

## PRESS RELEASE

### UGRO CAPITAL ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2021

The Board of Directors of UGRO Capital Limited approved the financial results for the quarter and half year ended 30<sup>th</sup> September 2021 at its meeting held through video conference on Tuesday, 2nd November 2021.

#### Key updates for the quarter

- Disbursements for the quarter stood at INR 790Cr registering a Q-o-Q Growth of 139%. Also, the company clocked its highest ever disbursements in Sep'21 (INR 288Cr).
- AUM stood at INR 1,933 Cr as of Sep-21 growth 98% YoY and 41% Q-o-Q.
- Total cumulative disbursements crossed INR 3,636Cr since inception
- Customer base crossed 10,000 mark.
- Company continued to expand its physical footprint. Branch count increased to 55 as compared to 34 in last quarter.
- Company has added 23 new lenders in the last twelve months taking the total active lender base to 37 as of Sep-21.
- Total Income at INR 62.7Cr increased 80% YoY and 22% Q-o-Q.
- The Company continued to hire additional manpower on the business side in line with its growth plans. Total employee base at the end of the quarter stood at 580 vs 194 employees a year ago. The total employee base as of today (October end) has crossed the 700 mark.

#### Key performance highlights for Q2FY22

##### a) Loan Portfolio:

- The Company's AUM as of the end of September 30, 2021, stood at INR 1,933Cr compared to INR 978 Cr as of Sep-20 registering a 98% increase on a Y-o-Y basis
- With contribution from all the distribution channels, the company clocked its highest ever disbursements in Sep'21 (INR 288Cr)
- The loan book is 78% secured with a well-diversified portfolio across sectors and geographies (3,250+ pin codes)
- Portfolio GNPA stands at 1.9% as of September 30, 2021

##### b) Liability and Liquidity Position

- The Company further widened its active lender base to 37 lenders testifying the strength of U GRO's business model.
- The Company's overall liability book rose to INR 1,096Cr in Q2FY22, with overall debt equity ratio still at 1.14x indicating a long runway for growth.

#### UGRO CAPITAL LIMITED

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**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

- Co-lending partnerships – We entered into a co-lending partnership with IDBI bank during the quarter thus expanding our co-lending relationships with multiple banks for various product categories
- Our credit rating outlook during the quarter improved from Stable to Positive
- The company maintains a CRAR of 47%, indicating a comfortable capital position.

### c) Financial Performance

- The company's total income increased to INR 62.7Cr in Q2FY22, as compared to INR 34.8 Cr in Q2FY21 an increase of 80% on a Y-o-Y basis
- The Net Interest Income (NII) for Q2FY22 stood at INR 31.7Cr compared to INR 20.7Cr in Q2FY21. 53% increase on Y-o-Y basis. Net interest margins improved 40bp QoQ to 7.7% largely due to reduction in the borrowing cost.
- The total provisioning as of Sep-21 stood at INR 24.2Cr vs the regulatory requirement of INR 22.1Cr.
- The Company declared a PBT of INR 4.7Cr, as compared to INR 2.7Cr in Q2 FY21
- The net worth of the Company stands at INR 958 Cr as on September 30, 2021

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, “We started our operational journey in January 2019 and completed our first full year of operational run from April 2019 – March 2020 which was one of the most turbulent time for NBFC industry post IL&FS crisis. As we were coming out of the after effect of the same, the business was completely halted from April 2020 – September 2020 and again in April 2021 to June 2021 due to the impact of covid pandemic. Our Q2 FY22 results are testimony to our long-term commitment to solve the credit problem of MSMEs through our sectoral approach, digital platform combined with both multi-channel asset engine and collaborative partnership on liability side.

Within our defined sector we have now built capabilities to serve small business customers with borrowing need of Rs. 1 Lac to Rs. 3 Crores through our four-pronged asset channel and we have been successful in building India's first fully data driven underwriting platform which has embraced the Data Tripod of GST, Banking & Bureau.

We continue to expand our distribution reach through our GRO Micro branches, and their relative contribution would start getting reflected in next few quarters, our Prime Branches have reached maturity and we are adding people to improve the throughput, our Eco System Channel, both SCF & Machinery is benefiting from the digital and physical footprint we have created. In last two quarters our GRO – Xstream platform have on boarded more than fifteen FinTech / NBFC partners on asset side and Banks on liability side. We will carry on the momentum and traction which is now coming because the infrastructure we have built over last one year and we have a clear path of achieving our mission of serving 1mn customers and take 1% market share of outstanding MSME Credit of India.

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## About U GRO Capital Ltd

U GRO Capital limited is a listed (NSE, BSE), MSME lending fintech platform. U GRO Capital's mission is 'Solve the Unsolved' – Small Business Credit Need with its omnichannel distribution model combining physical and digital journey of the customer. The Company envisions to spearhead India's transition of MSME lending market to the new age of on-tap financing. It uses the emerging Data Tripod of GST, Banking and Bureau coupled with its sectoral analysis to solve the problem of credit for small businesses.

U GRO aspires to serve one million small businesses with an asset book of 1% of outstanding MSME credit of India as its first milestone.

Technology underpins every aspect of U GRO's lending process, from API integrations, sectoral and sub-sectoral statistical scorecards, state-of-the-art AI/ML credit underwriting engine combining bank, bureau and GST statement analyzers, automated policy approvals, and machine learning OCR technology. Company's GRO Extreme platform empowers fintech and other institutional platforms to deepen their distribution reach through a plug and play API driven seamless integration with U GRO. The company has developed full tech stack to fully automate the complete life cycle of a loan right from origination to collection during the entire customer journey.

The Company has raised ~₹ 2500 crore of equity & debt capital from marquee Private Equity Investors, Family Offices, Banks and other Financial Institution over last 3 years.

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