

12th August, 2020

**BSE Limited
25th floor, Phiroze Towers,
Dalal Street, Fort,
Mumbai- 400001**

Subject: Outcome of the Board Meeting held on 12th August, 2020

Ref : Scrip code 511742

Dear Sir/ Madam,

We wish to inform you that the Board of Directors of the Company at its meeting held today i.e. Wednesday, 12th August 2020, has inter alia:

1. considered and approved Unaudited Financial Results for the quarter ended 30th June 2020 along with Limited Review Report issued by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants.
2. noted and accepted resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, vide its enclosed letters dated 12th August, 2020 as the Statutory Auditors of the Company with effect from 12th August, 2020 due to reasons stated therein and Annexure "B".

We would like to place on record our appreciation to Deloitte for their contribution to the Company with their audit processes and standards of auditing.

3. based on recommendation of the Audit Committee, considered and approved appointment of M/s MSKA & Associates, Chartered Accountants (Firm Registration number: 105047W) as the Statutory Auditors of the Company in place of M/s Deloitte Haskins & Sells LLP, Chartered Accountants till the conclusion of the ensuing Annual General Meeting of the Company subject to the ratification and approval of the Shareholders of the Company.
4. considered and approved following enabling Resolutions subject to Shareholders' approval at the ensuing 27th Annual General Meeting of the Company:
 - i. increase in borrowing limits of the Company from Rs. 2000 crores to Rs. 3000 crores, subject to Shareholders' approval at the ensuing Annual General Meeting of the Company.

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

CIN: L67120MH1993PLC070739

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

- ii. raising funds through issue of Non-Convertible Debentures on a private placement basis upto a limit of Rs. 2000 Crore subject to Shareholders' approval at the ensuing Annual General Meeting of the Company
 - iii. raising funds to the tune of INR 500 Crores (INR Five Hundred Crores) by way of Qualified Institutions Placement ("QIP") or through any other method, and in compliance of applicable laws subject to Shareholders' approval at the ensuing Annual General Meeting of the Company
5. approved convening 27th Annual General Meeting of the Members of the Company at 11.00 a.m. on Friday, the 18th September, 2020 through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013.
6. the Register of members and Share Transfer Books of the Company will remain closed from Saturday, 12th September, 2020 to Friday, 18th September, 2020 (both days inclusive) for the purpose of the above referred 27th Annual General Meeting.

Accordingly, we are enclosing herewith the following:

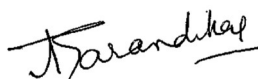
- a) Unaudited Financial Results for the quarter ended 30th June 2020 along with Limited Review Report issued by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants '**Annexure - A**';
- b) The details as per SEBI circular CIR/CFD/CMD/4/2015 dated September 09, 2015 as '**Annexure - B**' for the Company;
- c) The resignation letters and the information required from the Auditor in pursuance of SEBI circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 as '**Annexure-C**' for the Company.

The meeting of the Board of Directors commenced at 01:00 p.m. and concluded at 07:10 p.m.

Kindly take the above on record.

Yours faithfully

For UGRO Capital Limited

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

Aniket Karandikar
Company Secretary

Encl: a/a

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
CIN: L67120MH1993PLC070739

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

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 Financial Results For The Quarter Ended 30 June, 2020**

| Sr No | Particulars | Quarter ended | | | Rs. In Lacs |
|----------|--|-----------------|-----------------|-----------------|------------------|
| | | 30 Jun, 2020 | 31 Mar, 2020 | 30 Jun, 2019 | Year Ended |
| | | Reviewed | Reviewed | Reviewed | Audited |
| 1 | Revenue from operations | | | | |
| | (a) Interest Income | 3,062.10 | 2,889.51 | 885.81 | 7,889.19 |
| | (b) Dividend Income | - | - | 17.40 | 17.40 |
| | (c) Fair Value Adjustment | (131.88) | (47.56) | 271.18 | 123.95 |
| | (d) Profit on Sale of Investments | 148.20 | 290.70 | 300.69 | 1,569.71 |
| | (e) Other Operating Income | 0.23 | 27.03 | 19.38 | 69.12 |
| 2 | Other Income | - | 555.00 | 250.00 | 845.00 |
| 3 | Total Revenue (1 + 2) | 3,078.65 | 3,714.68 | 1,744.46 | 10,514.37 |
| 4 | Expenses | | | | |
| | (a) Employee benefits expense | 1,110.23 | 1,190.89 | 1,120.76 | 4,714.80 |
| | (b) Finance cost | 683.52 | 642.47 | 85.26 | 1,367.30 |
| | (c) Depreciation and amortization expenses | 270.83 | 212.37 | 128.45 | 739.35 |
| | (d) Provision for loan loss | 115.34 | 602.56 | 66.97 | 1,023.41 |
| | (e) Legal and Professional charges | 247.48 | 55.92 | 185.63 | 714.28 |
| | (f) Other expenses | 238.06 | 424.76 | 379.93 | 1,623.44 |
| | Total expense | 2,665.46 | 3,128.96 | 1,967.00 | 10,182.58 |
| 5 | Profit/(Loss) before tax (3-4) | 413.19 | 585.72 | (222.54) | 331.79 |
| 6 | Tax expense | | | | |
| | (a) Current Tax as per MAT | 115.90 | 259.78 | - | 296.31 |
| | (b) Deferred Tax (Including MAT credit entitlement) | (75.51) | (1,709.18) | (38.89) | (285.12) |
| 7 | Profit/(Loss) for the period (5-6) | 372.80 | 2,035.13 | (183.66) | 320.60 |
| 8 | Other Comprehensive income (net of tax) | 5.92 | 3.46 | 0.32 | 0.02 |
| 9 | Total comprehensive income (7+8) | 378.72 | 2,038.59 | (183.34) | 320.62 |
| 10 | Paid Up Equity Share Capital (Face Value Rs. 10) | 7,052.86 | 7,052.86 | 2,333.15 | 7,052.86 |
| 11 | Earning per Share (Not annualised) | | | | |
| | Basic | 0.53 | 2.89 | (0.28) | 2.95 |
| | Diluted | 0.53 | 2.87 | (0.27) | 2.87 |

Notes to Statement of Unaudited Financial Results for The Quarter Ended June 30, 2020:

1. These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
2. 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.

3. Estimation uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets, and deferred tax asset, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Company's best estimate of the recoverable amounts. The Company has estimated and recognised an additional expected credit loss on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

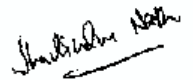
4. Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has offered a moratorium of six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. For all such loan asset accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification both, as per the RBI's income recognition and asset classification norms and for determining the staging of such assets to determine the expected credit loss allowance as per the model approved by the Board of Directors of the Company, will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification).

5. During the quarter ended June 30, 2020, the Company has granted 4,31,923 options under the prevalent employee stock option scheme of the Company. The Company has booked an expense amounting to Rs 82.75 Lacs based on a fair value model on all ESOP's outstanding as at June 30, 2020.

6. Previous period/year figures have been regrouped / rearranged wherever necessary
7. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2020.

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

A handwritten signature in black ink, appearing to read 'Shachindra Nath', with a horizontal line underneath it.

Shachindra Nath
Executive Chairman & MD
DIN: 00510618
Gurugram

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

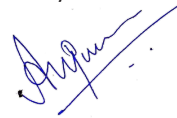
**TO THE BOARD OF DIRECTORS OF
UGRO CAPITAL LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **UGRO CAPITAL LIMITED** ("the Company"), for the quarter ended June 30, 2020 ("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. 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.
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 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. As more fully described in Note 3 to the Statement, to assess the recoverability of certain assets, the Company has considered internal and external information upto the date of this report in respect of the current and estimated future global economic indicators consequent to the global health pandemic. The actual effect of the pandemic may be different from that considered in assessing the recoverability of these assets.

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: 20104968AAAAEI8565)

Place: MUMBAI
Date: August 12, 2020

Annexure B'

Details with respect to change in Auditor of the Company as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015:

Resignation of Statutory Auditor

| Sr. No. | Particulars | Details |
|---------|--|---|
| 1 | Name of Auditor | M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) |
| 2 | Reason for Change viz., appointment, resignation, removal, death or otherwise | The audit fees are not commensurate with the efforts involved for conducting the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and the changes in the reporting requirements. |
| 3 | Date of resignation | 12 th August, 2020 |
| 4 | Brief profile | Not Applicable |
| 5 | Disclosure of relationships between directors (in case of appointment of a director). | Not Applicable |

Appointment of Statutory Auditor

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1 | Name of Auditor | M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) |
| 2 | Reason for Change viz., appointment, resignation, removal, death or otherwise | Appointment in place of M/s Deloitte Haskins & Sells LLP, Chartered Accountants |
| 3 | Date of Appointment | 12 th August, 2020 |
| 4 | Brief profile | M/s MSKA & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 105047W. The firm has presence in 10 cities in India viz Ahmedabad, Bengaluru, Chennai, Kolkata, Kochi, Hyderabad, Mumbai, New Delhi – Gurgaon, Goa and |

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

CIN: L67120MH1993PLC070739

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

| | | |
|---|--|---|
| | | Pune. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The Firm's Audit & Assurance practice has significant experience in auditing financial services clients including Banks and NBFCs. |
| 5 | Disclosure of relationships between directors (in case of appointment of a director). | The Auditors have no relationship with any Directors of the Company |

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

CIN: L67120MH1993PLC070739

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

**Deloitte
Haskins & Sells LLP**

Chartered Accountants
Lotus Corporate Park
1st Floor, Wing A - G
CTS No.185/A, Jay Coach
Off Western Express Highway
Goregaon (East)
Mumbai - 400 063
Maharashtra, India

Tel: +91 22 6245 1000
Fax: +91 22 6245 1001

August 12, 2020

To
The Board of Directors
UGRO Capital Limited

Dear Sirs,

Sub.: Resignation as statutory auditors of UGRO Capital Limited ("the Company")

We refer to our letter dated July 27, 2020 on the captioned subject and the various in-person discussions we had with you over the past few days regarding the audit fees for conducting the annual statutory audit and quarterly limited reviews of the financial statements / financial results of the Company. As communicated vide our letter dated July 27, 2020 we believe that fees proposed by you will not be commensurate to the efforts that we would be incurring to conduct an audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and the changes in the reporting requirements.

Accordingly we are tendering our resignation as statutory auditors of your Company with effect from August 12, 2020.


We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Thank you.

Yours faithfully,

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm Regn. No. 117366W/W-100018)



Anjum A. Qazi

Partner

Membership No. 104968

CC: Audit Committee of Directors of UGRO Capital Limited

The Managing Director – UGRO Capital Limited

Chief Financial Officer – UGRO Capital Limited

Annexure A to SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019

**Format of information to be obtained from
the statutory auditor upon resignation**

1. Name of the listed entity/ ~~material subsidiary~~: UGRO Capital Limited
2. Details of the statutory auditor:
 - a. Name: Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W/W-100018)
 - b. Address: Lotus Corporate Park, 1st Floor, Wing A-G, CTS No. 185/A, Jay Coach, Off Western Express Highway, Goregaon East, Mumbai 400063, India
 - c. Phone number: +91 22 62451130
 - d. Email: analtaf@deloitte.com
3. Details of association with the listed entity/ ~~material subsidiary~~:
 - a. Date on which the statutory auditor was appointed:
Appointed at the 25th Annual General Meeting held on 3 July 2018 for five financial years beginning 1 April 2018 and ending on 31 March 2023.
 - b. Date on which the term of the statutory auditor was scheduled to expire:
On conclusion of the 30th Annual General Meeting (after completion of the statutory audit for the financial year ending 31 March 2023)
 - c. Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission. - Limited Review Report for the quarter ended 30 June 2020 issued on 12 August 2020.
4. Detailed reasons for resignation:

The proposed audit fees is not commensurate with the efforts that we would be incurring to conduct an audit in accordance with the Standards of Auditing specified under section 143(10) of the Companies Act, 2013 and the changes in the reporting requirements.
5. In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)

Not Applicable
6. In case the information requested by the auditor was not provided, then following shall be disclosed:

Not Applicable

 - a. *Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.* Not Applicable

b. Whether the lack of information would have significant impact on the financial statements/results.
Not Applicable

c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised). Not Applicable

d. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued. Not Applicable

7. Any other facts relevant to the resignation:
None

Declaration

1. ~~I~~ We hereby confirm that the information given in this letter and its attachments is correct and complete.

2. ~~I~~ We hereby confirm that there is no other material reason other than those provided above for ~~my resignation~~ resignation of my firm.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Regn. No. 117366W/W-100018)



Anjum A. Qazi

Partner

Membership No. 104968

Date: 12th August, 2020