.77
iii.	Weighted average residual tenor of the loans transferred (in years)	0.69
iv.	Net book value of loans transferred (at the time of transfer) (in Lacs.)	3264.50
v.	Aggregate consideration (in Lacs.)	3394.00
vi.	Additional consideration realized in respect of accounts transferred in earlier years	Nil
vii.	Excess Provision reversed on account of sale	Nil

- ii. The Company has not transferred any SMA loans during the nine months ended 31 December 2021

- d. The rating wise distribution of Security Receipts (SRs) held by the Company as on December 31, 2021 is given below:

Ratings	Rating Agency	Amount (in Lacs.)
Rated	Brick Work	1285.30
Non-Rated	NA	1430.64

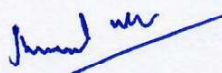
- e. The Company has not acquired any Stressed loans during the nine months ended 31 December 2021.
9. During the nine months ended December 31, 2021, the Company has transferred loans amounting to Rs.1044.48 lacs through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction under circular no. RBI/2020-2021/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020.
10. All secured non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive and continuing charge on identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
11. The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending



institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms effective from November 12, 2021.

12. The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2021 and December 31, 2020 and the reviewed figures for the half year ended September 30, 2021 and September 30, 2020 respectively.
13. Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
14. Previous quarter/nine months/year figures have been regrouped / rearranged wherever necessary, to conform with the current period presentation.

**For and on behalf of Board of Directors of  
UGRO CAPITAL LIMITED**



**Shachindra Nath**  
Executive Chairman & MD  
DIN: 00510618  
Gurugram  
08<sup>th</sup> February, 2022



Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the nine months ended December 31, 2021 :

Sr. No	Particular	Ratio
1	Debt - Equity Ratio <sup>1</sup>	1.84
2	Debt Service Coverage Ratio <sup>2</sup>	Not Applicable
3	Interest Service Coverage Ratio <sup>2</sup>	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lacs.) <sup>3</sup>	Not Applicable
6	Debenture redemption reserve (Rs. in Lacs.) <sup>3</sup>	Not Applicable
7	Net worth <sup>4</sup> (Rs. in Lacs.)	93,857.81
8	Net profit after Tax (Rs. in Lacs.)	846.52
9	Earnings per share (not annualised)	
	a. Basic	1.20
	b. Diluted	1.20
10	Long term debt to working capital	Not Applicable
11	Bad debts to Account receivable ratio	Not Applicable
12	Current liability ratio	Not Applicable
13	Total debts to total assets <sup>5</sup>	0.63
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin	Not Applicable
17	Net profit margin <sup>6</sup>	4.25%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 <sup>7</sup>	2.38%
	b. Net Stage 3 <sup>8</sup>	1.98%
	c. Capital to risk-weighted assets <sup>9</sup>	36.15%



Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Total Equity.
2. Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
4. Net worth is calculated as defined in section 2(57) of Companies Act 2013.
5. Total debts to total assets = (Debt securities + Borrowings (other than debt securities)) / Total Assets
6. Net profit margin = Net profit after tax / total income
7. Gross Stage 3 = Gross Stage 3 Loans Exposure at Default (EAD) / Gross Total Loans EAD
8. Net Stage 3 = (Gross Stage 3 Loans EAD - Impairment loss allowance for Stage 3 ) / (Gross Total Loans EAD - Impairment loss allowance for Stage 3)
9. Capital to risk-weighted assets is calculated as per the RBI guidelines.

