

PRESS RELEASE
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U GRO Capital becomes the first fintech to achieve profitability within its first full year of commencing business operations

Profitability has been largely underpinned by technological development and the assimilation of industry leading partnerships

The key highlights for Q3 FY20:

- The company's disbursements to date crossed INR 1,000 crores in Q3 FY20
- The company's AUM as of the end of December 31, 2019 stood at INR 753 crores across 7,512 loans. The loan book is 67% secured and the largest sectoral and geographical concentrations stand at 18% and 21% respectively
- The company's total income increased to INR 23.7 crores in Q3 FY20 from 20.5 crores in Q2 FY20 – a 15.4% growth QoQ
- The company declared a Q3 FY20 PAT of INR 6.9 crores as compared to a loss of INR 3.3 crores in Q2 FY20
- The company has successfully launched the beta version of GRO-Direct, its proprietary Direct-to-Customer platform, as well as achieved its first disbursements through this channel. GRO-Direct currently consists of two journeys:
 - Web-form journey: A computer-based journey wherein the user fills in a series of forms, similar to a traditional loan application. The web-form journey is live and has achieved disbursements
 - Chatbot journey: A mobile-based journey where the requisite information is obtained from the user through a conversation stream dictated by a chatbot. The chatbot journey has completed development and will be launched in Q4 FY20
- The GRO Partner network (DSAs) now stands at 311 partners, a 34% increase on Q2 FY20
- The company has now onboarded 21 ecosystem partners and 26 BFSI partners
- The company has signed new partnerships with anchors, such as Ace Micromatic Group, through whom loans against machinery will be disbursed. The company has also achieved its first loan against machinery in Q3 FY20
- The company has expanded its proprietary BFSI integration platform GRO-Xstream:
 - The company has recently announced a landmark co-origination partnership with ICICI Bank, India's largest and most trusted private sector bank. This is in addition to the previously signed partnerships with two of India's largest public banks, SBI and Bank of Baroda

UGRO CAPITAL LIMITED

(Formerly known as Chokhani Securities Limited)

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- The company has additionally achieved its first secured co-lending disbursements through its partnership with CIHL
- The company has raised a total of INR 194 crores of liability through the end of Q3 FY20
- The net worth of the company stands at INR 901 crores, which includes an INR 66.2 crores equity infusion from the exercise of warrants. There are no extant dilutive instruments as of end Q3 FY20
- A total of 164 employees have now been onboarded across nine branches: Mumbai (Head Office), Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Ahmedabad, Jaipur and Pune.

U GRO Capital, a BSE listed, technology focused platform, today announced its Q3 FY20 financial results and posted a PAT of INR 6.9 Cr. This makes U GRO Capital the first fintech to do so, within its first full year of commercial operations having started disbursements only in January 2019. Given the current macroeconomic conditions and the negative sentiments engulfing NBFCs, this is a commendable performance.

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, “Q3 FY20 saw a continuation of the accelerated technological aspirations and conservative underwriting strategies we implemented in Q2, with excellent results. We are extremely proud of becoming the first fintech platform to achieve profitability within a year of commencing business operations. This is only the beginning of our story, and we expect to see much greater profitability as our asset engine starts reaping the benefits of the excellent partnerships we have formed. Our launch of GRO-Direct has been a success, and we continue to strive to build it into a platform that can provide a revolutionary non-intermediated financing option for small businesses.

Our credit underwriting continues to be conservative in response to rising NPAs in market, and we are seeing the fruits of this approach as portfolio performance continues to be excellent with GNPA at <0.1%. Maintaining this quality is of paramount importance, not only for the asset side but also to provide liability sources with comfort in lending to us. Looking forward, it is clear that we are on the right track – and we need to work ever harder to forge a reality where we fulfil our mission statement of solving India’s SME credit problem.”

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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