UGRO CAPITAL

12th November, 2019

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 financial results for the quarter and half year ended 30th September, 2019.

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

PRESS RELEASE
12th November 2019

Mumbai, India

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U GRO Capital Limited, a BSE listed, technology enabled, small business lending platform, announced its Financial Results for the financial quarter and half year ended September 30, 2019.

The key highlights for Q2 FY20:

- A total of 155 employees have now been onboarded across nine branches: Mumbai (Head Office), Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Ahmedabad, Jaipur and Pune. The Pune branch was inaugurated in Q2 FY20
- The GRO Partner network now stands at 232 partners, a 68% increase on Q1
- The company has now onboarded 15 ecosystem partners and 19 BFSI partners
- The company's disbursal increased from INR 218 crores in Q1 FY20 to INR 402 crores in Q2 FY20 and the company. The company's disbursals to date crossed INR 700 crores in Q2 FY20
- The company's AUM as of the end of September 30, 2019 stood at INR 575 crores across 6,395 loans. The loan book is 67% secured and the largest sectoral and geographical concentrations stand at 19% and 23% respectively
- The company has recently announced a landmark co-origination partnership with Bank of Baroda, one of India's largest and most trusted public sector banks
- The company has raised INR 139 crores of liability in Q2, including PTCs with Poonawalla Finance (Part of the US $5B Cyrus Poonawalla Group) and NCDs with Sachin Bansal (Founder of Flipkart)
- The company has scaled up development of modules that will allow for the provision of a full suite of SME lending options, including:
  - GRO-Plus: An uberized distribution model for onboarding all intermediaries, allowing any qualified individuals to originate loans for the company
  - GRO-XStream: An online marketplace for our BFSI partners, designed for streamlining the processes of co-origination and securitization
- The company additionally continues to invest in supply chain financing and direct-to-customer modules
- The net worth of the company stands at INR 827 crores
- The company's total income increased to INR 20.5 crores in Q2 FY20

Commenting on the results, Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO said, "In the current market, it is important to maintain a conservative course to weather the storm. This was exactly our approach to Q2, where we continued our growth story but maintained our risk-averse disbursal strategy. Our philosophy from inception was to build a granular, high quality and diversified loan book – and that is very much the path we remain on today. Liability continues to be constrained and expensive, and this makes the need for a low NPA book all the more critical.

However, we have not been conservative on all fronts. We have expanded on our technological aspirations and have made significant progress on this front this quarter. Our innovations will be the foundations upon which we build towards our goals."

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 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 950 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.

UGRO CAPITAL LIMITED

(Formerly known as Chokhani Securities Limited)

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