

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 Nine Months Ended 31 December, 2019

Rs. In Lacs

| Sr No | Particulars | Quarter ended | | | Nine Months Ended | |
|-------|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| | | 31 Dec, 2019 | 30 Sep, 2019 | 31 Dec, 2018 | 31 Dec, 2019 | 31 Dec, 2018 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed |
| 1 | Revenue from operations | | | | | |
| | (a) Interest Income | 2,480.96 | 1,632.92 | 1,014.21 | 4,999.69 | 2,016.80 |
| | (b) Dividend Income | - | - | 14.56 | 17.40 | 30.86 |
| | (c) Fair Value Adjustment | (240.13) | 140.46 | 15.57 | 171.51 | (528.62) |
| | (d) Profit on Sale of Investments | 592.38 | 385.94 | 368.02 | 1,279.01 | 835.16 |
| | (e) Other Operating Income | 16.03 | 6.68 | 0.43 | 42.09 | 0.43 |
| 2 | Other Income | 40.00 | - | 200.00 | 290.00 | 200.00 |
| 3 | Total Revenue (1 + 2) | 2,889.24 | 2,166.00 | 1,612.79 | 6,799.70 | 2,554.63 |
| | Expenses | | | | | |
| | (a) Employee benefits expense | 1,006.59 | 1,395.46 | 870.10 | 3,522.59 | 1,269.83 |
| | (b) Finance cost | 522.78 | 116.80 | 38.67 | 724.83 | 49.82 |
| | (c) Depreciation and amortization expenses | 225.34 | 173.20 | 68.89 | 526.99 | 87.35 |
| | (d) Provision for loan loss | 103.57 | 250.31 | 2.33 | 420.85 | 2.33 |
| | (e) Legal and Professional charges | 136.23 | 336.50 | 138.04 | 658.36 | 261.96 |
| | (f) Other expenses | 315.34 | 504.52 | 160.68 | 1,200.01 | 247.67 |
| | Total expense | 2,309.85 | 2,776.79 | 1,278.71 | 7,053.63 | 1,918.96 |
| 5 | Profit/(Loss) before exceptional items and tax (3-4) | 579.39 | (610.79) | 334.08 | (253.93) | 635.67 |
| 6 | Exceptional items | - | - | - | - | 366.67 |
| 7 | Profit/(Loss) before tax (5-6) | 579.39 | (610.79) | 334.08 | (253.93) | 269.00 |
| | Tax expense | | | | | |
| | (a) Current Tax | - | - | - | - | - |
| 8 | Expense for Current Year | 36.53 | - | 255.45 | 36.53 | 255.45 |
| | MAT Credit Entitlement | (36.53) | - | (255.45) | (36.53) | (255.45) |
| | (b) Deferred Tax | (110.06) | (21.72) | (19.02) | (170.67) | (237.69) |
| 9 | Profit/(Loss) for the period (7-8) | 689.45 | (589.07) | 353.10 | (83.26) | 506.69 |
| 10 | Other Comprehensive income (net of tax) | (6.40) | 2.64 | - | (3.44) | - |
| 11 | Total comprehensive income (9+10) | 683.05 | (586.43) | 353.10 | (86.70) | 506.69 |
| 12 | Paid Up Equity Share Capital (Face Value Rs. 10) | 7,052.86 | 5,689.74 | 1,984.31 | 7,052.86 | 1,984.31 |
| 13 | Earning per Share (Not annualised) | | | | | |
| | Basic | 1.06 | (0.91) | 0.73 | (0.13) | 1.08 |
| | Diluted | 1.02 | (0.87) | 0.67 | (0.12) | 1.03 |



Notes to Statement of Unaudited Financial Results for The Quarter and Nine Months Ended December 31, 2019:

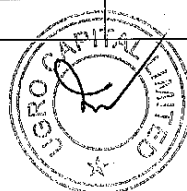
- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of transition is April 01, 2018. Such transition has been carried 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 5 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.

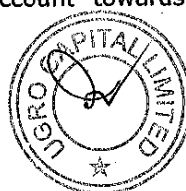
- The financial results of the Company for the quarter and nine months ended December 31, 2019 have been subjected to limited review by statutory auditor of the Company. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were reviewed 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 5 below and included in this Statement as comparative financial information.
- 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 | |
|--|------------------------------------|---------------------------------|
| | Nine month ended December 31, 2018 | Quarter ended December 31, 2018 |
| Net Profit After Tax as per previous GAAP | 355.69 | 173.78 |
| Add / (Less): Adjustments on accounting for business acquisition (Refer note 7 below): | | |
| - Interest Income | 534.85 | 188.34 |
| - Gain on Mutual Fund | 28.90 | - |
| - Employee Benefits Expenses | (6.00) | - |
| - Other expenses | (27.96) | (23.01) |
| - Tax adjustments | 65.96 | 65.96 |
| Net Profit After Tax after accounting for business acquisition | 951.44 | 405.07 |
| Add / (Less): Adjustments as per Ind AS: | | |
| - Reversal of Realised Gain / Loss of Investment | (528.62) | 15.57 |



| | | |
|--|---------------|---------------|
| - INDAS 116 (Leases) | (131.38) | (131.38) |
| - Rent Reversal (Leases) | 56.63 | 56.63 |
| - EIR Adjustment on Loan Book | (17.72) | (17.72) |
| - Lease rental Expense on Security Deposit | (3.25) | (3.25) |
| - Provision on Standard Assets (ECL) | 5.67 | 5.67 |
| - Fair Valuation of Security Deposit | 2.46 | 2.46 |
| - Tax adjustments | 171.46 | 20.05 |
| Net profit After Tax as per Ind AS | 506.69 | 353.10 |
| Other Comprehensive Income (net of tax) | - | - |
| Total Comprehensive Income (net of tax) as per Ind AS | 506.69 | 353.10 |

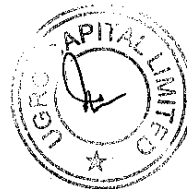
4. The Company is mainly engaged in the business of lending and primarily deals in financing SME and MSME sector. Further, all activities are conducted within India. Accordingly, there is no separate reportable segment, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act.
5. As reported in note 5 of the financial results for the quarter 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 from 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 ("DBZ"), shareholder of APCPL. Pursuant to the Board approval, the purchase consideration is allocated to the respective net assets (including indemnification asset) at their respective fair values. DBZ will pay 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. As per the indemnity agreement, UGRO is in process of filing the requisite documentation for the same.
6. As assessed by the Management, the Company has unused tax losses of Rs. 12,006.80 Lacs of APCPL as at December 31, 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.
7. During the nine months ended December 31, 2019, the Company has granted 2,30,769 options under CSL employee stock option scheme 2017. The Company has booked an expense amounting to Rs 304.17 Lacs based on a fair value model on all ESOP's outstanding as at December 31, 2019.
8. During the nine months ended December 31, 2019, the Securities Allotment and Transfer Committee of Board of Directors has approved, pursuant to terms of allotment, the conversion of 1,38,37,210 Compulsorily Convertible Preference Shares and 1,38,37,210 Compulsorily Convertible Debentures into equal number of equity share.
9. During the nine months ended December 31, 2019, the Securities Allotment and Transfer Committee of Board of Directors has approved, pursuant to terms of allotment, the conversion of 59,56,757 Convertible warrants out of 87,83,785 Convertible Warrants into equal number of equity shares. The warrant holders did not exercise the option in respect of balance warrants.
10. In accordance with Section 52 of the Companies Act 2013 during the period ended December 31, 2019 the Company has utilised Securities Premium Account towards expense incurred of Rs 48.05 Lacs for Issue of equity shares.



11. Previous quarter / period figures have been regrouped / rearranged wherever necessary.

12. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on January 31, 2020.

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



A handwritten signature in black ink, appearing to read "Shachindra Nath".

Shachindra Nath
Executive Chairman & MD
DIN: 00510618
Mumbai

**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 nine months ended December 31, 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 5 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.
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 5 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.

**Deloitte
Haskins & Sells LLP**

5. 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.
6. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were reviewed by us and our report dated January 18, 2019 expressed an unmodified conclusion. These previously issued financial information have been adjusted to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been reviewed by us. Our conclusion on the Statement is not modified in respect of these matters.

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



Anjum A. Qazi
(Partner)

(Membership No. 104968)
(UDIN:20104968AAAAAH3554)

Place: MUMBAI
Date: January 31, 2020