

18th September 2019

BSE Limited
Dept of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

Dear Sir,

Sub: Proceedings/ Outcome of the 26th Annual General Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that the 26th Annual General Meeting (AGM) of UGRO Capital Limited was held on 18th September, 2019 at 11.00 A.M at Shanbaug Hall, Utkarsha Mandal, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Proceedings of the 26th AGM as '**Annexure A**'.

Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company will disclose the combined results of e- voting, along with the Scrutinizer's Report to the Stock Exchanges within due course of time.

The meeting started at 11:00 a.m. and concluded at 11:50 a.m.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For UGRO Capital Limited

A handwritten signature in blue ink, appearing to read 'Aniket Karandikar'.

Aniket Karandikar
Company Secretary
Memb no: ACS 24107

UGRO CAPITAL LTD.

(Formerly known as Chokhani Securities Ltd)

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

CIN: L67120MH1993PLC070739

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

'Annexure A'.

Proceedings of the 26th AGM

The 26th AGM of the Company was held on 18th September 2019 at 11.00 A.M at Shanbaug Hall, Utkarsha Mandal, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057.

Mr. Shachindra Nath, Executive Chairman and Managing Director, Chaired the meeting.

The Chairman of Audit Committee and Stakeholders' Relationship Committee were present at the meeting. Ms. Ranjana Agarwal, Chairperson of the Nomination and Remuneration Committee had authorised Mr. Abhijit Sen, Independent Director to attend the meeting and answer questions of shareholders if any. The representatives of the Statutory Auditors and Secretarial Auditors were also present at the meeting.

The requisite quorum having been present, Mr. Shachindra Nath, Executive Chairman and Managing Director called the meeting to order and welcomed the shareholders to the Company's 26th AGM. The Chairman stated that the Company had received 3 corporate representations letters for 1,78,64,777 equity shares aggregating to 48.41% of the total voting share capital of the Company and Nil proxies.

The Chairman further informed the members that the Statutory Auditors and Secretarial Auditors had issued unqualified Audit Reports. With the permission of the members present the Audit Reports was taken as read.

Thereafter, the Chairman addressed the members of the Company wherein he updated on the Company's strong performance in a challenging economic environment, the Company's efforts and achievements. A presentation in this connection was made by the Chairman before the members, a copy of the same is attached herewith.

The Chairman further stated that the facility for remote e-voting on all the resolutions as set out in the Notice of the AGM had been provided to all the shareholders in proportion to their voting rights as on the cut-off date of 11th September 2019. He also informed that voting by electronic means was also made available at the AGM venue to those shareholders who had not already voted by means of remote e-voting. The Chairman further informed that M/s. Pankaj Nigam & Associates, Company Secretary in whole time practice had been appointed as Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner and that he was present at the meeting.

The following items as stated in the Notice of 26th AGM were then taken up for consideration:

Item no.	Resolutions
1.	To receive, consider and adopt the Audited Balance Sheet as on 31st March 2019 and Statement of Profit & Loss Account for the financial year ended 31st March 2019 along with Directors' Report and Auditors' Report thereon.
2.	To confirm the interim dividend paid by the Company as final dividend for the financial year ended 31st March 2019.
3.	To appoint a Director in place of Mr. Manoj Kumar Sehrawat (DIN: 02224299) who retires by rotation and being eligible offers himself for reappointment.
4.	To appoint Mr. Chetan Gupta (DIN: 07704601) as a Non-Executive Director of the Company
5.	To appoint Mr. Kanak Kapur (DIN: 03299278) as a Non-Executive Director of the Company
6.	To appoint Mr. Navin Puri (DIN: 08493643) as an Independent Director of the Company



7.	Authorization for Borrowing Money under Section 180 (1) (C) of the Companies Act, 2013
8.	Authorization to sell, lease, charge and/or mortgage etc. property of the Company under section 180 (1)(a) of the Companies Act, 2013
9.	To borrow funds by way of issuance of Non-Convertible Debentures and other instruments
10.	To approve the terms of appointment of Mr. Abhijit Ghosh (DIN: 07935397) as Whole Time Director & Chief Executive Officer.
11.	To approve revision in remuneration of Mr. Shachindra Nath (DIN: 00510618), Executive Chairman and Managing Director.
12.	To approve alteration of Articles of Association of the Company.
13.	To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores) by way of issuance of securities including Equity Shares, Convertible Preference Shares, Convertible Debentures, Global Depository Receipts, American Depository Receipts etc. by way of Qualified Institutions Placement ("QIP") or through any other method, and in compliance of applicable laws.

The above resolutions were proposed and seconded for voting by various shareholders.

The Chairman thereafter invited the shareholders to put forth their observations and seek clarifications, if any relating to the annual financial statements, Annual Report for the year 2018-19 and matters related thereto.

Some of the shareholders present at the meeting expressed their views/sought clarifications on various issues relating to the business and operations of the Company. After hearing from the speaker shareholders as above, Mr. Shachindra Nath, Executive Chairman & Managing Director, responded to their observations and provided clarifications.

The Chairman then informed that the results of the remote e-voting and e-voting at the AGM, together with the Report of the Scrutinizers thereon, will be disclosed to the Stock Exchanges and displayed on the website of the Company within 48 hours of conclusion of meeting.

The Chairman thanked the shareholders for attending the 26th AGM of the Company and declared the meeting as concluded.

For UGRO Capital Limited



Aniket Karandikar
Company Secretary
Memb no: ACS 24107





U GRO Capital

Annual General Meeting 2019

‘To Solve the Unsolved’

**India's US\$ 600 B+
SME Credit Availability Problem**





A highly specialized, technology enabled small business lending platform

Knowledge

Deep domain expertise of target segments to better understand the customer

Technology

A scalable, data driven approach to ensure dissemination of knowledge

Experienced Management Team
250+ Years of Experience

Strong Corporate Governance
Board Controlled, Management Run

Large Institutional Capital
₹ 9,530 M (~US\$135 M) Of Equity

U GRO Lies at Intersection of the Technology Focused and Specialized NBFCs



Specialized NBFCs

Fintech Platforms

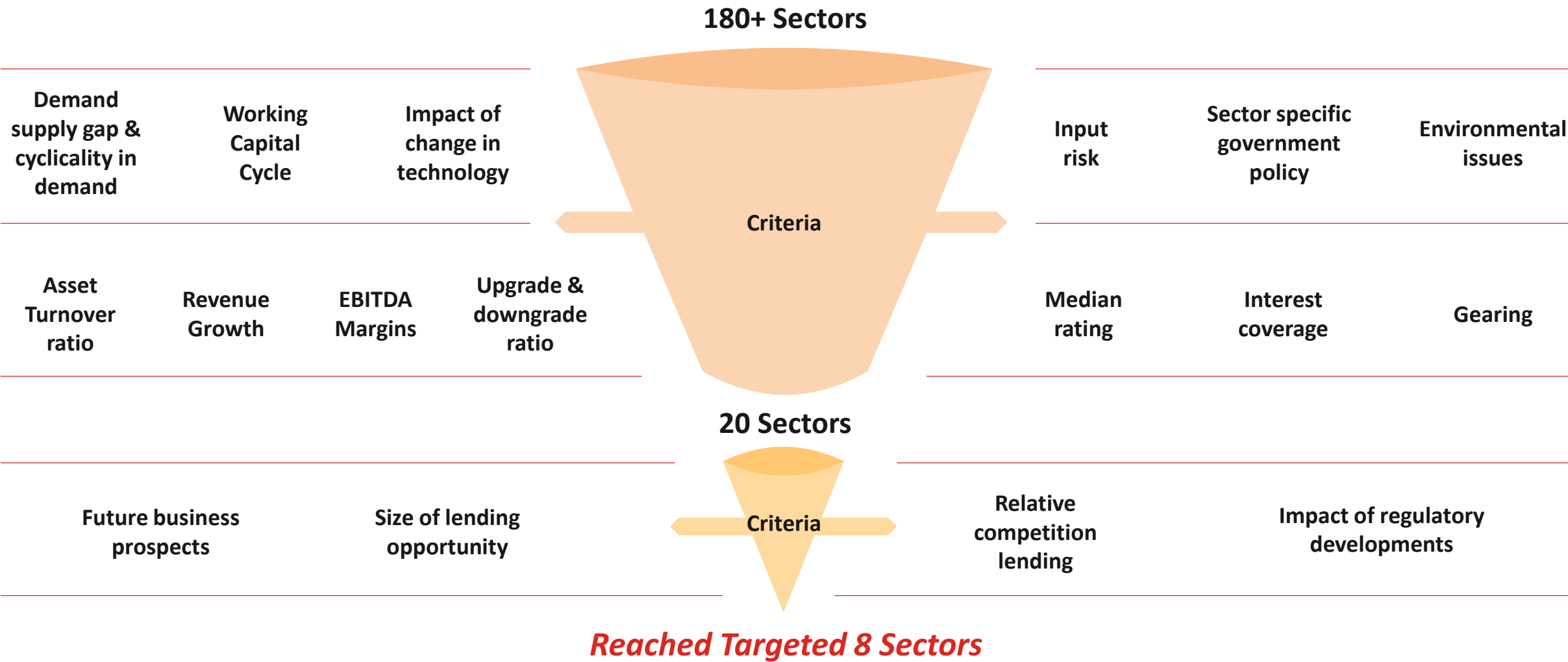


- Scale a challenge
- Restricted to niches
- Opex heavy models

- High credit costs
- Liability challenged
- Mostly loss making

U GRO intends to create a specialized, scalable platform optimized for end-to-end lending

Sector Selection Through Analysis of Macro and Micro Economic Factors...



An 18-month process involving extensive study of macro and micro economic parameters carried out in conjunction with market experts like CRISIL

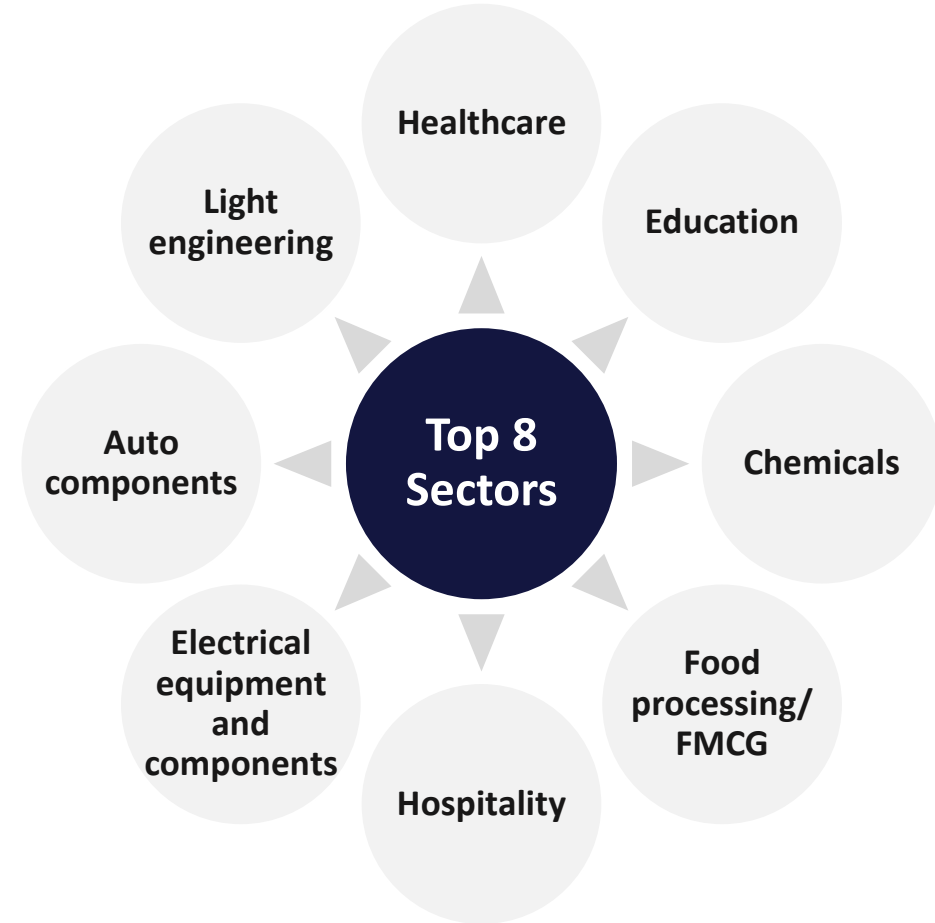
...to Arrive at a Set of 8 Sectors...

38 identified sub-sectors within **8 sectors**

Focus on **SME clusters** in India

~50% - Contribution of the 8 sectors to the overall SME lending market in India

Validated independently by CRIF, CRISIL and the company distribution and underwriting teams



Large lending opportunity



Lower impact of regulatory changes



Relatively less competition from banks



Secular consumption driven growth



Low geographical concentration

We Further Narrowed Down on 38 Sub-sectors and Clusters...



Healthcare

Key sub-sectors: General nursing homes, eye clinics, dental clinics, diagnostic labs, radiology/pathology labs, pharma retailers
Key clusters: NCR, Mumbai, Bengaluru, Hyderabad and Chennai



Education

Key sub-sectors: K-12 schools, play schools
Key clusters: NCR, Mumbai, Coimbatore, Chennai, Hyderabad and Pune



Chemicals

Key sub-sectors: Dyes and pigments, bulk and polymers, agrochemicals
Key clusters: Mumbai, NCR, Ahmedabad, Vadodara and Surat



Hospitality

Key sub-sectors: Fine dining (standalone), QSRs, fine dining chains, manpower agencies, boutique hotels, guest houses
Key clusters: NA



Electrical Equipment and Components

Key sub-sectors: B2B, B2C
Key clusters: NCR, Pune, Bengaluru, Chennai, Aurangabad and Rajkot



Auto Components

Key sub-sectors: Engine parts, drive transmission and steering parts, body and chassis, suspension and breaking parts, electrical parts, other equipment, traders
Key clusters: NCR, Mumbai, Kolkata, Hyderabad and Bengaluru



Food Processing/FMCG

Key sub-sectors: Dairy and dairy products, non-alcoholic beverages, consumer foods, poultry, sea food, food and beverage traders
Key clusters: NCR, Mumbai, Chennai, Hyderabad and Pune



Light Engineering

Key sub-sectors: Casting and forging, medical equipment and devices, pipes, process control instruments, traders
Key clusters: NCR, Chennai, Pune, Ludhiana, Bengaluru, Ahmedabad and Rajkot

Sub-sectors selected basis the contribution to the overall sector credit demand and risk profiles

...to Create Customized Solutions for Customers...

Restaurants



Challenges Faced: Cash based collections reducing eligibility, a new restaurant takes time to reach positive cashflows

U GRO Approach

Assessment: A combination of Zomato ratings, seats, cuisine served, price points to arrive at eligibility

Cash Flows: If a franchise, then a 3-tranche disbursal – payment to franchisor, infra development, working capital. Payments to start post commencement of operations

Distribution: Tie up with food aggregators like Zomato, Swiggy and assess eligibility through transactional data

Pathology lab



Challenges Faced: Heavy investment in equipment, cash-based collections reducing eligibility

U GRO Approach

Assessment: Cash flow assessment through footfall, online booking, booking register, price list published online

Cash Flows: Leasing module used. Disbursal of funds to the manufacturer by U GRO. Pathology lab owner to pay only rental per month

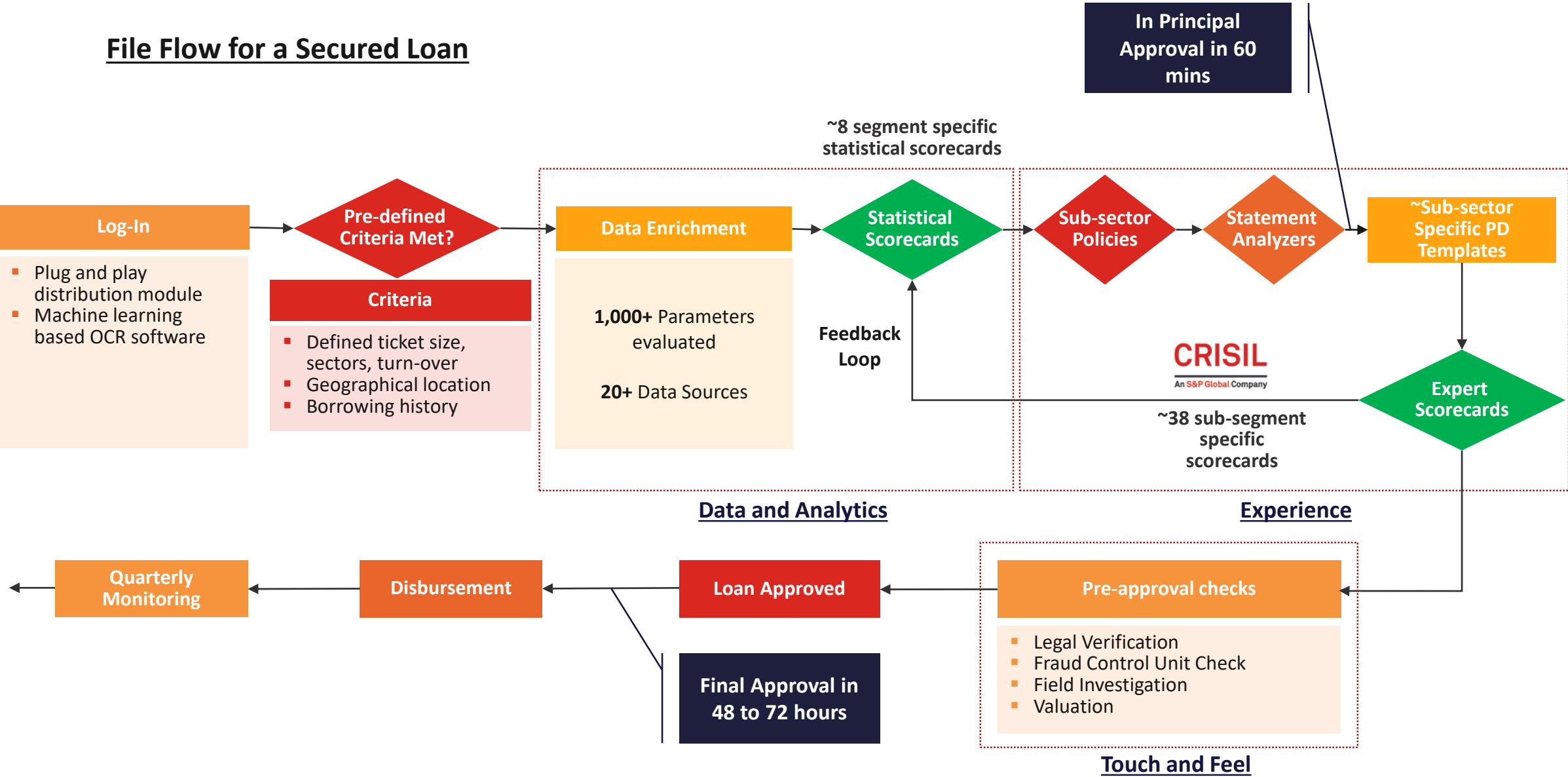
Distribution: Tie up with leasing agencies and manufacturers of equipment

...Enabled by an In-house Technology Platform



A Seamless, Customized Customer Journey

File Flow for a Secured Loan



Disrupting the Existing Model with an Approach to Serve the Entire Value Chain of ₹ 100,000 to ₹ 5,00,00,000 Loans to Small Businesses

Current distribution models

- Mostly **DSA sourced**, branch led model or a feet on street led model
- DSA shares a customer file with multiple NBFCs and has multiple rounds of follow-ups to access financing resulting in **low productivity**
- Customer relationship with the DSA/FOS resulting in **high level of customer churn**
- **Opex intensive model** with almost a linear relationship between opex and disbursals

Traditional Distribution

Turnover: Up to ₹50 Cr
Ticket Size: Up to ₹5 Cr

Turnover: Up to ₹20 Cr
Ticket Size: Up to ₹5 Cr

Turnover: Up to ₹5 Cr
Ticket Size: Up to ₹2 Cr

Turnover: Up to ₹1 Cr
Ticket Size: Up to ₹50 L

Disrupting the conventional distribution channel

- “**Uberized distribution model**” – increased distribution network of DSAs, CAs, brokers with higher productivity
- Branch FOS to be “**relationship managers**”

Harnessing Ecosystem based lending

- Access MSMEs through their **business ecosystems** by partnering with **anchors, aggregators**
- Assessment of **partner transaction data**

Reaching Customers directly and digitally

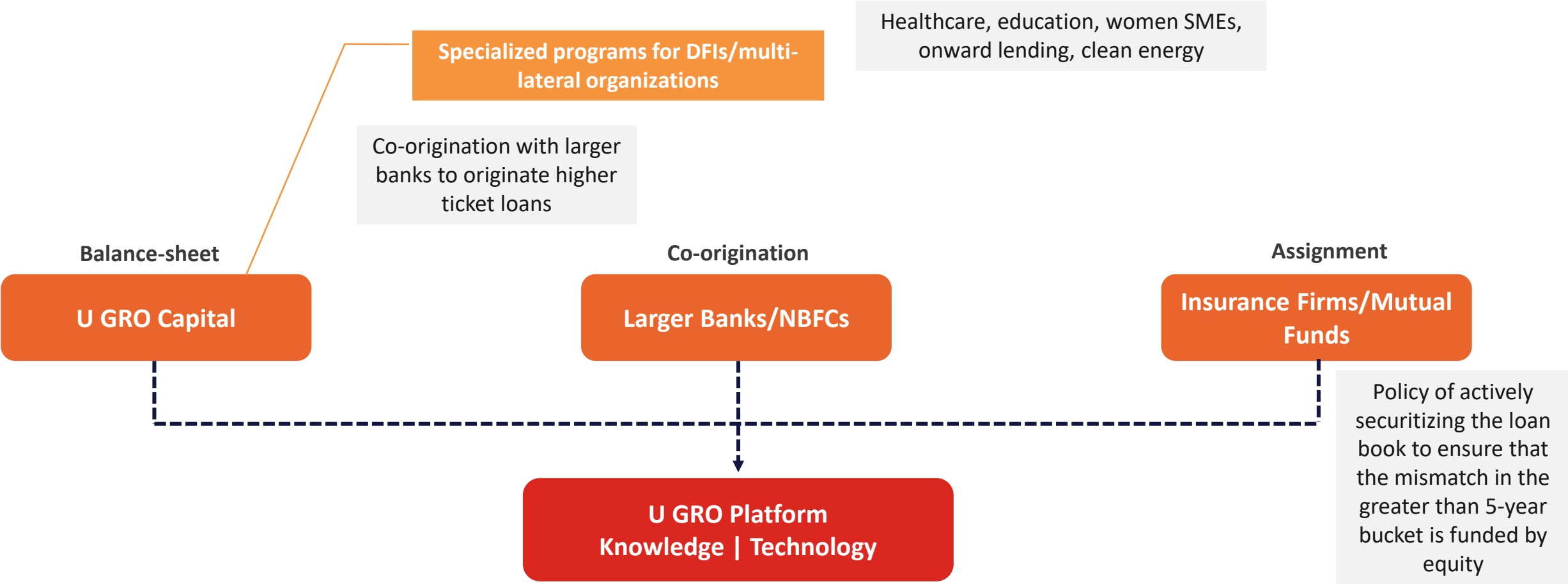
- **Digital lending** on own platform supplemented by **pre-qualified leads**

Prospering the partnership approach

- Partnerships with NBFCs providing ME loans/fin-techs in Tier 2, Tier 3 cities
- **Leveraging the distribution network of partners** to create a low Opex lending model and be a complete liability solutions provider to them

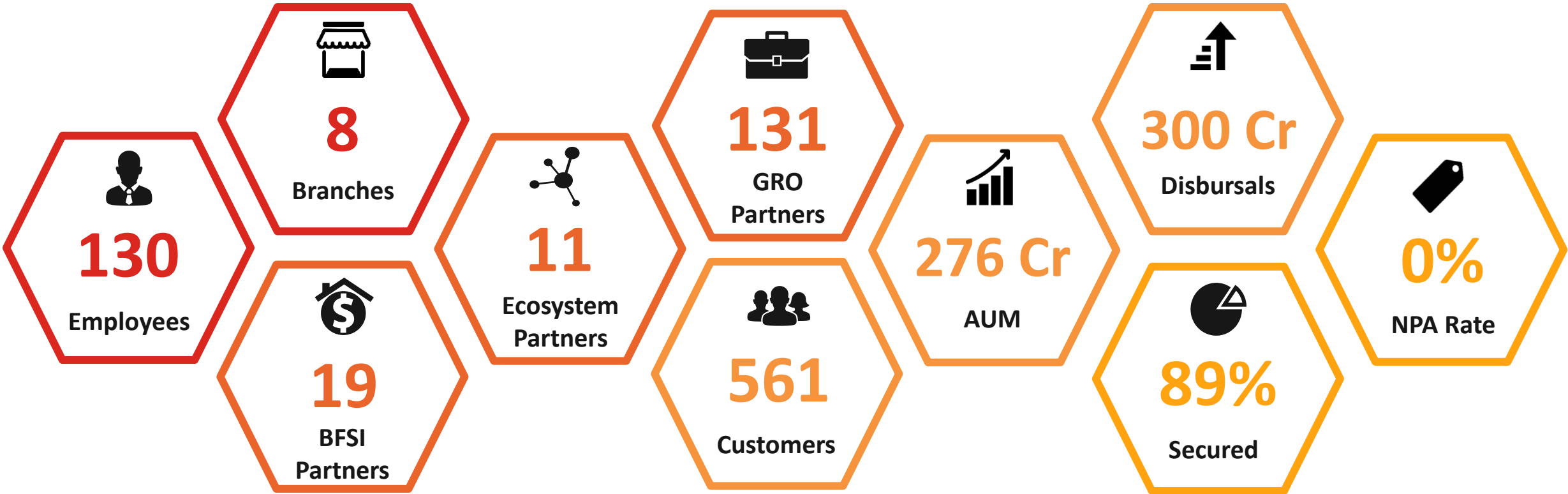
U GRO “Omnichannel” Distribution

Our Tri-Pronged Approach to Liability



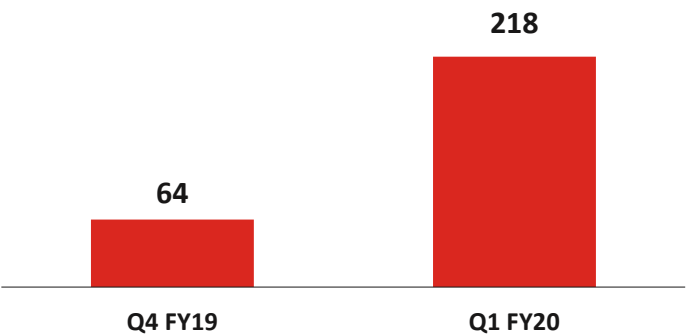
| Ability to generate significant fee income | More competitive interest rates | Ability to cater to customers of all risk profiles | Increased scale | Minimize ALM mismatch |

Our Journey so Far

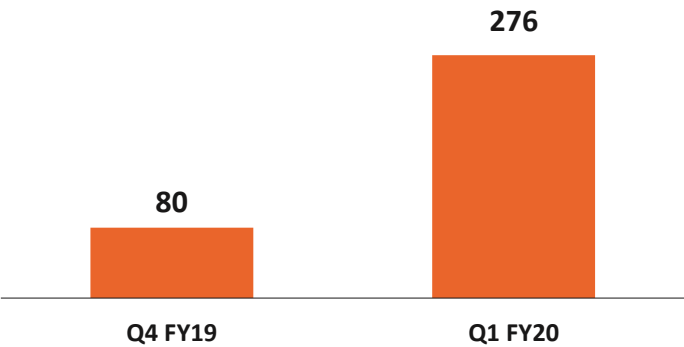


Unwavering focus on maintaining pristine asset quality even during rapid growth

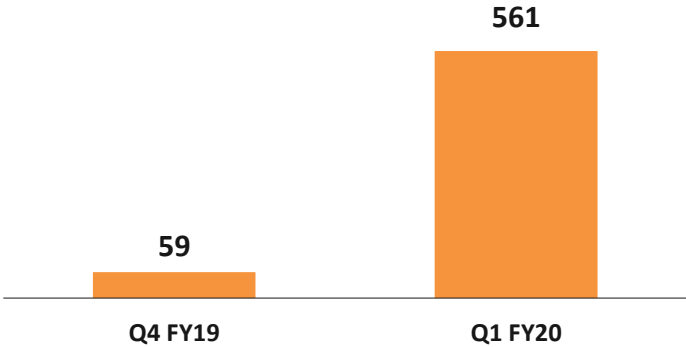
Disbursals (₹ Cr)



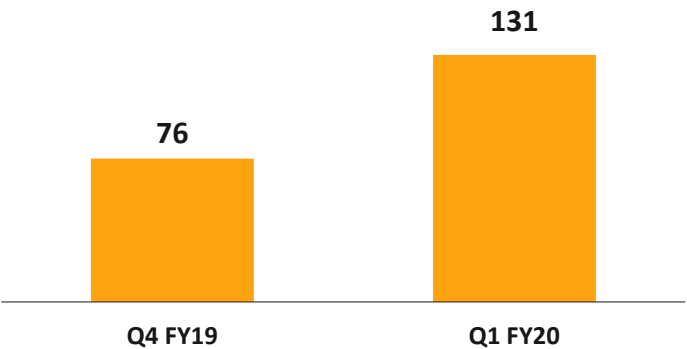
AUM (₹ Cr)



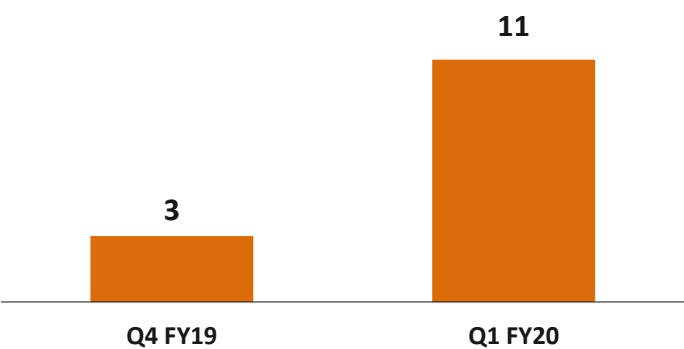
Customer Accounts



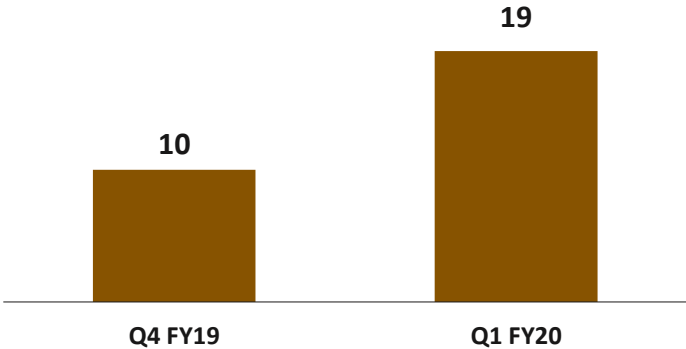
GRO Partners



Ecosystem Partners



BFSI Partners

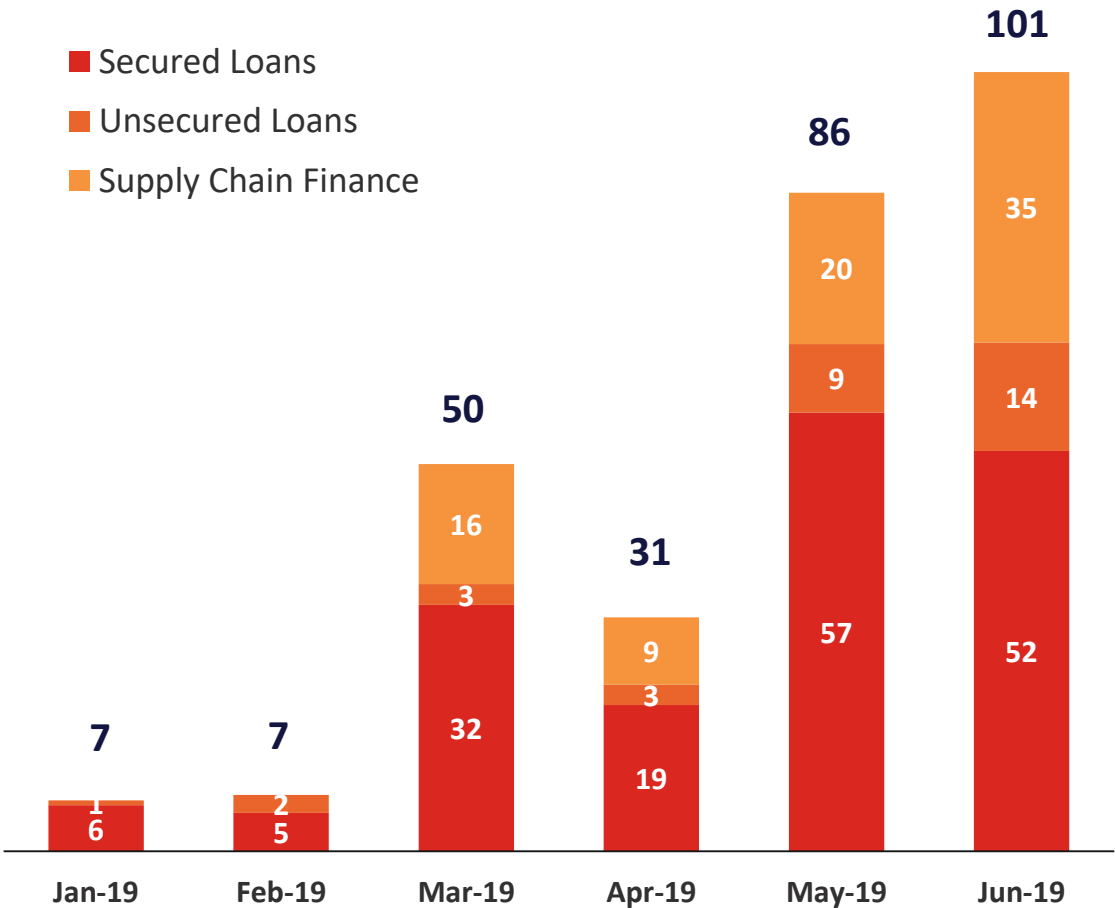


- Received **NCLT approval for the demerger** of the lending business of Asia Pragati into the company on June 28, 2019 and **1,35,65,891 shares worth INR 175 crores were issued** as a result of the demerger.
- The **Warrants outstanding** are expected to be **exercised in December 2019** pursuant to which the company will receive an additional INR 98 crores of equity
- Appointment of **Mr. Navin Puri**, the former head of branch banking at HDFC who joins as an **independent director** and **Mr. Kanak Kapur**, Managing Director at PAG who joins as a **non-executive director** on the Board.
- Assigned a **long-term rating of 'A' with a stable outlook** and a **short-term rating of 'A1' by Acuité** within seven months of starting its commercial operations
- Cross-sell partnerships with **Digit for general insurance** and **PNB Metlife for life insurance**
- Awarded the **“Most Trusted Emerging NBFC”** by International Brand Consulting Corporation
- **Supply chain module and data lake** have gone live and are fully functional

Portfolio Snapshot (As on June 30, 2019)

Steady Month On Month Increase In Disbursals

INR Cr

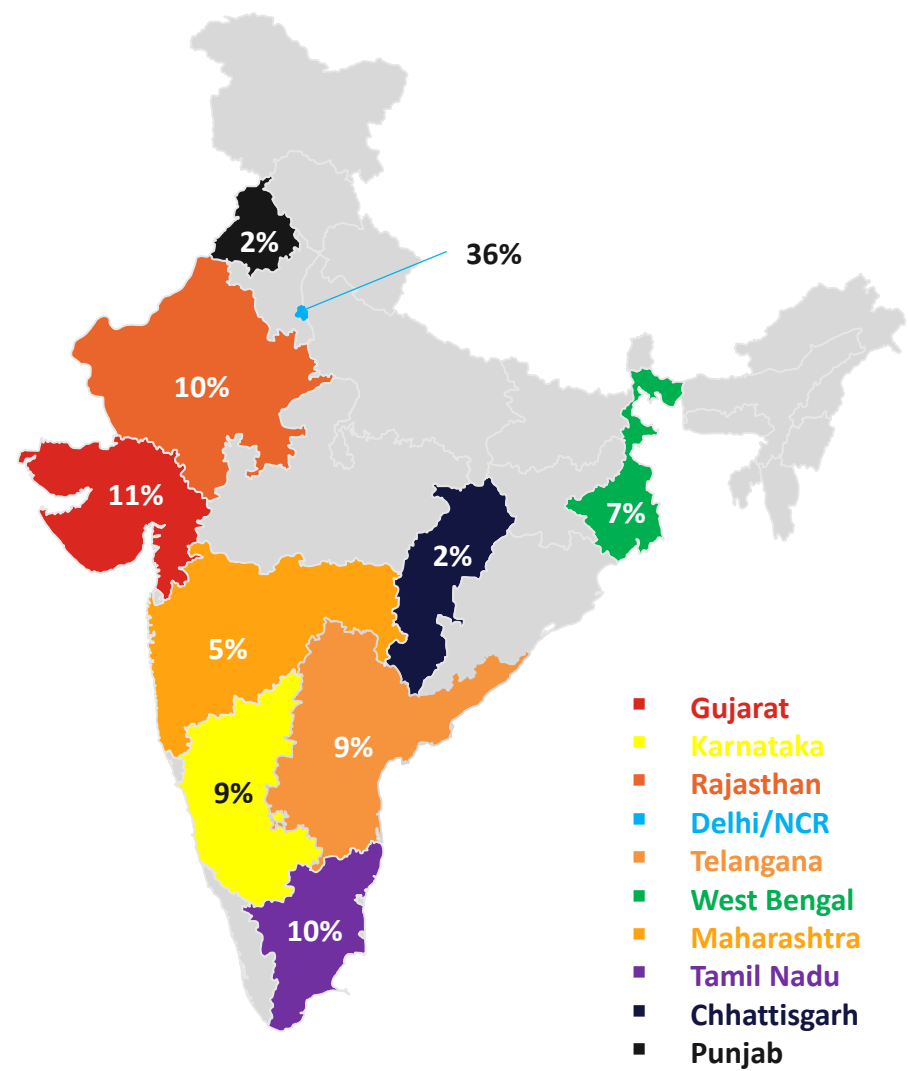


AUM	Secured	Unsecured	SCF	Overall
Avg Ticket Size	0.47 Cr	0.22 Cr	1.57 Cr	0.53 Cr
Avg Yield	12.5%	19.0%	13.1%	13.35%

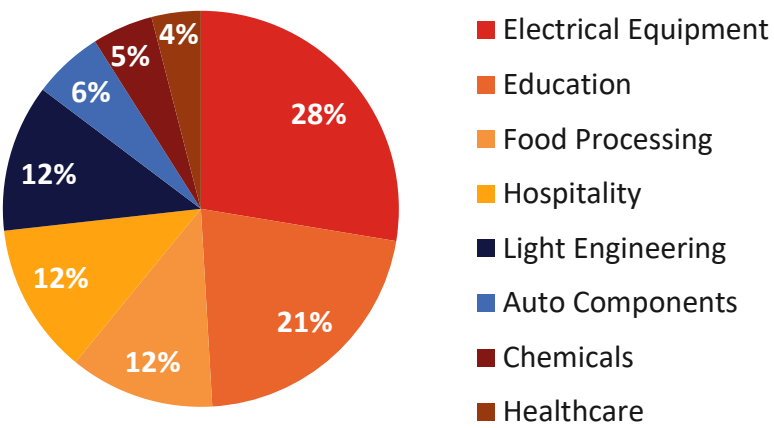
Focus on high risk thresholds and building a secure, granular and high-quality book

Portfolio Snapshot (As on June 30, 2019)

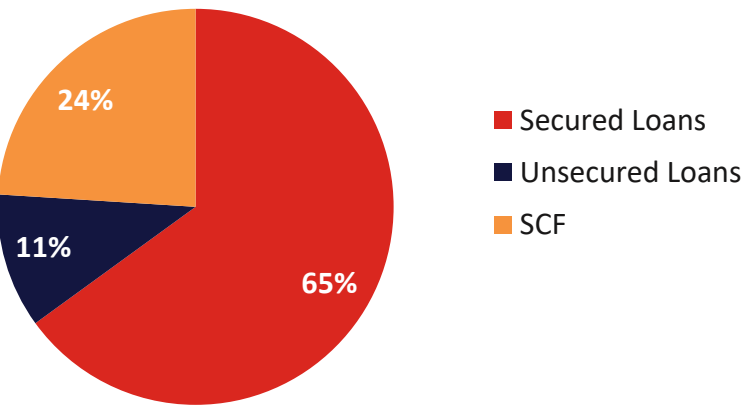
Geographical Mix



Sectoral Mix



Product Mix



Income Statement

Income Statement (INR Lakhs)	FY20 Q1	FY19 Q1
Operating Income	1,495	173
Less: Financing Costs	85	-
Net Income	1,410	173
Other Income	250	-
Total Income	1,660	173
Operating Expenses	1,815	94
Provision	67	-
Profit Before Tax	(222)	79
Less: Tax	(39)	(12)
Profit/(Loss) for the period	(183)	91
Other Comprehensive Income (Net of Tax)	0	-
Total Comprehensive Income	(183)	91

- All hiring at senior/mid-senior levels closed – operating leverage to kick-in as AUM scales up
- Includes **INR 1.3 crores of non-cash ESOP** related expense and **INR 1 crore of costs relating to the initial set up**

Balance Sheet

Balance Sheet (INR Lakhs)	FY20 Q1
Financial Assets	82,416
Loans	27,588
Cash and Investments	51,256
Other Financial Assets	3,572
Non-Financial Assets	5,590
Total Assets	88,006
Financial Liabilities	4,445
Trade/Other Payables	460
Borrowings	1,477
Other Financial Liabilities	2,507
Non-Financial Liabilities	375
Total Liabilities	4,820
Equity Share Capital	2,333
Other Equity	80,853
Total Equity	83,186
Total Liabilities + Equity	88,006

- Well-capitalized with **INR 512 crores** of cash or equivalents on the balance sheet
- Net worth increased by **~INR 184 crores** post the completion of the demerger of the lending business of Asia Pragati
- **INR 98 crores** from conversion of warrants outstanding expected by December 2019