

**PRESS RELEASE**  
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**U GRO Capital crosses Rs. 2,000 crore milestone on loan disburseals; raises Rs. 178 crores of debt from high profile lenders**

U GRO Capital, a BSE listed, small business lending fintech platform, announced its Q3 FY21 financial results and posted a PAT of INR 6.3 crores. This has been achieved while maintaining a consistently conservative approach to provisioning, with INR 5.9 crores of provisioning expenses in Q3. Despite the adverse economic and business conditions brought about by COVID-19, U GRO Capital has declared profits in each quarter of FY21.

**The key highlights for Q3 FY21:****Loan Portfolio**

- The Company's disburseals to date reached INR 2,065 crores at the end of Q3 FY21 despite the on-going COVID-19 related disruptions to business activity, with disburseals in the last quarter at INR 368 Crores
- The Company's monthly disbursement run rate has exceeded pre-COVID levels, with December 2020 disburseals at a record INR 140 crores
- The Company's AUM as of the end of December 31, 2020 stood at INR 1,127 crores across 8,429 live loans. The loan book is 70% secured, the largest sectoral concentration is light engineering (24%) and the largest geographical concentration is Delhi NCR (18%)
- Portfolio Proforma GNPA (90+ DPD) and NNPA stand at 2.3% and 1.4% respectively

**Liability and Liquidity Position**

- The Company has raised an incremental INR 178 crores of liability in Q3, for a total of INR 756 crores of sanctioned liability at an on-book blended rate of 10.1%
- The Company has 22 active lenders including PSU banks, Private sector banks and other financial Institutions on its borrowing book
- The Company has increased the number of lenders on book by 8, including high profile names such as SBI, Bank of Baroda, HDFC Bank, ICICI Bank and Axis Bank
- The Company maintains a strong liquidity profile with nearly INR 300 crores of cash and equivalents, and a further INR 194 crores of undrawn debt sanctions
- The Company maintains a CRAR of 77.9%, well above industry standards

**Financial Performance**

- The Company has taken a conservative approach to provisioning for loan loss, with a total provision of INR 21.4 crores

**UGRO CAPITAL 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

- The Company's total income increased to INR 39.1 crores in Q3 FY21, as compared to INR 28.9 crores in Q3 FY20
- The Company declared a Q3 FY21 PAT of INR 6.3 crores, as compared to INR 6.9 crores in Q3 FY20
- The net worth of the Company stands at INR 950.5 crores as on December 31, 2020

#### **Operational Parameters**

- The GRO Partner network now stands at 603 partners, a 16.4% increase on Q2FY21
- The Company has onboarded 28 ecosystem partners and 35 corporate partners
- The Company is introducing sub 15 lac loan, a line of smaller ticket, higher yield and shorter tenor secured products for microenterprises

#### **Technological Innovation**

- The Company became the first lender to complete UAT testing on the Government's GeM Sahay platform, which provides access to over 2.4 lakh sole proprietorships that supply a cumulative value of INR 18,935Cr. Platform expected to go live in February 2021 as per Government of India plans
- Digital Supply Chain Financing platform GRO-Chain to launch in February 2021

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, "This has been an exciting quarter for us at U GRO Capital, as we have been making a steady progress towards achieving our goal of solving India's \$300B MSME credit gap. We have also made an operational and strategic pivot by introducing our direct distribution product line to serve microenterprises. Propagating financial inclusion is our primary goal, and I am delighted with the successful launch and certainly hope that we can serve the nation's microenterprises the financing they deserve.

That we have achieved this growth in a time of such market turmoil and maintained profitability for each quarter of FY21 is truly remarkable, and full credit must go to the team for helping bring this vision to life so effectively. With the COVID-19 crisis hopefully coming to a close, the nation's MSMEs will be hungry to make up for lost time – and they can count on U GRO to stand alongside them."

#### **About U GRO Capital Ltd.:**

U GRO Capital limited is a BSE listed, small business lending fintech platform. The Company is focused on addressing capital needs of small businesses operating in select eight sectors by providing customized loan solutions.

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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 additionally lends to microenterprises, which behave as a monolith and act a pseudo ninth sector.

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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