

PRESS RELEASE**U GRO Capital solidifies liability base of INR 400 crores; July disbursals bounce back to 80% of pre-COVID levels****13th August 2020****Mumbai, India****Media Contact:****Niharika Saluja**+91 80973 41147
niharika.saluja@adfactorspr.com**Key highlights for Q1 FY21 2020:****Loan Portfolio**

- The Company's AUM at the end of June 30, 2020 stood at INR 847.4 crores across 7,343 customers. Of the total loan book, 69% is secured. Sectors including Education, Light Engineering and Electrical Equipment & Components constitute 54% of the total loan book whereas geographical concentration at a state-level is at a maximum of 21%
- The disbursals have resumed across all U GRO Capital locations amid the lockdown, with July figures reaching approximately 80% of pre-COVID levels
- The Company is focused on lending through its Sanjeevani program for essential goods/services providers and ECLGS in near future, with high market demand demonstrated for both

Liability

- Liability book reached INR 387 crores as of the end of Q1 FY21, sourced from multiple public & private sector banks in various forms including term loans, NCDs and commercial papers
- In the period between March-July 2020, the Company has raised an incremental INR 150 crores of sanctions, of which over INR 100 Cr of sanctions have not yet been drawn down on
- U GRO Capital has availed liability through select government programs including the Partial Guarantee Scheme and TLTRO 2.0
- The Company has issued its first set of commercial papers in July 2020 – 12-month tenor with a face value of INR 10 crores
- The Company's borrowing rates have come down considerably in the past 6 months, with an average rate at 10.5% as of June 30, 2020
- The Company remains highly liquid with over INR 300 crores of liquidity on the balance sheet

COVID-19 Response

- The Company's loan under moratorium 2.0 stood at 63% in comparison to 81% as under moratorium 1.0, The non-moratorium book continues with a collections efficiency close to 100%
- The Company has taken a highly conservative Rs. 11.63 crores of total provisioning (cumulative), of which Rs. 4.49 crores is specific to COVID-19. This is a significantly higher provisioning coverage than required by regulatory norms
- The work processes have been completely digitized to ensure full productivity of employees during the work from home phase, with in-person interactions with customers being replaced with digital equivalents

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

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Financial Performance

- The Company's total income stands at Rs. 30.79 crores for Q1 FY21 with a PAT of Rs. 3.73 crores and CRAR of 99.42%
- The net worth of the Company stands at Rs. 926.1 crores as of June 30, 2020 with book value per share being INR 131.31
- The Company's GNPA and NNPA figures stands at 1.02% and 0.57% respectively

Operational Parameters

- The GRO Partner network (DSAs) now stands at 393 partners, an 11% increase compared to Q4 FY20
- A total of 177 employees have now been on boarded across nine branches: Mumbai (Head Office), Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Ahmedabad, Jaipur and Pune
- Keeping in mind the social distancing norms, the Company has seamlessly transitioned to a consolidated platform conducting Video PDs rather than the in-person process, in turn maintaining strict underwriting standards and not jeopardizing the health of the customers or employees
- The Company has registered with CGTMSE, allowing 75% credit guarantee for credit facilities of INR 2 crores and under for micro and small enterprises
- The Company has taken cost optimization measures during the COVID-19 period, leading to significant savings on operating expenses

U GRO Capital, a BSE listed, technology focused platform, today announced its financial results for Q1 FY21. With technology and innovation being the backbone, U GRO Capital strives towards bridging the SME lending gap. We observed the past few months of lockdown as a critical opportunity to reflect, contemplate and work towards enhancing the Company's strategic fronts. This involved review of existing processes and the use of technology to digitize underwriting processes and render them contactless, to be able to address the requirement of MSMEs remotely in-line with the new normal.

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, "Stepping into 2020, businesses were already facing the brunt of economic slowdown, when the pandemic arose to exacerbate the pain. For us, the circumstances called for a degree of improvisation in the form of digitalization, so as to be able to operate effectively in these unprecedented times. Having done so, our disbursements across all U GRO locations have gained ground amid the lockdown scenario, with our July disbursement figures reaching approximately 80% of pre-COVID levels. With the economy gradually opening, Indian small businesses have started taking small steps towards regaining their operational potential and are thus looking for liquidity infusions, as reflected in our success with Sanjeevani program and ECLGS. Our loan book cover under Moratorium 2.0 is at 63%, which is a significant reduction from the 81% as during the Moratorium 1.0. Towards strengthening our funding base, we managed to raise liability of over Rs. 150 crores from diverse sources,

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including under government schemes such as PGC and TLTRO 2.0, and we have a strong pipeline in place to cater to our future liability needs also. I believe that the worst is now behind us in the lending sector, and the well-run firms will enjoy the opportunity to build their market share in the coming months.”

About U GRO Capital Ltd.:

U GRO Capital is a new-age listed fintech platform whose mission is to solve the ever-growing credit gap in the SME sector based on knowledge and technology. The Company has developed proprietary tools which include customized SME sector-specific statistical scorecards, underwriting insights based on deep sub-sector level research put together in a highly integrated technology platform. This helps in getting an in-principle decision for the loan application within 60 minutes. The Company posted a PAT of INR ~20 Crore in its first full year of operations and has already disbursed close to INR 1,400crore across 7,000+ small businesses.

U GRO Capital, founded by financial services veteran Mr. Shachindra Nath, in December 2017, had previously raised approximately US\$ 130 Mn from a diversified set of global private equity investors such as NewQuest, ADV Partners, PAG and Samena Capital and public market investors such as Abakkus, PNB Metlife and multiple Indian family offices.

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