

PRESS RELEASE
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U GRO Capital crosses INR 1,500 Cr of AUM & a monthly disbursement of INR 250 Cr in Jul-21.

- U GRO got listed on NSE on 11th Aug'2021
- AUM stood at INR 1,561 Cr as of Jul-21 & INR 1,375 Cr as of Jun-21 and cumulative disbursement crossed over INR 3,000 Cr in Jul-21
- Total lender base expanded to 32 during the quarter

U GRO Capital, a listed, technology focused platform, announced its financial results for quarter ended June 30th, 2021.

The key highlights for Q1 FY22:

Loan Portfolio:

- The Company's AUM as of the end of July 31, 2021 stood at INR 1,561 Cr & INR 1,375 Cr as of June 30, 2021 compared to INR 847 Cr as of June 30, 2020 registering a 62% increase on a Y-o-Y basis
- The cumulative disbursement crossed INR 3,000 Cr & the monthly disbursal crossed 250 Cr in July 2021
- The loan book is 74% secured and the largest sectoral concentration is light engineering (29%) and the largest geographical concentration is Delhi NCR (20%)
- Portfolio GNPA and NNPA stand at 2.29% and 1.88% respectively as of June 30, 2021

Liability and Liquidity Position

- The Company further widened its lender base to 32 lenders testifying the strength of U GRO's business model
- The Company's overall liability book rose to INR 816 Cr in Q1 FY22, with overall debt equity ratio still at 0.86x indicating a long runway for growth
- The Company maintains a strong liquidity profile with nearly INR 300 Cr of cash and equivalents
- The Company maintains a CRAR of 62%, indicating a healthy capitalisation

Financial Performance

- The Company's total income increased to INR 51.3 Cr in Q1 FY22, as compared to INR 30.8 Cr in Q1 FY21 an increase of 67% on a Y-o-Y basis
- The Net Interest Income (NII) for Q1FY22 stood at ₹27.4 Cr compared to ₹23.8 Cr in Q1FY21. ~15% increase on Y-o-Y basis
- The total provisioning as of Jun-21 stood at INR 20.6 Cr, 89% above the provision mandated as per RBI guideline

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 declared a PBT of INR 2.4 Cr, as compared to INR 4.1 Cr in Q1 FY21
- The net worth of the Company stands at INR 955 Cr as on June 30, 2021

Operational Parameters

- The Company commenced disbursement under the co-lending partnership signed under the revised framework with Bank of Baroda from June 2021
- In the Branch Channel, the company continues to increase its base of GRO Partner network to 724 in the quarter ended June 30, 2021 from 393 a year ago. Its products continue to see a strong traction among the small businesses
- In the ecosystem channel, the company added 7 new anchors further bolstering its base for rapid growth. In machinery finance, while there was some disruption due to the COVID 2nd wave the company saw good traction in June & July
- In the Partnership & Alliances channel, the company continued to operationalise more co-lending partnerships. In a first of its kind, company signed a BC Partnership with Prest Loans, that is expected to give a boost to its Micro Loan penetration
- The Company continued to hire additional manpower on the business side in line with its growth plans

The Company is, at this juncture, focused on achieving robust growth while protecting its balance sheet and maintaining its strong liquidity position. Given its healthy capital adequacy, low gross NPA and net NPA, diversified portfolio mix, granular geographical distribution and strong risk metrics, the Company is confident in achieving its growth goals while maintaining its conservative approach.

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, "Q1 FY22 has been a difficult quarter for the entire lending industry due to the disruption caused by COVID 2nd wave. We followed a focussed approach towards lending and capitalised on opportunities available in the states that were moderately affected. With the receding impact of COVID in June, we rebounded strongly. I'm happy to inform you that in July, we clocked our highest ever monthly disbursement. We will carry on the momentum and traction that we saw in July and remain committed to achieve our 5-year goals. Even on the liability side, our presence continued to expand, and we now have 32 active lenders on our book right now. I'm delighted to share with you the progress that we've been making on all fronts."

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About U GRO Capital Ltd.:

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

U GRO Capital's mission is 'Solve the Unsolved' – Small Business Credit Need. U GRO Capital 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 ₹ 920 crore of capital from a diversified set of institutional investors like private equity funds 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 MSME financing platform based on sectoral understanding supplemented by a fully integrated technology and analytics platform.

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