

6th July 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

Scrip Code: 511742

NSE Symbol: UGROCAP

Dear Sir/ Madam,

Sub: Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, please find the enclosed Business Responsibility and Sustainability Report (“BRSR”) for the Financial Year 2022-23, which also forms part of the Annual Report for FY 2022-23.

This is for your information and record.

Thanking You,

Yours Faithfully,

For UGRO Capital Limited,

Namrata Sajnani
Company Secretary and Compliance Officer

Encl: a/a

UGRO CAPITAL LIMITED

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

CIN: L67120MH1993PLC070739

Telephone: +91 22 41821600 | **E-mail:** info@ugrocapital.com | **Website:** www.ugrocapital.com

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: GENERAL DISCLOSURES

I. Details of the listed entity		
1.	Corporate Identity Number (CIN) of the Listed Entity	L67120MH1993PLC070739
2.	Name of the Listed Entity	UGRO Capital Limited
3.	Year of incorporation	1993
4.	Registered office address	Equinox Business Park, Tower 3, 4 th Floor, LBS Road, Kurla (West), Mumbai - 400070
5.	Corporate address	Equinox Business Park, Tower 3, 4 th Floor, LBS Road, Kurla (West), Mumbai - 400070
6.	E-mail	cs@ugrocapital.com
7.	Telephone	+91 22 41821600
8.	Website	www.ugrocapital.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ('BSE') National Stock Exchange of India Limited ('NSE')
11.	Paid-up Capital as on 31 st March, 2023	Rs. 70,55,93,190/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Namrata Sajnani Company Secretary and Compliance Officer cs@ugrocapital.com +91 22 41821600
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

II. Products/services

14 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	The Company is primarily engaged in the business of providing loans exclusively to MSMEs and caters to all the borrowing needs through its diverse range of product offerings like secured, affordable LAP, micro enterprises loans, machinery loans, unsecured business loans and supply chain financing.	98%

Business Responsibility & Sustainability Report (Contd.)

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Non-Banking Finance Company engaged in lending and allied activities	64990 Other financial service activities, except insurance and pension funding activities.	98%

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	101	101
International	0	0	0

17 Markets served by the entity:

a. Number of locations: 101

Locations	Number
National (No. of States and union territories)	15
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?: Nil, the Company is in lending business.

c. A brief on types of customers:

As a financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable segments of our society i.e. MSME.

MSMEs that have turnovers ranging from Rs. 10 lakhs to Rs. 200 crores. These could be engaged in trading, manufacturing or service industry. Mostly these MSMEs come from target sectors like healthcare, light engineering, FMCG and food processing etc. Most of these are proprietorships. Some are partnerships and private limited companies within a family. Almost all our customers are credit tested and have existing credit history and bureau presence. All of them have bank accounts and at least one owned property.

Business Responsibility & Sustainability Report (Contd.)

IV. Employees

18 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1261	1109	88%	152	12%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	1261	1109	88%	152	12%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09%
Key Management Personnel	3	1	33.33%

Business Responsibility & Sustainability Report (Contd.)

20 Turnover rate for permanent employees and workers

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	63%	36%	60%	76%	26%	71%	32%	37%	32%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
The Company does not have any holding/ subsidiary/associate companies/joint ventures				

VI. CSR Details

- 22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in Rs.)- 656,45,37,491.68/-
- (iii) Net worth (in Rs.)- 984,04,30,861.24/-

Business Responsibility & Sustainability Report (Contd.)

VII. Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		(If Yes, then provide web-link for grievance redress policy)#	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)*	Yes	4	4	-	0	0	-
Shareholders	Yes	0	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	175	5	-	30	1	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	No	0	0	-	0	0	-

* Stakeholders group considered- debenture holders of the Company.

All applicable grievance policies are available on the website of the Company <https://www.ugrocapital.com/corporate-governance#subcategory-policies>

Business Responsibility & Sustainability Report (Contd.)

24 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion	Opportunity	MSME sector is backbone of Indian economy contributing 30% to GDP and employing ~ 11 Cr people, MSME's are expected to play a crucial role in India's overall economic growth to its mission to become a \$5 trillion GDP country however, only 35% of total addressable demand is currently served through formal credit channel and thus credit availability is a huge pain point for MSMEs in India and acts as one of the deterrents to their growth. Currently there is a wide credit gap of ~ INR 40 Lakh Cr in MSME financing which is currently reliant on informal sources of finance and cannot be completely addressed by traditional underwriting models.	-	Positive. UGRO has developed a unique credit underwriting model which is scalable and templated by adopting a sectoral lending approach. The Company through its Data analytics prowess and technology strength has automated the lending tripod of Banking, Bureau and GST in its AI / ML driven scoring model GRO Score which support < 60 mins of in principle credit decisioning for MSMEs.
2	Climate Change	Opportunity	The Sustainable Development Goals (SDGs), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. To support UN in achieving SDG's, the Government of India is implementing the National Action Plan on Climate Change which provides an overarching policy framework for all climate actions including mitigation and adaptation. It comprises eight core Missions in specific areas of solar energy, enhanced energy efficiency, sustainable habitat, water, sustaining Himalayan ecosystems, Green India, sustainable agriculture and strategic knowledge for climate change.	-	Positive. UGRO through its sectoral lending approach is naturally equipped to create an impact by lending to businesses engaged in supporting Green Energy. By virtue of the sectoral lending approach UGRO's lending directly promotes use of Electric Vehicles and Rooftop Solar which are instrumental in reducing the overall carbon footprint.

Business Responsibility & Sustainability Report (Contd.)

3	Data Security and Privacy	Risk	<p>The Company has access to vast amount of data related to its borrowers. A data leak in any form or through any medium poses a large threat to company and it can suffer from financial loss, reputational harm, loss of consumer trust and brand erosion.</p>	<p>The Company has implemented the following controls for data security:</p> <ul style="list-style-type: none">-Robust encryption protocols and data masking mechanisms to protect client personal data.-Strict access control procedures, based on need-to-know and least-privilege principles.-Regular Information Security audits and vulnerability assessments, to identify and eliminate potential data security risks in the company's systems.-Regular data backups and disaster recovery plans are defined, to ensure data integrity and availability in case of system failures or breaches. <p>In addition to this, the Company has a well-defined information security framework, that provides overall strategy to protect data, infrastructure and IT systems.</p>	Negative.
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Business Responsibility & Sustainability Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.ugrocapital.com/corporate-governance#subcategory-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organisation acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC). Please refer ' Annexure A- BRSR ' for details.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are committed to providing comprehensive performance updates in the forthcoming years. As we navigate through the future, we intend to diligently communicate our achievements, financial results, and strategic advancements.								

Business Responsibility & Sustainability Report (Contd.)

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Dear Shareholders,

I am pleased to present the Business Responsibility and Sustainability Report for UGRO Capital Limited, ("UGRO") highlighting our commitment to stakeholders, society and the environment. As a responsible financial institution, we recognize the importance of integrating Environmental, Social and Governance (ESG) considerations into our business operations and decision-making processes.

UGRO is dedicated to supporting the MSME sector, which plays a pivotal role in driving economic growth and generating employment opportunities. However, our focus on the MSME sector presents unique challenges in terms of ESG-related data collection, analysis and implementation.

Obtaining data poses a significant challenge for us. The MSME sector is largely unorganized, with borrowers having limited records and reported information. Identifying credible data sources and extracting relevant information in a standardized format is a complex task. To address this, we employ methods like surveys to gather essential data, but we acknowledge the need for more robust mechanisms.

Another challenge lies in data storage and analysis. ESG analysis, both by investors and within companies, requires a specialized talent pool. This field is relatively new and finding qualified internal resources to implement ESG initiatives effectively is a challenge for many organizations, including ours. As a result, we often rely on external consultants to support us in this endeavor, recognizing that while it comes at a cost, it ensures compliance with the evolving ESG landscape.

Implementation of ESG initiatives at the borrower level is crucial to creating a real impact. However, two significant factors hinder our ability to influence borrower behavior. Firstly, if UGRO is not the only or the primary lender to a borrower, our influence on their practices becomes limited. Secondly, the capacity of small MSMEs to undertake and implement suggested changes is constrained by their already limited working capital. We strive to navigate these challenges by working closely with borrowers, fostering dialogue and offering guidance and support.

Despite these challenges, UGRO has made significant strides in our ESG journey. We have strengthened our governance practices, enhanced our risk management framework and established mechanisms to address environmental and social concerns. We continue to invest in building our internal capacity, collaborating with external stakeholders and leveraging technology to improve our ESG performance.

As we move forward, we remain committed to transparency, accountability and sustainable growth. We recognize that ESG considerations are critical for long-term value creation and risk management. Through our actions, we aim to create a positive impact on the MSME sector, the communities we operate in and the environment.

We sincerely thank our stakeholders for their continued trust and support as we strive to be a responsible and resilient financial institution.

Yours sincerely,
Shachindra Nath,
Vice Chairman & Managing Director
UGRO Capital Limited

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Shachindra Nath
Vice Chairman and Managing Director

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. No

Business Responsibility & Sustainability Report (Contd.)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other - please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
Performance against above policies and follow up action																				As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the BoD as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																				The Company is in compliance with the extant regulations, as applicable.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Evaluation is a continuous process and is done internally.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Business Responsibility & Sustainability Report (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors ("BoD")		On an ongoing basis, the Company carries out familiarisation programme for its directors, as required under the SEBI Listing Regulations and on an ongoing basis keeps the Directors abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.	100%
Key Managerial Personnel ("KMP")		All the Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Directors and Senior Management'. A declaration signed by the Vice Chairman and Managing Director to this effect is enclosed to the Corporate Governance Report forming part of the Annual Report.	
Employees other than BoD and KMPs		UGRO invests significant time and resources in the training and development of its employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. Such training / awareness programs are on array of topics, such as KYC, Anti-money laundering, Code of Conduct, Ethics, Cyber Security, Data Privacy, ESG Awareness, Fraud Prevention, Functional Trainings, Health and Safety, Insider Trading, Prevention of Sexual Harassment and Skill Upgradation etc.	100%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary

NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Please refer Corporate Governance Report form part of Annual Report 2023			
Settlement		Nil		
Compounding fee		Nil		

Non Monetary

Business Responsibility & Sustainability Report (Contd.)

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment			Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy - The aspects about Anti-Corruption/Anti-bribery are a part of 'Code of Conduct and Business Ethics' of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest : NA

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex	0	0	0

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - No
b. If yes, what percentage of inputs were sourced sustainably?
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste - NA
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same - No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits**		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1109	1109	100	1109	100	0	0	1109	100	0	0
Female	152	152	100	152	100	152	100	0	0	0	0
Total	1261	1261	100	1261	100	152	100	1109	100	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

* The Maternity Leave benefit has been extended to all female employees of the Company.

** The Paternity Leave benefit has been extended to all male employees of the Company.

Business Responsibility & Sustainability Report (Contd.)

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male											
Female											Not Applicable
Total											
Other than Permanent employees											
Male											
Female											Not Applicable
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.:

Category	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	0	Y	100	0	Y
Gratuity	100	0	Y	100	0	Y
ESI	2.80	0	Y	61.20	0	Y
Others-please specify	0	0	NA	0	0	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard - Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy - Yes. The Policy is available internally to the employees.

Business Responsibility & Sustainability Report (Contd.)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	83.33%	83.33%	NA	NA
Total	87.5%	87.5%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes - The Company has in place a Grievance Redressal policy
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent Workers						
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

Business Responsibility & Sustainability Report (Contd.)

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	254	0	0%	254	100%	0	0	0	0	0
Female	52	0	0%	52	100%	0	0	0	0	0
Total	306	0	0%	306	100%	0	0	0	0	0
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male						
Female						
Total						
Workers						
Male						
Female						
Total						

Performance appraisal was conducted during the year for all the eligible employees as per policy.

NA

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No) - No
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? - Not Applicable
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)- Not Applicable
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)- Yes. UGRO has insured its employees under group term insurance, health insurance and accidental insurance.

Business Responsibility & Sustainability Report (Contd.)

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place- The Company has provided Fire Extinguishers to all the locations and briefed employees on how to use it. Also, company has provided water dispenser where we use water jars.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions - No corrective actions pertaining to above mentioned parameters was necessitated by UGRO during the year under review.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity-

Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. Based on the this the key stakeholders identified by the Company are its customers, investors, lenders, shareholders, regulators, value chain partners, employees and the society.

Your Company understands the impact of its policies, decisions, products & services and associated operations on the stakeholders. In line with its policies, practices and processes, the Company engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

The Company also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Multiple channels - physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, etc.	Frequent and need based	To inform about the performance, major developments and other relevant updates regarding the Company.
Customers	No	Multiple channels – physical and digital	Frequent and need based	Servicing throughout the lifecycle of the customer and address queries / grievances that the customer may have.
Employees	No	Email, Website	As required	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/ C)
Employees						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total employees	0	0	0	0	0	0
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1246	0	-	1246	100%	1150	0	-	1150	100%
Female	164	0	-	164	100%	154	0	-	154	100%
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

Business Responsibility & Sustainability Report (Contd.)

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1*	Rs.3,15,00,000	0	0
Key Managerial Personnel	1**	Rs. 2,00,00,000	1	Rs. 34,00,000
Employees other than BoD and KMP	1,107	Rs. 6,24,996	151	Rs. 6,50,004
Workers	0	0	0	0

* Remuneration of Vice Chairman and Managing Director has been considered.

** Remuneration of Chief Financial Officer has been considered.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues - Yes, The Company has in place a Grievance Redressal Policy.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases -

UGRO has formed a Grievance Redressal Committee for all employees including the persons with disabilities and transgender persons to report any discrimination. The mechanism will be easily accessible and ensure confidentiality and non-retaliation. All complaints will be investigated promptly and appropriate action will be taken by the Committee.

8. Do human rights requirements form part of your business agreements and contracts? - Yes

Business Responsibility & Sustainability Report (Contd.)

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others - please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above - Not applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in gigaJoules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	3060	2988
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	3060	2988
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00012	0.00027
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any - No

Business Responsibility & Sustainability Report (Contd.)

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	4608000	3744000
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4608000	3744000
Total volume of water consumption (in kilolitres)	4608000	3744000
Water intensity per rupee of turnover (Water consumed / turnover)	0.00067	0.0012
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation - No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others - please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

Business Responsibility & Sustainability Report (Contd.)

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	0
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover		0	0
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail.- No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Business Responsibility & Sustainability Report (Contd.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes - Not applicable
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, your Company is in compliance with applicable environmental norms				

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations - 4 (four)
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Associated Chambers of Commerce & Industry of India	National
2	Confederation of Indian Industry	National
3	Fintech Association for Consumer Empowerment	National
4	Finance Industry Development Council	National

Business Responsibility & Sustainability Report (Contd.)

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community - The Company has in place Grievance Redressal Policy

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback - The Company has in place Grievance Redressal Mechanism (GRM) to resolve the issues/ complaints/ grievances raised by the customers. The GRM includes multiple channels of raising complaints and escalation matrix to resolve the complaints.

Business Responsibility & Sustainability Report (Contd.)

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and disposable usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending	Remarks	Received during the year	Pending	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	175	5	-	30	1	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy. Yes. <https://ugrocapital.com/privacy-policy>

Your Company has implemented Cyber Security framework as per RBI's Master Direction - Information Technology Framework for the NBFC Sector. The company has developed Cyber security and Privacy policies, related controls are monitored through tools and governance methods.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services - NA

Business Responsibility & Sustainability Report (Contd.)

Annexure A- BRSR

Specific commitments, goals and targets set by the entity with defined timelines, if any

Development outcome 1		Increase the access of MSMEs to financial services
Indicator 1		Count of MSMEs funded under the AUM
Baseline	March 2022	20000 + SMEs
Target	March 2024	30000 net additional MSMEs (Total 50000)
Target	March 2026	75000 net additional MSMEs (Total 125000)
Development Outcome 2		Achieve full and productive employment and decent work
Indicator 2		Increase in number of people employed by MSMEs financed by UGRO
Baseline	March 2022	Approx. 200000 plus additional hires since 2019.
Target	March 2024	Additional Hires 300000
Target	March 2026	Additional Hires 750000
Development Outcome 3		Increase share of renewable energy/energy efficient/climate change mitigant funding in the portfolio
Description of selected examples of eligible activities.		<ul style="list-style-type: none"> Secured/Unsecured loans to rooftop solar equipment/panels manufacturers/solar batteries for tier I, II customers through O&M partnerships and intermediaries. Installed capacity to be measured and monitored. Secured loans to Biogas plants and machinery that creates carbon-neutral energy. Installed capacity to be measured and monitored. Secured loans to low/nil CO2 or other GHG emission machinery. CO2/GHG savings to be measured and monitored. UGRO will strive to achieve 15-20% saving per loan. Secured loans to energy saving machinery. Energy savings to be measured and monitored. UGRO will strive to achieve 15-20% saving per loan. Secured loans to electric vehicle through partnership with OEMs to commercial fleet operators, fleet operators. Fleet installed to be measured and monitored.
Indicator 3		Asset Under Management in INR (Percentage)
Baseline	March 2022	5% of AUM + Installed capacity (MWh)
Target	March 2024	8% of AUM + installed capacity (MWh)
Target	March 2026	10% of AUM + installed capacity (MWh)
Development Outcome 4		Female Employment at UGRO
Indicator 4		Proportion of UGRO's Women employees
Baseline	March 2022	9%
Target	March 2024	15%
Target	March 2026	22%
Development Outcome 5		Impact management capacity
Indicator 5		UGRO will develop an impact management system to ensure tools for measurement of borrower level impact. The impact scoring will be based on the profile and demographic factors of the borrower. Indicators will include applicable certification, checking the blacklists, entity's initiative towards green activities, labour laws applicability, health and safety, corporate compliance, and governance related certification. When these indicators are chosen it will be decided whether one or two of these will be included in this results framework.
Baseline	March 2022	0
Target	March 2024	50% of portfolio being scored against impact management system indicators
Target	March 2026	100% of portfolio being scored against impact management system indicators