



17<sup>th</sup> June 2025

To

**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai 400001**

**National Stock Exchange of India Limited**  
**Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G**  
**Block Bandra, Kurla Complex, Bandra**  
**(East) Mumbai 400051**

**Scrip Code – 511742**

**Symbol – UGROCAP**

**Subject: Press Release - “UGRO CAPITAL TO ACQUIRE PROPECTUS CAPITAL IN A ₹1,400 CR ALL-CASH DEAL”**

Dear Sir/Madam,

We are enclosing herewith Press Release issued by the Company dated 17<sup>th</sup> June 2025, titled “UGRO CAPITAL TO ACQUIRE PROPECTUS CAPITAL IN A ₹1,400 CR ALL-CASH DEAL” along with a detailed presentation in this regard.

This is for your information and records.

The aforesaid information is being made available on the Company's website at [www.ugrocapital.com](http://www.ugrocapital.com)

Thanking You,

**For UGRO Capital Limited**

**Satish Kumar**  
**Company Secretary and Compliance Officer**  
Encl: a/a

**UGRO CAPITAL LIMITED**

**Registered Office Address:** Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

**CIN:** L67120MH1993PLC070739

**Telephone:** +91 22 41821600 | **E-mail:** info@ugrocapital.com | **Website:** www.ugrocapital.com

## PRESS RELEASE

### UGRO CAPITAL TO ACQUIRE PROPECTUS CAPITAL IN A ₹1,400 CR ALL-CASH DEAL EQUITY RAISE PROCEEDS TO BE MOBILIZED TO ACHIEVE DIVERSIFIED ASSET MIX AND ACHIEVE SIGNIFICANT OPERATING LEVERAGE

**Mumbai, June 17, 2025:** UGRO Capital Limited (NSE: UGROCAP | BSE: 511742), a leading DataTech NBFC focused on MSME lending, today announced a significant development that underscores its commitment to empowering the MSME ecosystem through tailored, embedded financial solutions and expanding its Emerging Market business reach. UGRO Capital has executed a Share Purchase Agreement with the existing shareholders of Profectus Capital Private Limited ("Profectus") to acquire 100% of the shares of Profectus. This all-cash deal, with the consideration payable in a single tranche at closing shall mobilize proceeds from UGRO's recently announced equity raise, will deploy capital into a fully secured asset portfolio delivering instant scale benefits with zero origination costs, making Profectus a wholly owned subsidiary. We estimate that this acquisition would add approximately ₹ 150 Crores of annualized profit to UGRO making it a capital adequacy accretive transaction.

The acquisition strategically enhances four core NBFC pillars: Immediate 29% AUM growth diversifies the combined portfolio to accelerate high-yield Emerging Markets and Embedded Finance expansion, while adding School Financing with incremental ₹2,000 Crores medium-term potential, as per our assessment. We estimate significant geographic and product alignment in Secured LAP, Machinery Finance, and Supply Chain Finance which we believe will drive operational efficiencies, generating ₹115 Crores cost savings and adding incremental profitability of ₹150 Crores thus boosting ROA by 0.6-0.7% once a post-acquisition merger is complete. The combined entity's strengthened asset mix features higher secured assets, thereby providing further impetus to scale Emerging Market and Embedded Finance businesses.

Profectus has demonstrated stable portfolio expansion, building its assets under management to ₹3,468 Crores as of March 2025, with presence across seven states through a 28-branch network and over 800-member team, all while maintaining a gross NPA of 1.6% and Net NPA of 1.1%. Its complementary businesses in secured lending perfectly align with UGRO's data-driven underwriting platform. To facilitate the discharge of purchase consideration for the proposed acquisition, the Company is proposing to add financing of Profectus' acquisition as an object of the existing preferential issuance of compulsorily convertible debentures by seeking fresh approval from the board and shareholders. The acquisition is expected to close on fulfilment of customary conditions, including receipt of RBI/shareholder approvals.

Both entities will maintain current operations and strategy during integration.

Reflecting on this acquisition, **Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital**, said, *"This strategically priced acquisition deploys our equity raise to achieve instant scale and ₹115 Crores cost savings and annualized incremental profitability of ₹ 150 Crores thus boosting ROA by 0.6–0.7%. Integrating Profectus' school finance expertise unlocks ₹2,000 Crores growth potential and strengthens our secured asset mix – accelerating our journey to become India's largest MSME lender through enhanced Emerging Markets and Embedded Finance capabilities."*

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**Mr. K.V. Srinivasan, Executive Director & CEO, Profectus Capital**, added, *“The coming together of the two organisations would be beneficial owing to the synergies and complementarity of the businesses, which should result in greater operational efficiency and profitability for the business. We at Profectus, thank our investors for their unwavering commitment and support throughout our journey, which has helped us to establish a very strong process-oriented business with an excellent portfolio quality.”*

With this strategic acquisition, UGRO Capital reaffirms its commitment to driving inclusive economic growth and empowering MSMEs across India, leveraging combined synergies to expand high-yield offerings while maintaining portfolio quality.

InCred Capital acted as the exclusive advisor to UGRO Capital on this acquisition transaction. SNG & Partners was engaged as the legal counsel to the Company. The Company engaged PriceWaterHouse Coopers Services LLP for financial due diligence and Legacy Growth Partners for tax due diligence for the transaction.

**About UGRO Capital Ltd** (NSE: UGROCAP | BSE: 511742)

UGRO Capital Limited is a DataTech Lending platform, listed on NSE and BSE, pursuing its mission of “Solving the Unsolved” for the small business credit gap in India, on the back of its formidable distribution reach and its Data-tech approach.

The Company’s prowess in Data Analytics and strong Technology architecture allows for customized sourcing platforms for each sourcing channel. GRO Plus module which has uberized intermediated sourcing, GRO Chain, a supply chain financing platform with automated end-to-end approval and flow of invoices, GRO Xstream platform for co-lending, an upstream and downstream integration with fintechs and liability providers, and GRO X application to deliver embedded financing option to MSMEs.

The credit scoring model GRO Score (3.0) a statistical framework using AI / ML driven statistical model to risk rank customers is revolutionizing the MSME credit by providing on-tap financing like consumer financing in India.

UGRO has executed Co-lending model in India which is prevalent in the West through Co-Lending relationships with total of 17 Banks and NBFCs and built a sizeable off-balance sheet asset of 42% of its AUM through its Co-lending and Co-originating partners and GRO Xstream platform. The Company is backed by marquee institutional investors (raised INR 900+ Cr of equity capital in 2018, INR ~340 Cr in 2023 and INR ~1,265 Cr in 2024) and aims to capture 1% market share over the next three years.

For more information, please visit: <http://www.ugrocapital.com/>

**Contact Details**

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# UGRO Capital Limited

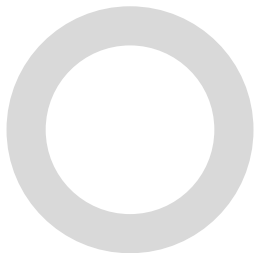
## Building an Institution for MSME Lending

Data Tech Empowering Small Businesses (MSME) Lending

## Acquisition of Profectus Capital

June 17, 2025

NSE: UGROCAP | BSE: 511742



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# Transaction Overview

Ugro Capital Ltd (“UGRO”) has executed a **Share Purchase Agreement** with Actis LLP to acquire **100% stake** in Profectus Capital Pvt Ltd (“Profectus”)

## Strategic Objective

Deploying newly raised capital into acquiring a **fully secured asset portfolio** delivering **instant scale benefits** with **no origination costs** leading to potential **INR 150 Crores of incremental profitability** and **increase in ROA by 0.6%-0.7%**.

## Consideration

The consideration for this acquisition is **INR 1,400 Crores**, which is **1.07 times** the projected net worth of FY26

## Key Metrics Comparison

UGRO Capital (Acquirer)	Key Metrics	Profectus Capital (Target)
MSME focused NBFC with pan India presence from Tier I to Tier IV cities	<b>Business</b>	MSME focused NBFC with pan India presence in Tier I and Tier II Cities
7 years	<b>Vintage</b>	8 years
INR 12,003 Crores	<b>AUM</b>	INR 3,468 Crores
70:30	<b>Secured – Unsecured Mix</b>	100% Secured
60:40	<b>On-book – Off-book Mix</b>	90:10
INR 144 Crores	<b>PAT*</b>	INR 27 Crores
2.4%	<b>ROA %*</b>	0.9%
235	<b># Branches</b>	28
India Ratings A+	<b>Credit Rating</b>	CARE Ratings A

\* Operational synergies would add approx. Rs 80 Crores of PAT on annualized basis

# Unlocking Value: What the Acquisition Delivers

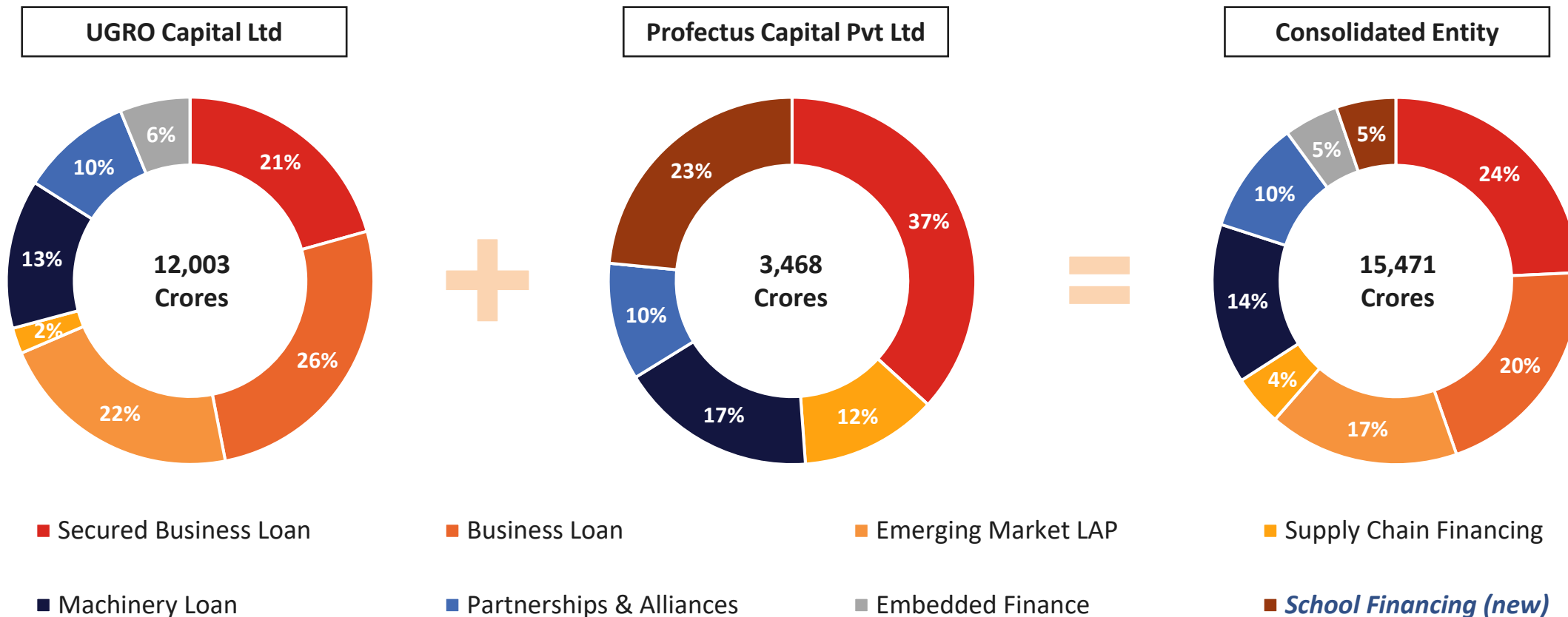
Improved metrics across all four core pillars of a non-banking finance corporation: scale, profitability, asset mix and liability profile

<b>A</b> Scale	INR <b>15,471</b> Crores <i>Combined Gross AUM</i>	<b>+29%</b> <i>Immediate Growth in AUM</i>	<b>263</b> Branches <i>Addition of 28 branches</i>
<b>B</b> Profitability	INR <b>115</b> Crores <i>Cost savings</i>	<b>60-70</b> Bps <i>Estimated ROA accretion in FY26</i>	<b>&gt;50%</b> <i>Enhanced PAT target for FY26</i>
<b>C</b> Asset Mix	<b>75:25</b> <i>Secured – Unsecured Mix</i>	<b>65:35</b> <i>On-book – Off-book Mix</i>	<b>&lt;1.8%</b> <i>Estimated Credit Cost for FY26</i>
<b>D</b> Liability Profile	INR <b>1,315</b> Crores <i>Efficient Use of Capital Raised</i>	<b>21%</b> <i>Capital Adequacy Ratio</i>	<b>2.9x</b> <i>Debt – Equity Ratio</i>

All figures presented above pertain to the consolidated entity

# A: Scale – Immediate Growth in AUM by 29%

The combined portfolio will be well-diversified, enabling accelerated growth in focus areas such as **Emerging Markets** and **Embedded Finance**



- Addition of School Financing to UGRO’s existing product suite with incremental **growth potential of INR 2,000 Crores** in the medium term
- **Significant geographic alignment and product portfolio overlap**, particularly in Secured LAP, Machinery Finance, and Supply Chain Finance

Above numbers are as of Mar-25

## B: Profitability – Operational Efficiency due to Product Overlap

The combined business is expected to achieve **cost savings of INR 115 Crores, boosting ROA by 0.6%–0.7%** within the next financial year

Business Verticals	UGRO Capital Operating Expenses FY25	Profectus Capital Operating Expenses FY25	Cost Savings
Prime Loans	201.3	71.0	<b>70.0</b>
Machinery Finance	52.9	35.3	<b>30.0</b>
Supply Chain Finance	5.9	15.0	<b>15.0</b>
Emerging Market	139.3	--	--
Digital Alliances	38.4	--	--
School Finance	--	40.6	--
NBFC Financing	--	7.3	--
<b>Total</b>	<b>437.8</b>	<b>169.1</b>	<b>115.0</b>

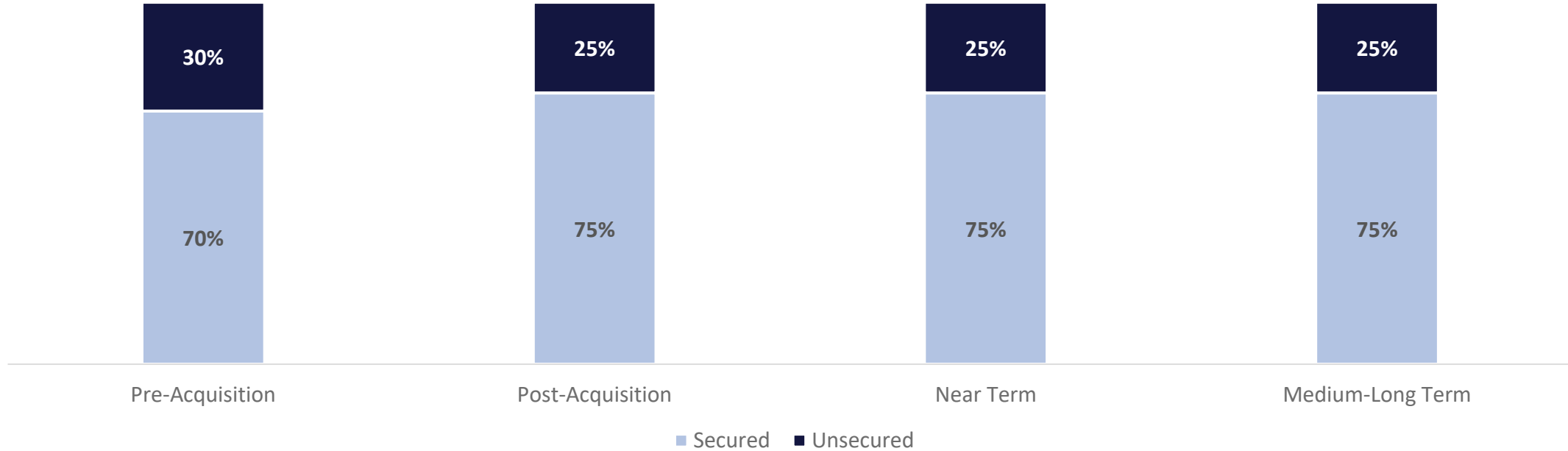
- **Significant geographic and product overlap** creates opportunities to **optimize operating expenses**, with potential savings of INR 115 Crores
- Cost synergies to **drive higher profitability, accelerating net worth growth**

*Above numbers are in INR Crores*

# C: Strengthened Asset Mix – Higher Secured Mix

With larger proportion of secured assets, there is greater potential to **accelerate growth** in the high-yielding Embedded Finance Business

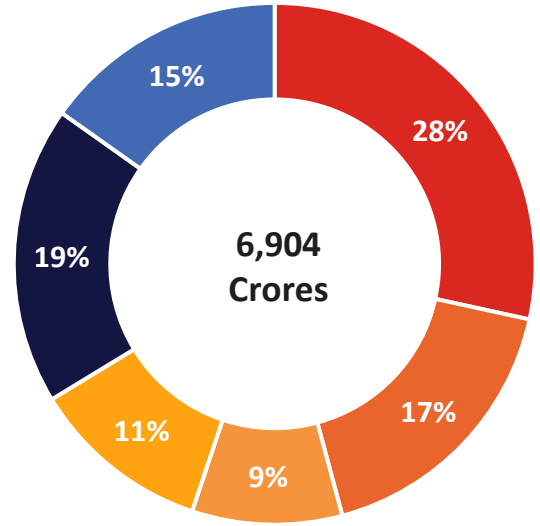
## Consolidated Secured – Unsecured AUM Mix



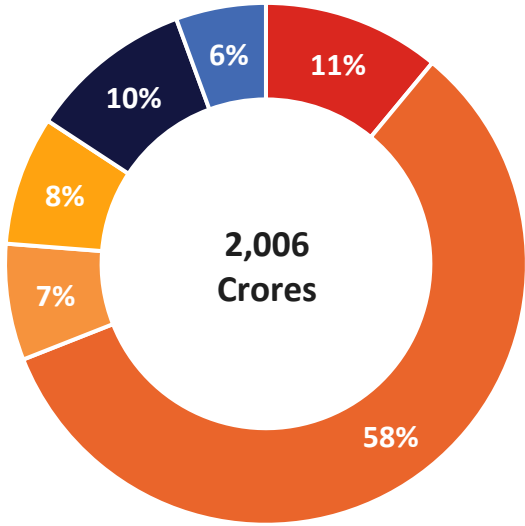
# D: Liability Profile – Complementary Liability Mix to Open New Avenues

Inclusion of private banks will further **strengthen and diversify the combined liability profile**, enhancing its overall resilience and stability

**UGRO Capital Ltd**



**Profectus Capital Pvt Ltd**



UGRO to gain **direct access** to Profectus' extensive network of **private lenders**

- PSUs
- Private/ SFBs/ Others
- NBFC
- FI
- DFI
- Capital Markets

**UGRO's Top Lenders**

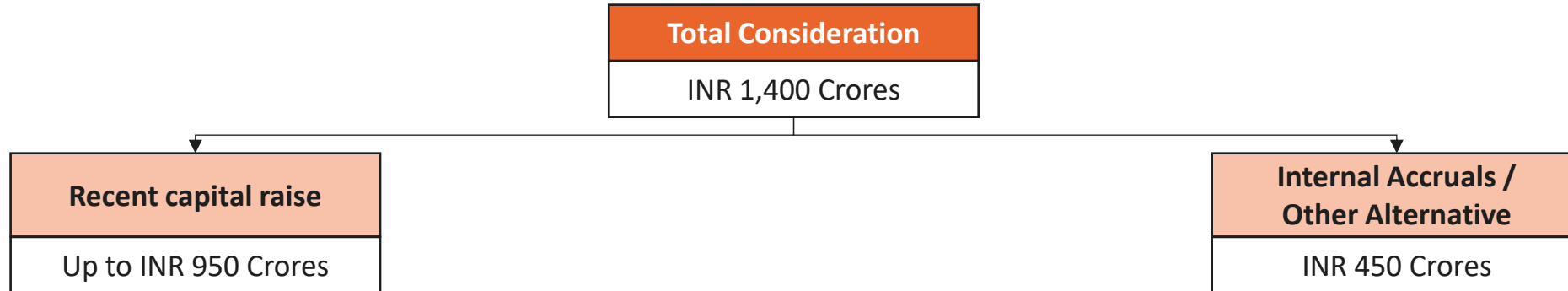


**Profectus' Top Lenders**



# Source of Funding and Timeline

## Source of Funding



## Timeline

### Approvals

The acquisition is expected to be completed within 2–3 months, subject to customary approvals from the RBI and shareholders.

### Merger

Following the acquisition, UGRO plans to merge Profectus. The effective date of merger post acquisition would be April 1, 2025.

Both companies would continue to operate in the same way with no change in the stated strategy. The acquisition would provide UGRO with further impetus to scale its high yielding Emerging Market and Embedded Finance businesses.

Thank you

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