

Independent Auditor's Review Report on unaudited financial results of UGRO Capital Limited for the quarter ended June 30, 2022 pursuant to the 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

**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 June 30, 2022 ('the Statement') 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 Regulations').
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the 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 standalone 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 prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act 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 Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812ANKPJM4361

Mumbai
July 22, 2022

UGRO CAPITAL LIMITED

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

Telephone: +91 22 48918686 E-mail: cs@ugrocapital.com Website: www.ugrocapital.com

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter Ended June 30, 2022

(Rupees in Lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
	Revenue from operations				
1	(a) Interest income	9,309.80	9,403.08	4,964.56	27,215.28
	(b) Net Gain / (Loss) on derecognition of financial instruments under amortised cost category	2,264.11	1,612.29	74.26	2,852.50
	(c) Net gain on fair value changes	-	(5.27)	33.17	33.67
	(d) Fees and commission income	303.55	198.68	56.72	626.01
2	Other income	502.90	213.90	-	614.13
3	Total income (1 + 2)	12,380.36	11,422.68	5,128.71	31,341.59
	(a) Finance cost	5,308.69	4,968.30	2,237.04	13,738.92
4	(b) Impairment on financial instruments	935.42	926.31	492.22	2,941.54
	(c) Employee benefits expense	2,918.69	2,795.48	1,228.90	7,289.06
	(d) Depreciation, amortisation and impairment	177.03	376.83	259.87	1,233.26
	(e) Other expenses	2,002.00	1,552.69	674.98	4,121.03
	Total expense	11,341.83	10,619.61	4,893.01	29,323.81
5	Profit before tax (3-4)	1,038.53	803.07	235.70	2,017.78
	Tax expense				
6	(a) Current tax	335.72	272.01	-	660.90
	(b) Deferred tax	(31.43)	(77.49)	65.54	(98.18)
	Total tax expense (a + b)	304.29	194.52	65.54	562.72
7	Profit for the period (5-6)	734.24	608.55	170.16	1,455.06
8	Other comprehensive income				
	Items that will not be reclassified to profit and loss				
	Remeasurements of the defined benefit obligations	6.42	(2.78)	6.97	25.67
	Income tax relating to items that will not be reclassified to profit and loss	(1.87)	0.82	(2.03)	(7.47)
	Items that will be reclassified to profit and loss				
	The effective portion of Gains and Loss on hedging instrument in a cash flow hedge	56.82	91.86	-	9.00
	Income tax relating to items that will be reclassified to profit and loss	(16.55)	(26.75)	-	(2.62)
	Total other comprehensive income (Net of Tax)	44.82	63.15	4.94	24.58
9	Total comprehensive income (7+8)	779.06	671.70	175.10	1,479.64
10	Paid Up Equity Share Capital (Face Value Rs. 10 each)	7,055.94	7,055.94	7,052.86	7,055.94
11	Earnings per share (Face Value of Rs 10 each)				
	Basic (in rupees)	1.04	0.86	0.24	2.06
	Diluted (in rupees)	1.03	0.84	0.24	2.05
		Not annualised	Not annualised	Not annualised	



**Notes to Statement of Unaudited Financial Results for the Quarter Ended
June 30, 2022**

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI").
2. The above unaudited financial results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on July 22, 2022. 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 ("LODR") Regulations, 2015 as amended from time to time.
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. India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on the ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.
6. The management overlay of Rs. 273.79 lakh towards its restructured loans and advances as on March 31, 2022 has been continued for the quarter ended June 30, 2022.
7. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
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 quarter ended June 30, 2022*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	5,236.16
ii.	Aggregate consideration received (Rs. in Lakh)	5,236.16



Sr.No.	Particulars	To Banks / NBFCs
iii.	Weighted average residual tenor of loans sold (in years)	5.09
iv.	Weighted average Maturity of Loans (in years)	5.98
v.	Weighted average Holding period of Loans (in years)	0.83
vi.	Retention of Beneficial economic interest (in %)	13.86%
vii.	Coverage of Tangible security Coverage (in %) **	220.77%
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, the Company has considered only the secured loans

- b. The Company has not acquired loans not in default during the quarter ended June 30, 2022
c. The Company has neither transferred nor acquired any stressed loans during the quarter ended June 30, 2022.
d. The rating wise distribution of Security Receipts (SRs) held by the Company as on June 30, 2022 is given below:

Ratings	Rating Agency	Amount (in Lakh)
BW RR1	Brick Works Rating India Private Limited	1,166.81
In Process	Brick Works Rating India Private Limited	1,430.64

9. During the quarter ended June 30, 2022, the Company has transferred loans amounting to Rs.12,598.19/- lakh through Co-lending arrangements to the respective participating banks which are akin to Direct assignment transaction under circular no. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020.
10. During the quarter ended June 30, 2022, the Company has granted 60,000 options under the employee stock option scheme of the Company. During the quarter ended June 30, 2022, the Company has not allotted any Equity Shares pursuant to the exercise of options under the approved employee stock option schemes.
11. 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 as stated in the respective offer document, term sheet and debenture trust deed (together referred to as "transaction documents"). Further the company has maintained asset cover as stated in the transaction documents which is sufficient to discharge the principal amount at all times for the said NCDs.



12. The Company has raised funds by way of public issuance of Rated Secured Listed Non-Convertible Debentures (NCDs) of face value Rs. 1,000 each for an amount of Rs. 7,221.55 lakh pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCD Regulations"), The Companies Act, 2013 and the rules made thereunder, as amended to the extent notified. The NCDs were allotted on 5th May, 2022.
13. The figures of the quarter ended March 31, 2022 represents balancing figures between the audited figures for the year ended March 31, 2022 and the published year to date figures up to December 31, 2021 which were subject to limited review by auditors.
14. Information as required by Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 as amended, is attached as Annexure 1.
15. Previous period/ 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
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
July 22, 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 as at and for the quarter ended June 30, 2022:

Sr. No	Particular	Ratio
1	Debt - Equity Ratio ¹	2.26
2	Debt Service Coverage Ratio ²	Not Applicable
3	Interest Service Coverage Ratio ²	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (Rs. in Lakh) ³	Not Applicable
6	Debenture redemption reserve (Rs. in Lakh) ³	Not Applicable
7	Net worth ⁴ (Rs. in Lakh)	97,491.76
8	Net profit after Tax (Rs. in Lakh)	734.24
9	Current ratio	Not Applicable
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 ⁵	0.67
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin	Not Applicable
17	Net profit margin (%) ⁶	5.93%
18	Sector specific equivalent ratios	
	a. Gross Stage 3 ⁷	2.13%
	b. Net Stage 3 ⁸	1.57%
	c. Capital to risk-weighted assets ⁹	27.93%



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 = Equity Share Capital + Other Equity
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)
9. Capital to risk-weighted assets is calculated as per the RBI guidelines.

