

UGRO CAPITAL LIMITED

(Formerly known as Chokhani Securities Limited)

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

CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results For The Quarter and Half Year Ended 30 September, 2019

Rs. In Lacs

Sr No	Particulars	Quarter ended			Half Year Ended	
		30 Sep, 2019	30 June, 2019	30 Sep, 2018	30 Sep, 2019	30 Sep, 2018
		Reviewed	Reviewed	Unaudited	Reviewed	Unaudited
1	Revenue from operations					
	(a) Interest Income	1,632.92	885.81	820.17	2,518.73	1,002.59
	(b) Dividend Income	-	17.40	4.23	17.40	16.29
	(c) Fair Value Adjustment	140.46	271.18	(458.09)	411.64	(544.19)
	(d) Profit on Sale of Investments	385.94	300.69	402.19	686.63	467.14
	(e) Other Operating Income	6.68	19.38	-	26.06	-
2	Other Income	-	250.00	-	250.00	-
3	Total Revenue (1 + 2)	2,166.00	1,744.46	768.50	3,910.46	941.83
	Expenses					
	(a) Employee benefits expense	1,395.46	1,120.55	392.18	2,516.01	399.73
	(b) Finance cost	116.41	85.26	11.16	201.67	11.16
	(c) Depreciation and amortization expenses	173.20	128.45	10.96	301.65	18.45
	(d) Provision for loan loss	250.31	66.97	-	317.28	-
	(e) Legal and Professional charges	336.50	185.63	103.34	522.13	123.93
	(f) Other expenses	504.91	380.13	83.71	885.04	86.99
	Total expense	2,776.79	1,966.99	601.35	4,743.78	640.26
5	Profit/(Loss) before exceptional items and tax (3-4)	(610.79)	(222.53)	167.15	(833.32)	301.57
6	Exceptional items	-	-	311.53	-	366.67
7	Profit/(Loss) before tax (5-6)	(610.79)	(222.53)	(144.38)	(833.32)	(65.10)
	Tax expense					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	(21.72)	(38.89)	(206.35)	(60.61)	(218.67)
9	Profit/(Loss) for the period (7-8)	(589.07)	(183.64)	61.97	(772.71)	153.57
10	Other Comprehensive income (net of tax)	2.64	0.32	-	2.96	-
11	Total comprehensive income (9+10)	(586.43)	(183.32)	61.97	(769.75)	153.57
12	Paid Up Equity Share Capital (Face Value Rs. 10)	5,689.74	2,333.15	1,534.60	5,689.74	1,534.60
13	Earning per Share (Not annualised)					
	Basic	(0.91)	(0.28)	0.11	(1.20)	0.41
	Diluted	(0.87)	(0.27)	0.10	(1.14)	0.40



Notes to Statement of Unaudited Financial Results for The Quarter and Half Year Ended September 30, 2019:

1. Statement of Assets and Liabilities as at 30 September, 2019

Sr No	Particulars	As at 30 Sep, 2019
		Unaudited (Rs. In Lacs)
	Assets	
(1)	Financial Assets	
(a)	Cash and cash equivalents	4,667.98
(b)	Bank Balance other than (a) above	5.00
(c)	Loans	56,729.14
(d)	Investments	24,637.29
(e)	Other Financial assets	5,643.05
(2)	Non-financial Assets	
(a)	Current Tax Assets (Net)	421.21
(b)	Deferred Tax Assets (Net)	153.40
(c)	Property, Plant and Equipment	645.59
(d)	Right of use asset	1,458.88
(e)	Intangible Assets under development	16.42
(f)	Other Intangible Assets	1,172.08
(g)	Other non-financial assets	1,014.26
	Total assets	96,564.30
	Liabilities and Equity	
	Liabilities	
(1)	Financial Liabilities	
(a)	Payables	
	(I) Trade Payables	458.22
	(II) Other Payables	367.01
(b)	Borrowings	9,358.59
(c)	Other financial liabilities	3,250.62
(2)	Non-financial liabilities	
(a)	Provisions	145.96
(b)	Other non-financial liabilities	248.01
(3)	Equity	
(a)	Equity share capital	5,689.74
(b)	Other equity	77,046.15
	Total liabilities and equity	96,564.30

2. Statement of cash flows for the Half Year Ended 30 September, 2019

Particular	(Rs. In Lacs)	
	Half Year Ended 30 September, 2019	Half Year Ended 30 September, 2018
A. Cash flows from operating activities		
(I) Profit before taxes	(833.32)	(65.10)
(II) Operating Profit before working capital changes	(1,262.30)	89.94
(III) Net cash generated from / (used in) operating activities	(48,819.29)	(1,223.80)
B. Cash flows from investing activities	(1,133.01)	(62,221.01)
C. Cash flows from financing activities	8,368.13	75,418.42
Net increase / (decrease) in cash and cash equivalents	(41,584.17)	11,973.61
Cash and cash equivalents at the beginning of the year	46,252.15	0.87
Cash and cash equivalents at the end of the year	4,667.98	11,974.48



3. The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (Collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2018. These financial results (including for previous comparative periods presented) have been prepared in accordance with the recognition and measurement principles of Ind AS 34 "Interim Financial Reporting" prescribed under the Act, read with relevant Rules made thereunder, the other accounting principles generally accepted in India and note 7 below.

Further, in drawing up these results, the Company has taken note of relevant MCA Notification numbers G.S.R. 111 (E), G.S.R. 365 (E) and G.S.R. 903 (E) dated February 16, 2015, March 30, 2016 and September 20, 2018, respectively and any application guidance/ clarifications/ directions issued by RBI or other regulators as and when they are issued, as applicable.

The Company has opted to submit only the quarterly and year to date Financial Results to the Stock Exchange in respect of F.Y. 2018-19 as permitted by SEBI regulations.

4. The financial results of the Company for the quarter and half year ended September 30, 2019 have been subjected to limited review by statutory auditor of the Company. The previously issued financial information of the Company for the quarter and half year ended September 30, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were audited by the statutory auditor. These previously issued financial information have been adjusted to comply with Ind AS and to give effect to the scheme of arrangement approved by the National Company Law Tribunal on June 13, 2019 as per note 7 below and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have not been reviewed by the statutory auditor.
5. As required by paragraph 32 of Ind AS 101, net profit reconciliation between figures reported, net of tax, under previous GAAP and Ind AS is given below:

Particulars	Rs in Lacs	
	Half year ended September 30, 2018	Quarter ended September 30, 2018
Net Profit After Tax as per previous GAAP	181.91	144.10
Add / (Less): Adjustments on accounting for business acquisition (Refer note 7 below):		
- Interest Income	346.51	241.76
- Gain on Mutual Fund	28.9	-
- Employee Benefits Expenses	(6)	-
- Depreciation, amortization and impairment	-	7.49
- Other expenses	(4.95)	(4.87)
Net Profit After Tax after accounting for business acquisition	546.37	388.48
Add / (Less): Adjustments as per Ind AS:		
- Reversal of Realised Gain of Investment	(544.19)	(458.09)
- Tax adjustments	151.39	131.58
Net profit After Tax as per Ind AS	153.57	61.97
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income (net of tax) as per Ind AS	153.57	61.97



6. The Company is mainly engaged in the business of lending and investing and primarily deals in financing SME and MSME sector. Further, all activities are conducted within India. Accordingly, there is no separate reportable segment, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act.
7. As disclosed earlier in Note No. 5 for Quarterly results ended June 30, 2019, the Scheme of Arrangement for demerger of Lending Business of Asia Pragati CapFin Private Limited ("APCPL") into UGRO Capital Ltd ("UGRO") has become effective on June 30, 2019 as per the order of National Company Law Tribunal, Mumbai Bench ("NCLT") filed with Registrar of Companies, Mumbai. The appointed date of the Scheme is April 01, 2018 ("the appointed date"). The Company has issued 1,35,65,891 number of equity shares aggregating to Rs 17,500 Lacs on July 30, 2019 to DBZ (Cyprus) Limited, shareholder of APCPL. The purchase consideration is allocated to the respective net assets (including indemnification asset) at their respective fair values. On or before December 31, 2019, DBZ will indemnify UGRO, the difference (net of applicable taxes, if any) between the consideration and the aggregate realisable value of the assets and cash and cash equivalents.
8. As assessed by the Management, the Company has unused tax losses of Rs 12,772.63 Lacs of APCPL and tax losses for the half year ended September 30, 2019. The Company has not recognized deferred tax asset on the unused tax losses and would recognize in the subsequent accounting periods based on the probability of future taxable profits.
9. During the half year ended, the Company has granted 2,15,384 options under CSL employee stock option scheme 2017. The Company has booked an expense amounting to Rs 233.58 Lacs based on a fair value model on all ESOP's outstanding.
10. The Securities Allotment and Transfer Committee of Board of Directors at their meeting held on September 18, 2019 has approved the conversion of 1,00,00,000 compulsorily convertible preference shares and 1,00,00,000 compulsorily convertible debentures into equal number of equity share.
11. The Company has issued listed secured non-convertible debenture amounting to Rs 5,000 Lakhs on October 3, 2019 on private placement basis. These debentures are listed on BSE Limited. These debentures are secured by way of Hypothecation over identified receivables ("Portfolio" or "Hypothecated receivables") consisting of performing loans of the Company as detailed in the Transaction Documents, amounting to not less than 110% of the Principal Amount. The Borrower shall replace such assets constituting the Portfolio that have one or more instalments of principal, interest, additional interest, fee or any other expected payments overdue with performing assets with a minimum asset cover of 1.10 times of outstanding amount at any given point in time.
12. In accordance with Section 52 of the Companies Act 2013 during the period the Company has utilised Securities Premium Account towards expense incurred of Rs 17.50 Lacs for Issue of equity shares.
13. Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as certified by the management, is given as Annexure A.
14. Previous quarter / period figures have been regrouped / rearranged wherever necessary.
15. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on November 11, 2019.

**For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED**



Shachindra Nath

Shachindra Nath
Executive Chairman & MD
DIN: 00510618
Mumbai
November 11, 2019

Annexure A:

Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2019.

1. Credit Rating

Particulars	Rating Agency	Rating
NCD's issued on Private Placement basis		
Long Term Instrument - Secured NCD	Acuite Ratings & Research Limited	ACUITE A

2. Debt Equity Ratio

Debt Equity Ratio of the Company as on September 30, 2019 is 0.12 as per Unaudited Financial Results of the Company.

3. Previous due date for the payment of Interest/Principal - Not Applicable

4. Next due date for the payment of interest/principal along with amount of interest

Sr No.	ISIN	From (1-10-2019 to 31-03-2020)	
		Interest	Principal
1	INE583D07018	03-11-2019	NIL
2		03-12-2019	NIL
3		03-01-2020	NIL
4		03-02-2020	NIL
5		03-03-2020	NIL

5. Outstanding redeemable preference shares: NIL

6. Debenture Redemption Reserve (DRR):

- a. No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and debentures) Rules 2014.

7. Net Worth: Rs 78,936.74 Lacs

8. Net Profit / (Loss) After Tax: Rs (772.71) Lacs

9. Earnings Per Share (Basic): Rs (1.20)

Earnings Per Share (Diluted): Rs (1.14)



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
UGRO CAPITAL LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **UGRO CAPITAL LIMITED** ("the Company"), for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and paragraph 6 below. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 4 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.



4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard read with paragraph 6 below and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The previously issued financial information of the Company for the quarter and six months ended September 30, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were audited by us and our report dated November 02, 2018 expressed an unmodified opinion. These previously issued financial information have been adjusted to comply with Ind AS and to give effect to the scheme of arrangement approved by the National Company Law Tribunal on June 2019 as per paragraph 6 below and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have not been reviewed by us.
We have also not reviewed the reconciliation of net profit for the quarter and six months ended September 30, 2018 between the previous GAAP and Indian Accounting Standards ("Ind AS").
Our conclusion on the Statement is not modified in respect of these matters.
6. We draw attention to Note 5 of the Statement, which describes the accounting for the Scheme of Arrangement on appointed date as per the approval of National Company Law Tribunal. Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Anjum A. Qazi
(Partner)

(Membership No. 104968)
(UDIN:19104968AAAA109783)

Place: MUMBAI
Date: November 11, 2019