

## PRESS RELEASE

### UGRO CAPITAL LIMITED TO RAISE SIGNIFICANT GROWTH CAPITAL

- UPTO INR 915 CRORES THROUGH A PREFERENTIAL ISSUE
- OFFERS RIGHTS ISSUE OF INR 400 CRORES TO ITS EXISTING PUBLIC SHARE HOLDERS

**Mumbai, May 20, 2025:** UGRO Capital, India's leading DataTech driven MSME Financing NBFC, today announced that its Board of Directors has approved a preferential issue of Compulsorily Convertible Debentures (CCDs) amounting upto INR 915 Cr.

UGRO Capital over a period of last two years demonstrated a strong growth in its operating business with its asset under management growing from INR 6,081 Cr in FY23 to INR 12,003 Cr in FY25, PBT from INR 84 Cr in FY23 to INR 203 Cr in FY25 and ROA from 1.3 % in FY23 to 2.9% in FY25. Over this period, Company added 100,000+ customers and 137 Emerging Market (EM) branches. UGRO has consistently performed well in its operating metrics in last three years as per the table below:

*(INR Cr)*

Financial year	AUM	PBT	ROA	ROE	GNPA	NNPA	Credit Cost
FY23	6,081	84	1.3%	4.1%	1.6%	0.9%	1.3%
FY24	9,047	179	2.8%	9.9%	2.0%	1.1%	1.5%
FY25	12,003	203	2.9%*	9.4%*	2.3%	1.6%	1.6%

\* This is excluding EM branch expansion impact. ROA and ROE with EM branch expansion is 2.4% and 8.7%.

**Post this capital raise UGRO Capital Adequacy would enhance from 19.41% at the end of FY25 to 29.4% giving it significant head room for growth.**

#### Issuance of CCDs

In June 2024, UGRO Capital had raised capital commitment of INR 258 Cr through CCDs and INR 1,007 Cr through warrants totalling INR 1,265 Cr. The said CCDs & warrants were issued at a conversion price of INR 264 per share.

UGRO's growth momentum continues to be strong, with strong operating metrics. UGRO ended FY25 at CAR of 19.41% and it is expected that its growth capital will get further augmented by the new CCD issuance even if the earlier warrants do not get converted due to market events or any other cause. The new CCDs will be issued at a conversion price of INR 185/- per share.

#### Rights Issue

With a view to giving a fair opportunity to public shareholders to preserve their shareholding levels in the Company, Board has approved a Rights Issue of up to INR 400 Cr, the terms of which would be determined in the forthcoming board meeting, in line with terms of preferential allotment.

In the preferential allotment of CCDs, UGRO's existing long-term shareholder, Samena Capital and its Private Equity Funds currently owning 7.49% of UGRO has committed upto INR 500 Cr and would become a large institutional shareholder of UGRO. Aregence a well-known Singapore based public market investor has committed INR 168 Cr, this preferential allotment has also received commitment from multiple well acclaimed family offices investors.

### 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

In addition to Preferential Allotment, in the proposed Rights Issue, IFU – the Investment Fund for Developing Countries, a Danish impact investor which is an affiliate of Danish Government and existing investor of UGRO owning 16.35% have committed INR 150 Cr.

Promoter, Promoter group and Employees have also reaffirmed their commitment by contributing INR 34 Cr via CCD and Rights Issue.

**Mr. Shachindra Nath, Managing Director of UGRO Capital** said, *"UGRO has delivered strong operating performance, I am thankful for all of the existing shareholders and CCD Investors for committing significant amount of capital to UGRO which would ensure that UGRO continues on its growth journey. UGRO was created as India's first public market start up, we are confident that this capital raise would build confidence among all stakeholders including public market institutional investors, rating agency and our liability providers. The MSME financing market opportunity continues to be the largest among different asset classes and it serves the objective of nation building by providing credit to underserved MSME market and increasing the penetration of employment in our country."*

#### About UGRO Capital Ltd (NSE: UGROCAP I 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

<b>UGRO Capital</b> Ankit Chothani E: <a href="mailto:ankit.chothani@ugrocapital.com">ankit.chothani@ugrocapital.com</a> M: +91 9833370569	<b>Concept PR</b> Archana Pradhan <a href="mailto:archana.p@conceptpr.com">archana.p@conceptpr.com</a> M: +91 9820330505
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