

## PRESS RELEASE

### UGRO CAPITAL ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2025

Reports AUM of INR 12,226 Cr, up 20% and PAT for H1'FY26 at INR 77.4 Cr, up 18% (YoY)

**STABLE QUARTER DRIVEN BY STRATEGIC RECALIBRATION, EMBEDDED FINANCE SCALE-UP, AND COMPLETION OF EMERGING MARKET BRANCH EXPANSION**

#### Key Highlights

- **AUM:** INR 12,226 crore, up 20% YoY
- **Net Disbursement:** INR 1,789 crore in Q2'FY26; INR 3,388 crore in H1'FY26
- **Total Income:** INR 461 crore in Q2'FY26, up 35% YoY; INR 883 crore in H1'FY26, up 37% YoY
- **PAT:** INR 43.3 crore in Q2'FY26, up 27% QoQ / 22% YoY; INR 77.4 crore in H1'FY26, up 18% YoY
- **GNPA / NNPA:** 2.4% / 1.5% on AUM; provision coverage ratio at 47%; Stage-1 Assets: Stable at 93% of the AUM, indicating high asset quality.
- **Off-book AUM:** 43% of AUM, across 16 co-lending and 40+ fintech partnerships
- **CRAR:** 25.4%, ensuring strong capital headroom
- **Rating Update:** India Ratings updated its long term ratings to IND A+ / Rating Watch with Positive Implication on Profectus Acquisition and Crisil updated its ratings to Crisil A/Watch Developing
- **Total Collection Efficiency:** 100% in Q2'FY26 (up from 96% in Q2'FY25).

**Mumbai, November 7, 2025:** UGRO Capital Limited, a DataTech NBFC focused on MSME lending, announced its financial results for the quarter and half-year ended September 30, 2025. Over the past three years, UGRO has consistently added approximately INR 3,000 crore to its AUM annually. With the proposed acquisition of Profectus Capital expected to contribute an additional INR 3,000 crore inorganically this year, the Company recalibrated its disbursement volumes to optimise liability requirements and moderate future borrowing costs. Following signs of over-leverage in parts of the unsecured segment, UGRO has curtailed throughput rates from 30% to 20% and tightened underwriting filters. This prudent approach aligns with the prevailing macro headwinds in the small-ticket MSME segment.

#### **Emerging Market (EM) Business: Poised for Steady-State Profitability**

UGRO's Emerging Market (EM) (Small ticket Loan Against Property for Micro Enterprises) business continues to be a key growth driver, with 303 branches across 13 states and AUM of INR 2,997 crore, contributing 25% of total AUM. 29 branches have already reached INR 1 crore+ monthly productivity, generating stable profits. 86 branches are expected to mature within 12 months, and 188 branches within 18 months. With the

#### **UGRO CAPITAL LIMITED**

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

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physical network build-out complete, UGRO's focus has shifted from expansion to branch-level productivity, risk calibration, and profitability improvement, establishing the foundation for long-term operating leverage.

### Embedded Finance (MSL Platform): Scaling through Digital Ecosystems

UGRO's embedded finance business through its MyShubhLife (MSL) platform continues to gain strong momentum. AUM reached INR 1,270 crore within four quarters, serving 1.5 lakh+ small retailers. Q2'FY26 disbursements stood at INR 713 crore, with a healthy monthly run rate of INR 200 crore. The platform addresses a \$20+ billion credit gap in small retail and micro-merchant segments.

### Capital and Liability Strengthening

UGRO raised INR 535 crore of equity capital which would be utilized for acquisition of Profectus Capital. Total borrowings rose to INR 8,088 crore, with cost of borrowing improving to 10.37% (-38 bps YoY). The Company's off-book portfolio of 43% underscores its leadership in co-lending and securitisation partnerships, further diversifying its funding mix.

#### Brief Financial Snapshot

(INR in Cr)

Particulars	Q2'FY26	Q1'FY26	Growth (Q-o-Q)	H1'FY26	H1'FY25	Growth (Y-o-Y)
<b>AUM</b>	<b>12,226</b>	<b>12,081</b>	<b>1%</b>	<b>12,226</b>	<b>10,157</b>	<b>20%</b>
<b>Net - Loans originated / Disbursement</b>	<b>1,789</b>	<b>1,599</b>	<b>12%</b>	<b>3,388</b>	<b>3,118</b>	<b>9%</b>
Total Income	461	422	9%	883	644	37%
Finance cost	219	205	6%	424	279	52%
<b>Net Total Income</b>	<b>243</b>	<b>216</b>	<b>12%</b>	<b>459</b>	<b>365</b>	<b>26%</b>
Operating Expenses	137	121	14%	258	195	32%
Credit cost	44	48	(7%)	92	78	19%
<b>PBT</b>	<b>61</b>	<b>48</b>	<b>27%</b>	<b>109</b>	<b>93</b>	<b>18%</b>
<b>Tax</b>	<b>18</b>	<b>14</b>	<b>27%</b>	<b>32</b>	<b>27</b>	<b>18%</b>
<b>PAT</b>	<b>43</b>	<b>34</b>	<b>27%</b>	<b>77</b>	<b>66</b>	<b>18%</b>

Post this capital raise UGRO Net Worth is INR 2,463 crore with on balance sheet asset of INR 10,779 crore with debt to equity at 3.3x giving it head room for future growth.

Commenting on the results, **Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital** said, "Q2'FY26 marked a period of strategic recalibration and operational steadiness. With the Emerging Market network now at 303 branches and the Embedded Finance platform scaling rapidly, UGRO is entering a phase of structural profitability improvement. Our portfolio quality remains robust, with 93% assets in Stage-1, 100% total collection efficiency, and conservative provisioning. As our branches mature over the next six quarters and Embedded Finance deepens, we see a clear pathway to ROA expansion and sustained value creation. The Profectus Capital acquisition and continued investment in our DataTech underwriting architecture strengthen UGRO's position as India's most diversified and data-driven MSME lender."

#### 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.

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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 16 Banks and NBFCs and built a sizeable off-balance sheet asset of ~43% of its AUM through the 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, INR 258 Cr in 2024 and INR 915 Cr in 2025) 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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