

21st May, 2020

**To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001**

Subject: Press Release

Ref: Scrip Code: 511742

Dear Sir/ Madam,

Please find enclosed herewith press release in connection with audited financial results for the fourth quarter and financial year ended 31st March, 2020 declared on 20th May, 2020.

This is for your information and record.

This will also be hosted on the Company's website at www.ugrocapital.com

Thanking you,

For UGRO Capital Limited

**Aniket Karandikar
Company Secretary
Encl: as above**

UGRO CAPITAL LIMITED

(Formerly known as Chokhani Securities Limited)

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

CIN: L67120MH1993PLC070739

Telephone: +91 22 48918686 | **E-mail:** yougrow@ugrocapital.com | **Website:** www.ugrocapital.com

PRESS RELEASE

20th May 2020

Mumbai, India

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U GRO Capital achieves profitability for Q4 FY20 and the financial year FY2019-20 post INR 6 Cr provisioning for loan losses in the wake of the COVID-19 crisis

The key highlights for Q4 FY20:

Loan Portfolio

- The Company's disbursements to date reached INR 1,366 crores as of the end of Q4 FY20 despite the loss of 20 productive days in Mar-20
- The Company's AUM as of the end of March 31, 2020 stood at INR 861 crores across 7,764 loans. The loan book is 69% secured and the largest sectoral and geographical concentrations stand at 20% and 21% respectively

COVID-19 Response

- In accordance with the RBI guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020, the Company has offered a 3-month EMI moratorium to its customers on a default opt-in basis. Over 80% of customers by loan value have received this 3-month moratorium. The Company remains committed to help its customers navigate through this difficult time.
- The Company maintains a strong liquidity profile with over INR 200 crores of cash and equivalents, and INR 127.5 crores of committed debt sanctions.
- The Company maintains a CRAR of 85.06%, well above industry standards
- The Company has taken a conservative approach to provisioning for loan loss, with a total Q4 FY20 provision of INR 6 crores, of which INR 3.3 crores is specific to loan impairment as a result of the COVID-19 crisis

Financial Performance

- The Company's total income increased to INR 37.1 crores in Q4 FY20 from 28.9 crores in Q3 FY20 – a 28.4% growth QoQ
- The Company declared a Q4 FY20 PAT of INR 20.3 crores and an FY2019-20 PAT of INR 19.5 crores
- The Company has raised a total of INR 295 crores of liability through the end of Q4 FY20
- The net worth of the Company stands at INR 922 crores

Operational Parameters

- The GRO Partner network (DSAs) now stands at 355 partners, a 14% increase on Q3 FY20
- The Company has signed a total of 26 ecosystem partners and 26 BFSI partners

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- A total of 165 employees have now been onboarded across nine branches: Mumbai (Head Office), Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Ahmedabad, Jaipur and Pune
- The Company has seamlessly transitioned its workforce to work from home, with a focus on long term strategic projects during the period of COVID-19 lockdown

U GRO Capital, a BSE listed, technology focused platform, today announced its Q4 FY20 financial results and posted a PAT of INR 20.3 Cr, with an FY2019-20 PAT of INR 19.5 crores. This has been achieved despite a highly conservative approach to COVID-19 impact on loan portfolio, with INR 3.3 crores of provisioning for this specific purpose. Given the adverse economic conditions brought about by COVID-19, this is a significant profit in U GRO Capital's first full financial year of operations.

The Company is, at this juncture, focused on capital preservation, balance sheet protection and operating expenses management. Given its healthy capital adequacy, strong liquidity position, low gross NPA and net NPA, diversified portfolio mix, granular geographical distribution and strong risk metrics, the Company is confident of successfully dealing with challenges posed by COVID-19.

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, "The trials presented by COVID-19 and the ensuing lockdown for small businesses in our great nation can hardly be overstated – it is truly a momentous challenge for all of our customers. As a result, we have taken the approach of easing our customers' journey through these troubled waters as much as we can. We have offered a 3-month EMI moratorium with a default opt-in mechanism to ensure that all of our customers have the opportunity to survive this crisis and demonstrate their business' viability post-lockdown. This has also involved us taking a very conservative approach to provisioning, but one that is necessary in our view when facing an economic event of this magnitude.

We are proud nonetheless of our achievements in this first full financial year of U GRO's operations, with over 1,366 crores of total disbursements and 861 crores of AUM amassed. These are figures accomplished during some truly difficult macroeconomic conditions, and we have certainly been hardened as an organization from overcoming such adversity early in our journey."

About U GRO Capital Ltd.:

U GRO Capital limited, (formerly known as Chokhani securities) is a BSE listed, technology focussed, small business lending platform. The Company is focused on

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addressing capital needs of small businesses operating in select eight sectors by providing customized loan solutions.

U GRO mission is 'Solve the Unsolved' – Small Business Credit Need. U GRO believes that the problem of small businesses can be solved by building deep expertise around core sectors of SMEs in India coupled with a data centric, technology-enabled approach.

The Company has raised ~INR 920 crore of capital from a diversified set of private equity funds like institutional investors and well-known family offices.

U GRO capital has shortlisted the 8 sectors basis an 18-month process involving extensive study of macro and micro economic parameters carried out in conjunction with market experts like CRISIL. The eight sectors shortlisted are Healthcare, Education, Chemicals, Food Processing / FMCG, Hospitality, Electrical Equipment and Components, Auto Components, Light Engineering.

The Company strives to build a strong SME financing platform based on sectoral understanding supplemented by a fully integrated technology and analytics platform.

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