

PRESS RELEASE

UGRO CAPITAL ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31st MARCH 2022

The Board of Directors of UGRO Capital Limited approved the financial results for the Quarter and Financial year ended 31st March 2022 at its meeting held in hybrid mode on Tuesday, 24th May 2022.

Appointment of Non-Executive Chairman

UGRO Capital Limited was envisaged to be an independent listed public institution supported by marquee institution shareholders and supervised and managed by Independent Board of Directors. UGRO would be completing 3 years of its operational run and has achieved approximately Rs. 3,000 Crores of asset under management.

UGRO's Board consists of a majority of Independent Directors and given its size and growth momentum, the Board considered it appropriate to appoint a Non-Executive Board Member as its Chairman.

As a result, Mr. Satyananda Mishra, who is an existing Independent Director of the Company, was appointed as the Non-Executive Chairman of the Company.

“Mr. Mishra is the former Chief Information Commissioner of India (December 2010 to September 2013). He has a diverse and exemplary career of more than 40 Years in the Indian Administrative Services (batch of 1973). He was the Chairman and Non-Executive Independent Director of the Multi Commodity Exchange of India Limited from November 2013 till November 2016. He served as the Director of Small Industries Development Bank of India until 2018 and as a Development Commissioner of Small-Scale Industries in the Government of India. During his stint as the Chief Information Commissioner, he had set a new benchmark in transparency in politics wherein the Central Information Commission under his leadership held political parties answerable under the Right to Information Act. Additionally, he has also held the position of Former Secretary for various government departments like Department of Personnel & Training (DoPT), Public Works Department (PWD) and Department of Culture (MP Government).”

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

Key performance highlights for Q4FY22 and FY22

a) Loan Portfolio:

- The Company's AUM as of March 31, 2022, stood at INR 2,969 Cr compared to INR 1,317 Cr as of March 31, 2021, a 125% increase on a Y-o-Y basis.
- Gross Disbursements for FY22 stood at INR 3,138 Cr, a 173% Y-o-Y Growth compared to INR 1,147 Cr in FY21.
- Disbursements for Q4FY22 stood at INR 963 Cr, a growth of 114% over Q4FY21.
- Our business has shown strong resilience by bouncing back quickly from the impact of Covid wave 3 and we exit FY22 at a monthly gross disbursement run rate of ~ INR 350 Cr
- Portfolio GNPA and NNPA stood at 2.3% and 1.7% respectively as of March 31, 2022. Our total provision coverage improved from 1.4% (% of On Book AUM) as on Dec-21 to 1.7% as on Mar-22.
- Our GNPA% decreased from 2.7% as on Mar-21 to 2.3% as on Mar-22

b) Liability and Liquidity Position

- The Company strengthened its lender base by adding 26 new lenders during FY22. As on March 31, 2022, total lender count stood at 55.
- The Company's total Debt stood at INR 1,802 Cr as on March 31, 2022 and the overall debt to equity ratio still remains low at 1.86x, indicating a long runway for growth.
- We have efficiently implemented and executed the Co-lending Model during FY22 by partnering with large Public Sector Banks. We are transitioning towards "Lending as a service" business model and, as a result of the same, our Off Book AUM has increased to ~16% as on Mar-22.
- During FY22 the company raised liabilities through innovative debt instruments which were earlier unheard of in the lending market
- The company maintains a CRAR of 34%, indicating a comfortable capital position.

c) Branch and Customer Network

- Our customer count is ~20,000 as on Mar-22.
- During FY22, the Company expanded its network by adding 57 branches, our total branch count as on Mar-22 stood at 91.
- Increase in branch count was majorly driven by scaling up of our Micro vertical (71 branches as on Mar-22 vis-avis 25 as on Mar-21)

d) People Power

- In line with the growth strategy, the Company continued to hire additional workforce.
- We hired an additional 750 employees during the year and saw our total employee strength rise to more than 1,100 employees.

e) Financial Performance

- The net worth of the Company stands at INR 966 Cr as on March 31, 2022

UGRO CAPITAL LIMITED

- The company's total income (NII + Other Revenue) increased to INR 176.0 Cr in FY22, as compared to INR 108.8 Cr in FY21, an increase of 61.8% on a Y-o-Y basis
- The total provisioning as on Mar-22 stood at INR 40.6 Cr vs. the regulatory requirement of INR 27.2 Cr.
- The Company declared a PBT of INR 20.2 Cr as compared to INR 12.1 Cr in FY21.
- PBT to PAT Bridge of the Company is as follows

Particulars	FY21	FY22
PBT	12.1	20.2
Less: Current Tax	(4.8)	(6.6)
Add: Deferred Tax	21.4	1.0
Net Tax Impact	16.6	(5.6)
PAT	28.7	14.6
PAT excluding Deferred tax Benefit	7.3	13.6

Commenting on the appointment, **Mr. Satyananda Mishra, Non-Executive Chairman of U GRO Capital** stated "I am honored to be appointed as Non-Executive Chairman of the Board of UGRO Capital Ltd which has redefined excellence as a Fintech NBFC. In a short period of just about four years, UGRO has etched a name for itself in the financial world. I look forward to a brighter future for this Company."

Commenting on the results, **Mr. Shachindra Nath, Vice Chairman and Managing Director of U GRO Capital** stated, "The company has built formidable distribution strength by scaling up its asset channels in FY22 to support future growth plans. We have been pioneers of the Co-lending model in the industry and have set course for transitioning our business model to lending as a service. Data analytics and technology is at the forefront of our business model. We have been able to implement one of the best underwriting models and build a robust tech architecture to support the end-to-end digital customer journey through API. Going forward, our focus shall remain on growing our book profitably, by increasing the proportion of our off-book AUM."

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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 ~₹ 3,000 crore of equity & debt capital from marquee Private Equity Investors, Family Offices, Banks and other Financial Institution over last 3 years.

Contact Details

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