



# UGRO Capital Limited

## Building an Institution for MSME Lending

Data Tech Empowering Small Businesses (MSME) Lending

## Q2'FY25 Earnings Presentation

22 October 2024

NSE: UGROCAP | BSE: 511742



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## Milestone quarter: Growing in size, getting recognized



**Total AUM crossed INR 10,000 Cr milestone as of Sep'24**  
Over the last 3 years, UGRO's investment in DataTech infrastructure, coupled with branch network and market leading position is coming together in creating a leading platform for MSME credit in India



Awarded **'Best Fintech Lender of the Year'** at Financial Express (India) India's Best Banks Awards

# Milestone quarter: **Distribution & Liability franchise firing together**

## Distribution

### Highest ever net loans originated:

INR 1,971 Cr compared to INR 1,146 Cr in Q1'FY25 and INR 1,476 Cr in Q2'FY24

### 46 Micro branches added in Q2'FY25 taking total branch count to 210:

Expanding to new markets with focus on micro-marketing along with tie-ups with local industry bodies/ associations

### Highest ever disbursement by Micro Channel:

INR 456 Cr vs. INR 209 Cr in Q1; contributed to 23% of net disbursement

## Liability

### Highest ever co-lending volumes:

INR 615 Cr in Q2'FY25 vs INR 337 Cr in Q1'FY25 and INR 324 Cr in Q2'FY24

### Mobilized highest ever borrowings in a quarter:

~INR 1,100 Cr in Q2'FY25 vs ~INR 315 Cr in Q1'FY25 and ~INR 780 Cr in Q2'FY24

### Ratings upgrade reflecting improving financial performance:

'IND A+/ Stable' (long-term) and 'IND A1+' (Short-term) by India Ratings

# Q2'FY25 Snapshot: All-round Profitable Growth

## Asset side reaping in benefits of continued investments in DataTech and distribution network

- **AUM increased to INR 10,157 Cr** as on Sep'24 compared to INR 9,218 Cr as of Jun'24 and INR 7,592 Cr as of Sep'23 (+34%)
- Recorded **lifetime highest net loans originated at INR 1,971 Cr** compared to INR 1,146 Cr in Q1'FY25 and INR 1,477 Cr in Q2'FY24 driven by increased volumes across all products
- **Micro Channel loans disbursement more than doubled** to INR 456 Cr in Q2 vs. INR 209 Cr in Q1; overall Micro Enterprises loans contribution to AUM increased to ~11% as of Sep'24 from 8% as of Sep'23; to increase to further driving yield expansion.

## Asset quality remains stable with collection efficiency at 96%

- **GNPA / NNPA at 2.1% / 1.3%** (2.0% / 1.2% as of Jun'24)
- Stage 3 provision coverage stood at 47%

## Liability franchise continues to gain strength with ratings upgrade, diversified borrowing-mix, strong co-lending trends

- **Ratings upgrade:** India Ratings upgraded UGRO Capital Limited to 'IND A+/ Stable' (long-term) and 'IND A1+' (Short-term)
- **Mobilized more than INR 1,100 Cr during the quarter – highest ever for UGRO;** total Debt stood at INR 5,344 Cr as of Sep'24
- Off-book AUM proportion at 44%; **recorded highest ever Co-Lending volumes at ~INR 615 Cr;** expanded co-lending partner list to 9 Banks and 7 NBFCs
- Oct'24: **USD 40 Mn funding deal** with United States International Development Finance Corporation (DFC); 70% would be utilized towards women-led qualifying businesses. Also, raised INR 200 Cr through Public NCDs

## Profitability on track to 4% RoA path: PAT at INR 36 Cr vs INR 30 Cr in Q1'FY25/ INR 29 Cr in Q2'FY24

- Cost-to-Income ratio at 53.3% (54.5% in Q1'FY25/ 56.3% in Q2'FY24)
- RoA at 2.0%; RoE at 8.5%\*
- Networth at INR 1,958 Cr; CRAR at 24.5% with on-book leverage at 2.7x



# Performance snapshot for Q2'FY25

	Q2'FY25	Q2'FY24		H1'FY25	H1'FY24	
AUM (INR Cr)	10,157	7,592	↑ 34%	10,157	7,592	↑ 34%
Net Disbursement (INR Cr)*	1,971	1,476	↑ 34%	3,118	2,760	↑ 13%
Off-book AUM	44%	45%	↓ 60 bps	44%	45%	↓ 60 bps
Net Total Income % <sup>§</sup>	13.1%	13.6%	↓ 47 bps	12.2%	12.9%	↓ 78 bps
Pre-Tax Profit (INR Cr)	50.1	40.8	↑ 23%	92.9	76.4	↑ 22%
PAT (INR Cr)	35.5	28.9	↑ 23%	65.9	54.1	↑ 22%
Cost to Income Ratio	53%	56%	↓ 319 bps	53%	55%	↓ 216 bps
ROA	2.0%	2.3%	↓ 27 bps	1.9%	2.2%	↓ 34 bps
ROE <sup>#</sup>	8.2%	8.5%	↓ 38 bps	8.0%	9.2%	↓ 117 bps

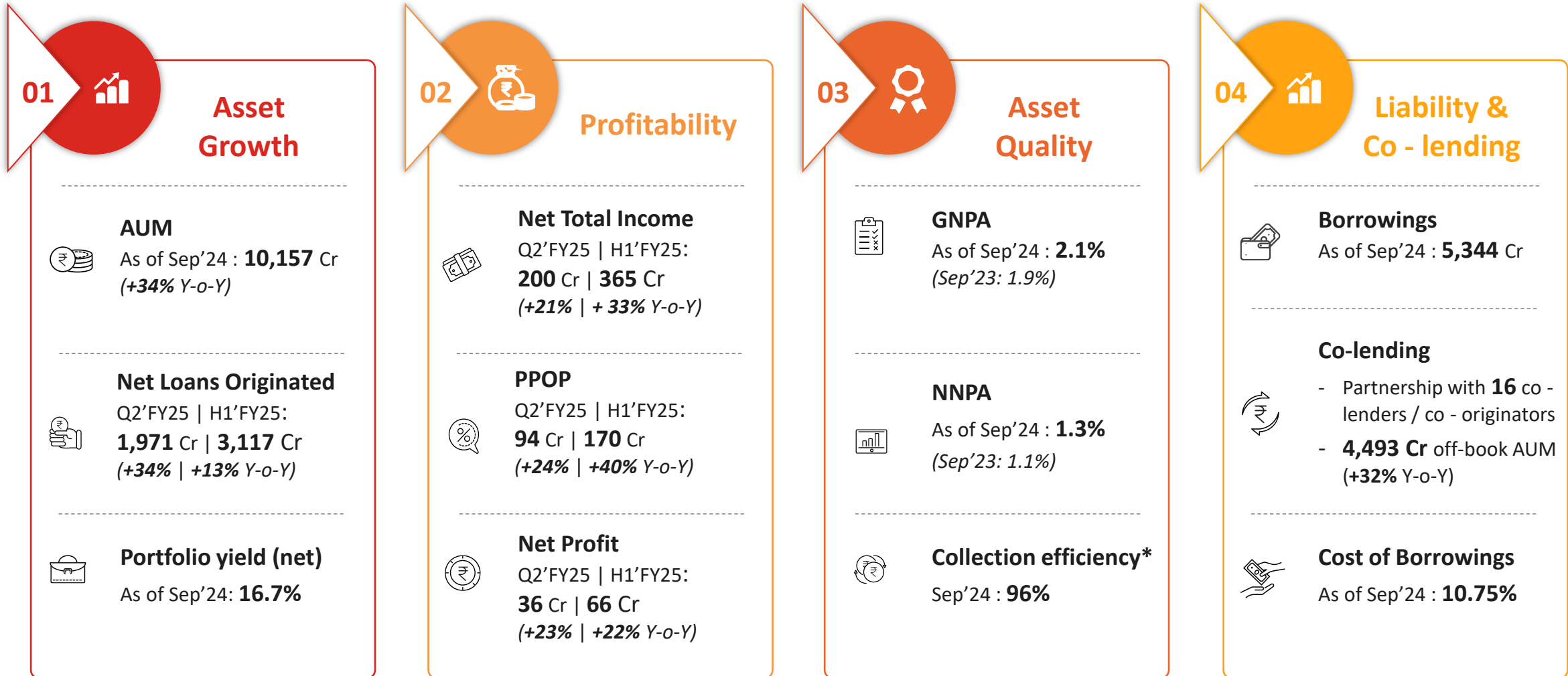
Annualized EPS of  
H1'FY25\*\*  
**INR 14.4 per share**

Price to Earnings Ratio  
(P/E)  
**17.5x**  
(Basis NSE price as on 30 Sep 2024)

\*Net Disbursement = Gross Disbursements – Repayment received in Supply Chain Financing during the period

<sup>§</sup>On Average Gross on-books AUM; \*\* Diluted Annualised H1'FY25 EPS of INR 13.7; # Annualised and excluding equity component of CCDs

# Key metrics for Q2'FY25/ H1'FY25

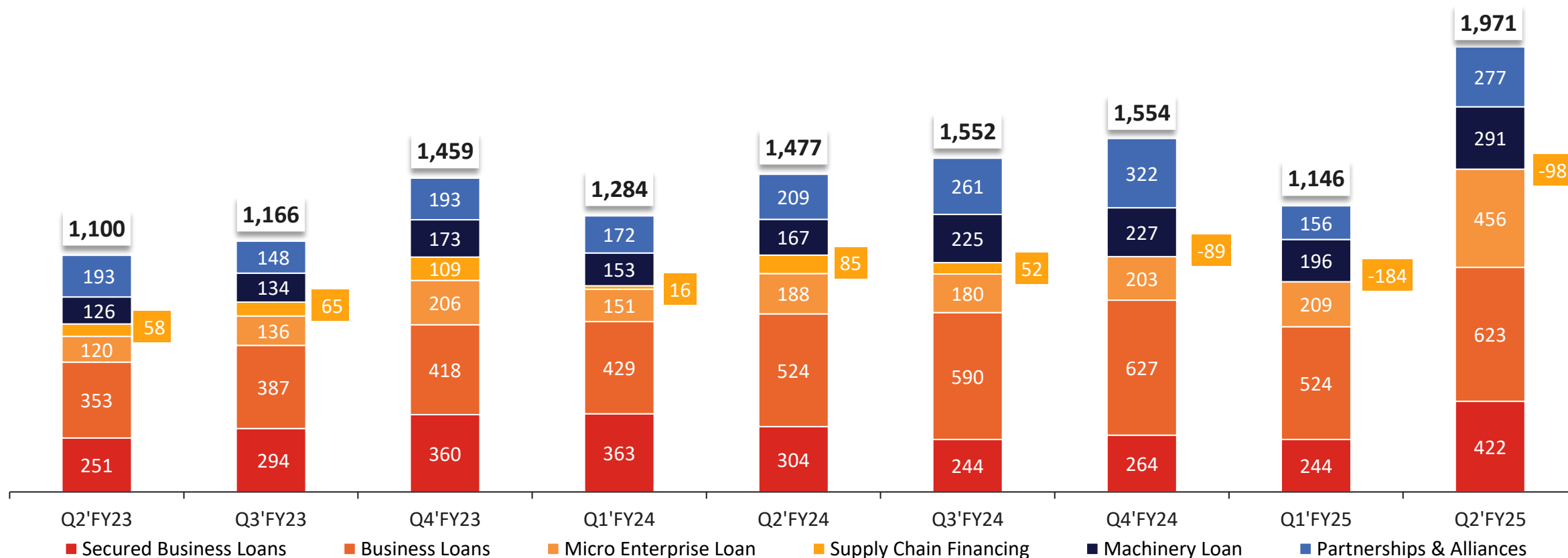


\*Total Collections (including overdue) / Current month demand

# Highest-ever Net Loan Origination (Channel wise Q-o-Q)

Amount in INR Cr

Disbursement is up 34% YoY; Disbursement excluding Supply Chain Financing\* is up 49% YoY



Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Micro Enterprise Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG.

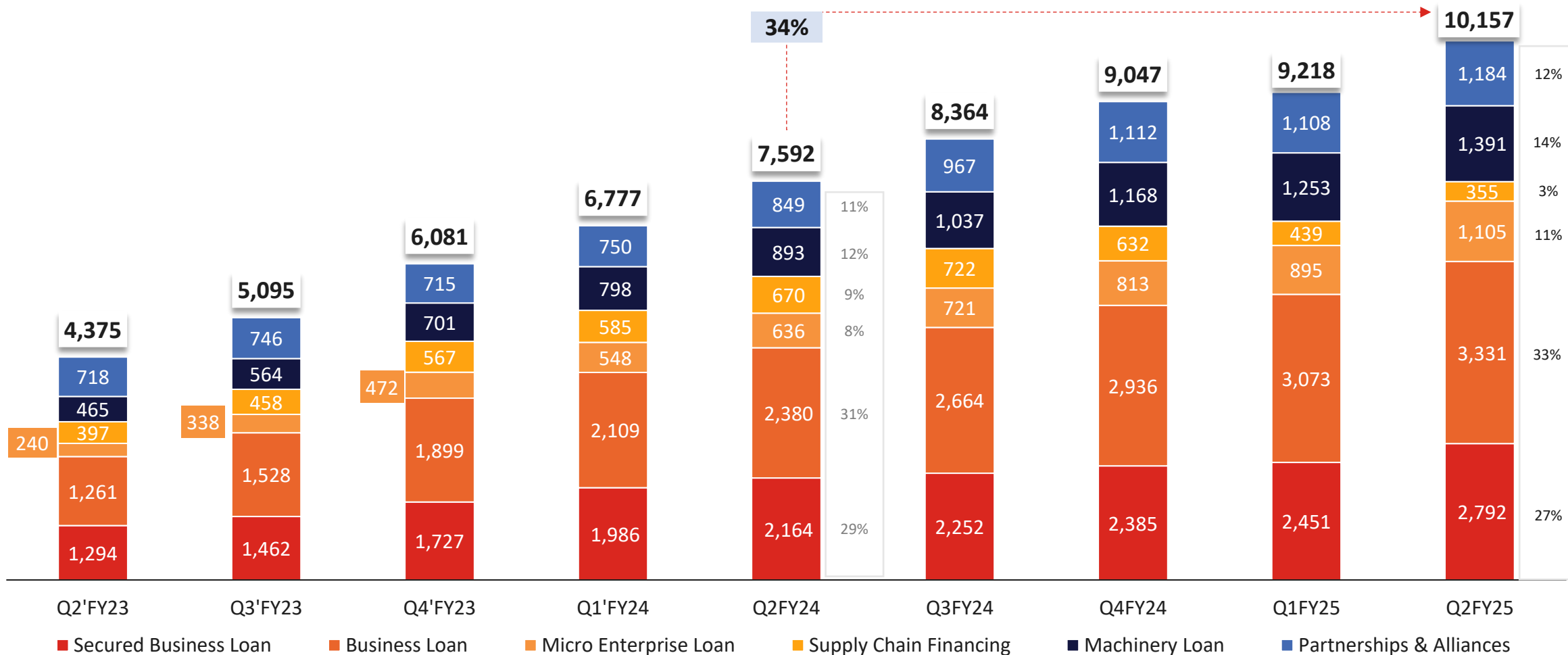
\*Strategic decision to rundown lower yielding SCF book



# Strong AUM Growth Trend (Product wise Q-o-Q)

Amount in INR Cr

AUM increased to INR 10,157 Cr as of Sep'24 from INR 9,218 Cr as of Jun'24 and INR 7,592 Cr as of Sep'23 (+34%)

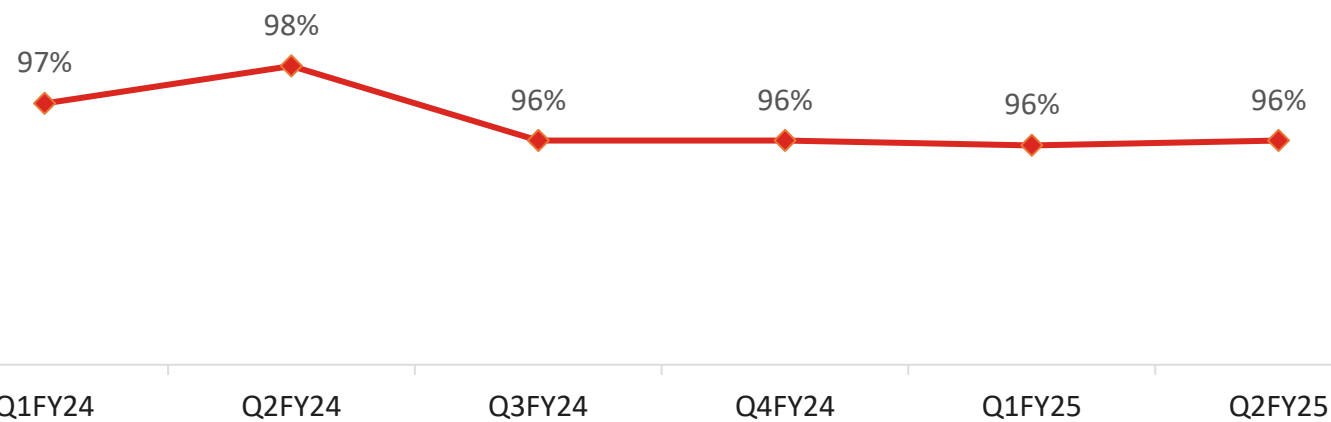


Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Micro Enterprise Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG.

# Our collection efficiencies and portfolio performance **remains stable**

## Collection Efficiency remains robust

◆ Total Collections\* (including overdue) / Current Month Demand



### Key highlights:

- **GNPA / NNPA** as a % of Total AUM stood at **2.1% / 1.3% as of Sep'24**
- **Stage 3** provisioning coverage stood at **~47%**
- **Running down Supply Chain Vendor Finance book** due to low yield and adverse customer selection – AUM has reduced from INR 722 Cr as of Dec'23 to INR 355 Cr as of Sep'24; have taken accelerated provisioning and we have taken write off INR 16 Cr. from peak NPAs of INR 52 Cr. in this quarter. We don't expect further stress in this portfolio.

\*Excluding foreclosures

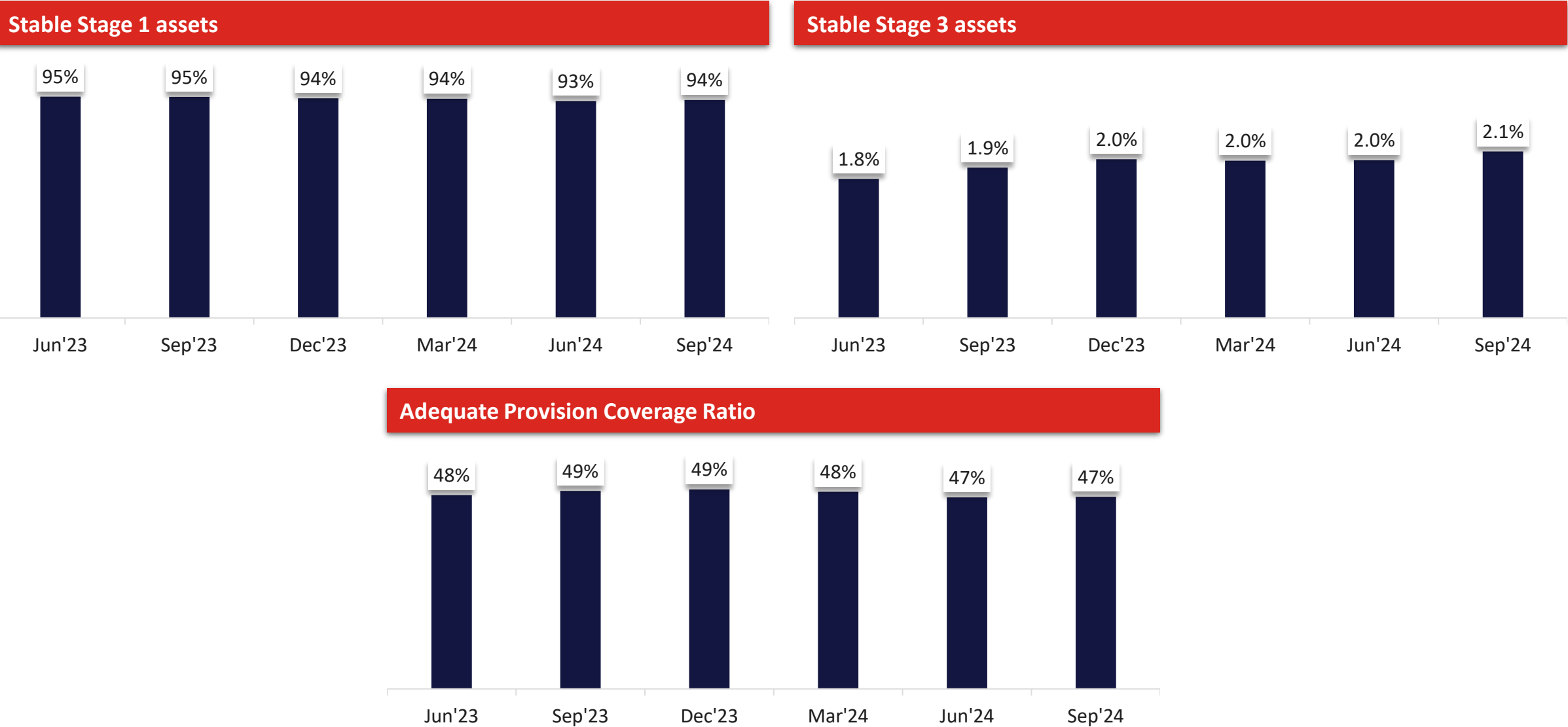
## ECL Data (Sep'24)

(In Cr)	Loan Exposure	Loan Exposure (%)
Stage 1	9,561	93.6%
Stage 2	436	4.3%
Stage 3	214	2.1%
<b>Total</b>	<b>10,157</b>	<b>100.0%</b>

## Product wise GNPA

Product Category	AUM (INR Cr)	GNPA(%)
Secured Business Loans	2,792	0.5%
Business Loans	3,331	3.4%
Micro Enterprise Loan	1,105	3.6%
Supply Chain Financing	355	10.1%
Machinery Loan	1,391	0.7%
Partnerships & Alliances	1,184	0.3%
<b>Grand Total</b>	<b>10,157</b>	<b>2.1%</b>

# Our collection efficiencies and portfolio performance **remains stable**

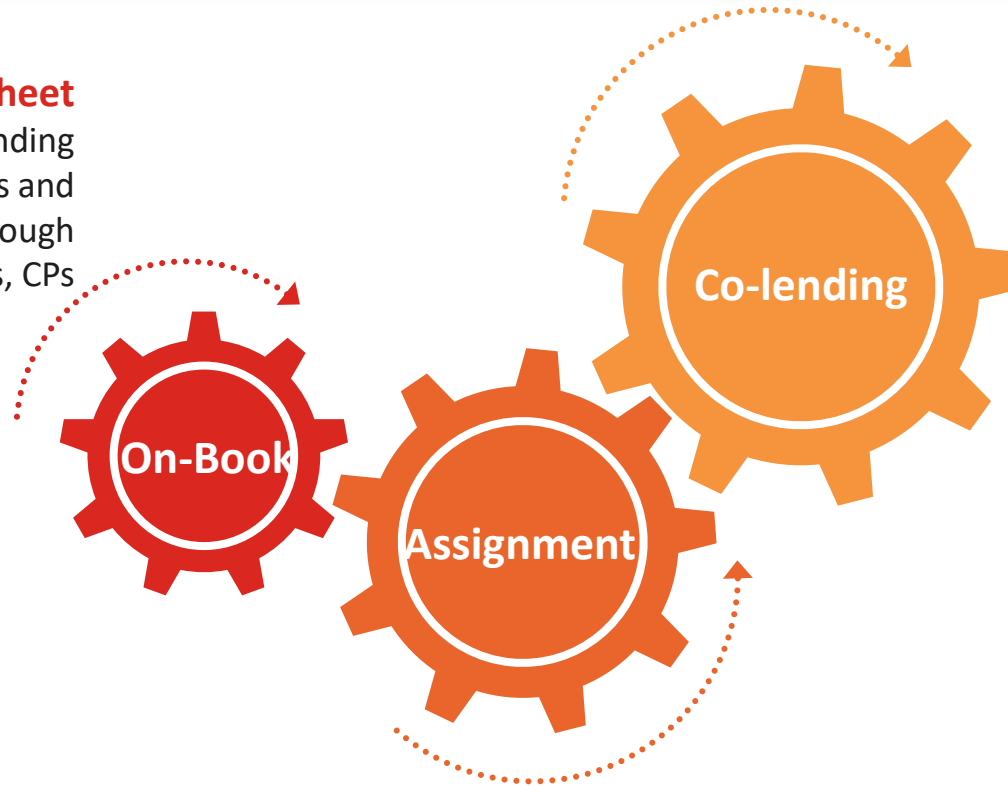


# Unique **capital light liability** strategy

Demonstrated ability to manage a prudent mix of on-balance sheet and off-balance sheet approach

## **On-Balance sheet**

Diversified Lender base across Lending Institutions – Banks, Large NBFCs and DFIs. Multi product approach through TL, NCDs, MLDs, CPs



## **Co-Lending with Banks/NBFCs**

Partnership with PSBs, Pvt. Banks and Large NBFCs to achieve scale with lesser leverage and lower on-balance sheet risk

## **Assignments with FIs**

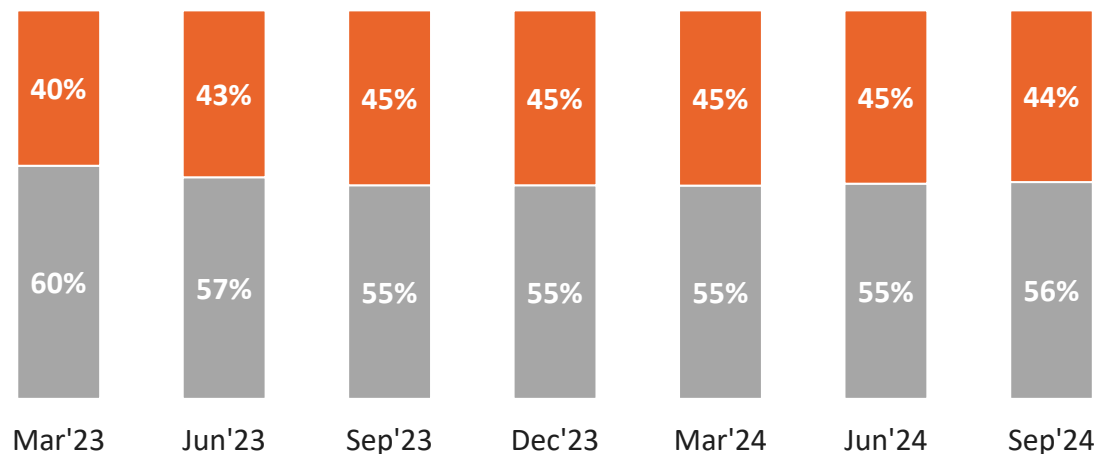
100% PSL Loan book leading to higher demand of securitized pool and a lever to manage ALM

Actively partnering with liability providers and focus on building a long-term relationship

# Robust momentum of our co-lending platform continues

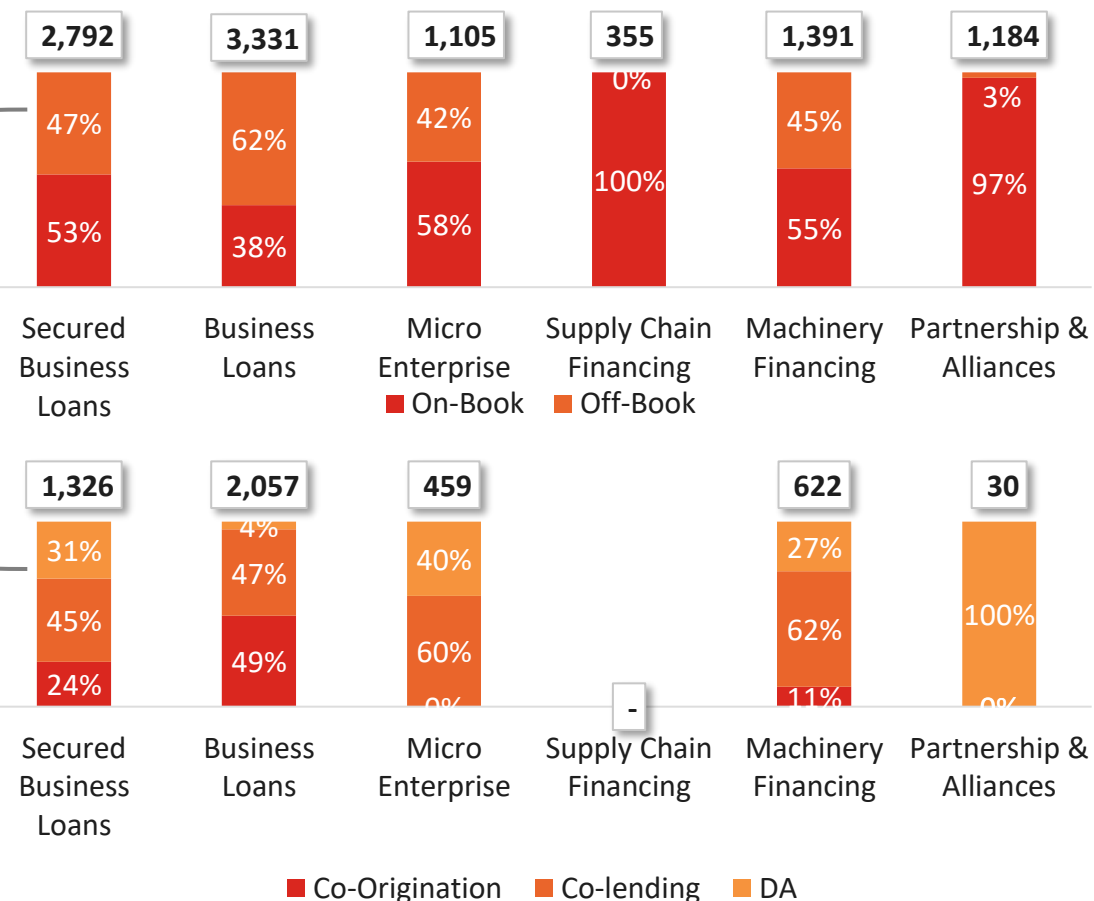
## High proportion of off - Book AUM mix

■ On Book Portfolio ■ Off Book Portfolio



	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24
Off Book AUM	2,442	2,929	3,405	3,765	4,078	4,114	4,493
Co-Origination	1,181	1,457	1,604	1,615	1,610	1,513	1,398
Co-lending	773	943	1,166	1,474	1,685	1,839	2,222
DA	488	530	635	676	784	762	874

## Product wise Mix of off - Book AUM (Sep'24)

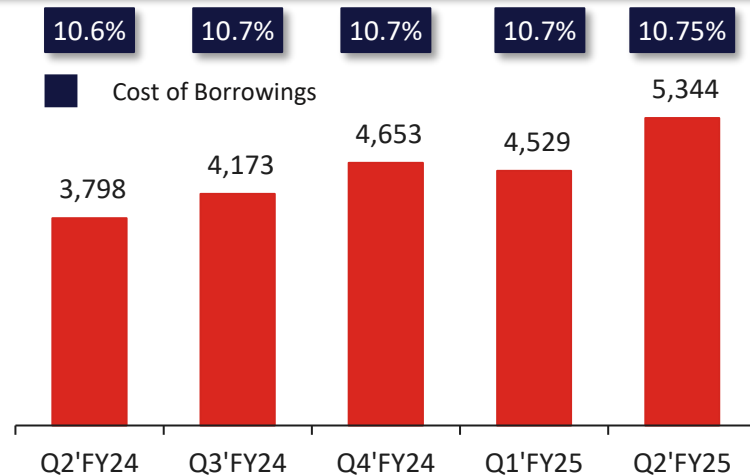


## Co-lending Partnership with 9 Banks and 7 NBFCs

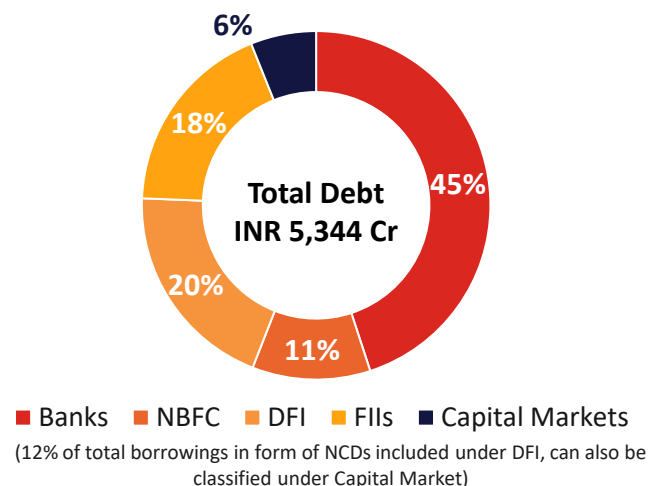


# Diversified Lender base and continued build-out of liability book

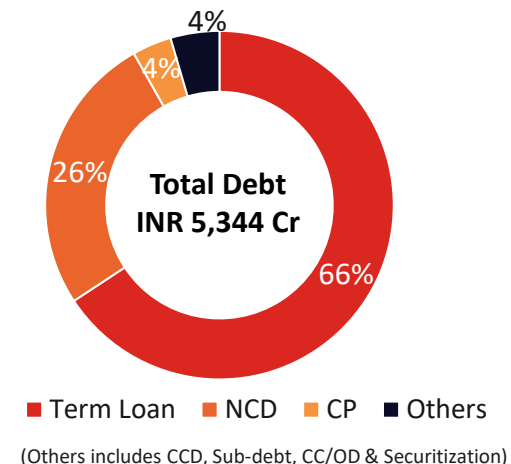
## Total Debt (INR Cr) and Cost of borrowings



## Liability mix by lender profile



## Liability mix by product



## Our liability sanctions have been raised from a diverse set of lenders





# Finance | Income Statement

Income Statement (₹ Cr)	Q2'FY25	Q2'FY24	Y-o-Y	Q1'FY25	Q-o-Q
Interest Income	208.0	171.7	21%	231.9	-10%
Income on Co-Lending / Direct Assignment	109.5	64.8	69%	50.4	117%
Other Income	25.3	17.1	48%	19.2	32%
<b>Total Income</b>	<b>342.9</b>	<b>253.6</b>	<b>35%</b>	<b>301.6</b>	<b>14%</b>
Interest Expenses	143.1	105.4	36%	136.1	5%
<b>Net Total Income</b>	<b>199.8</b>	<b>148.2</b>	<b>35%</b>	<b>165.4</b>	<b>21%</b>
Employee Cost	61.6	46.0	34%	54.5	13%
Other Expenses	43.7	36.8	19%	34.9	25%
<b>PPOP</b>	<b>94.5</b>	<b>65.4</b>	<b>45%</b>	<b>76.0</b>	<b>24%</b>
Credit Cost	44.3	24.6	81%	33.2	34%
<b>PBT</b>	<b>50.1</b>	<b>40.8</b>	<b>23%</b>	<b>42.8</b>	<b>17%</b>
Tax	14.6	11.9	23%	12.5	17%
<b>PAT</b>	<b>35.5</b>	<b>28.9</b>	<b>23%</b>	<b>30.4</b>	<b>17%</b>

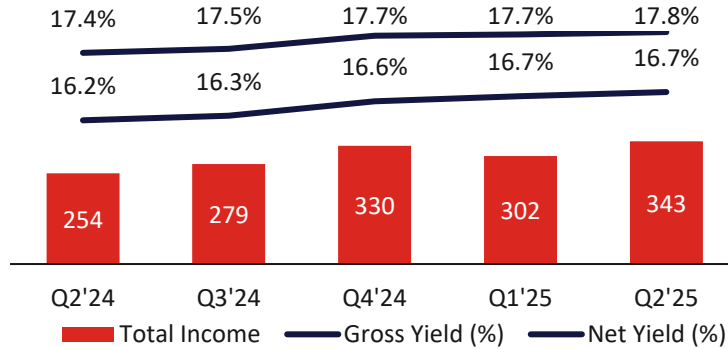
Annualised ROA Tree	Q2'FY25	H1'FY25
<i>As a % of Gross On Book AUM</i>		
Total Income	22.5%	21.5%
Interest Expenses	9.4%	9.3%
Net Total Income	13.1%	12.2%
Opex	6.9%	6.5%
Credit cost	2.9%	2.6%
PBT	3.3%	3.1%
PAT	2.3%	2.2%
Key Ratios	Q2'FY25	H1'FY25
ROA (% Avg. Total Assets)	2.0%	1.9%
Leverage	2.7x	2.7x
RoE*	8.2%	8.0%

Balance Sheet (₹ Cr)		Sep-24	Mar-24
<b>Liabilities</b>			
Trade payables		3	14
Debt securities		1,664	1,395
Borrowings (other than debt securities)		3,680	3,258
Other financial liabilities		69	77
<b>Financial liabilities</b>		<b>5,415</b>	<b>4,744</b>
<b>Non-financial liabilities</b>		<b>136</b>	<b>98</b>
Equity share capital		92	92
Other equity		1,866	1,347
<b>Equity</b>		<b>1,958</b>	<b>1,438</b>
<b>Total Liabilities &amp; Equity</b>		<b>7,509</b>	<b>6,280</b>

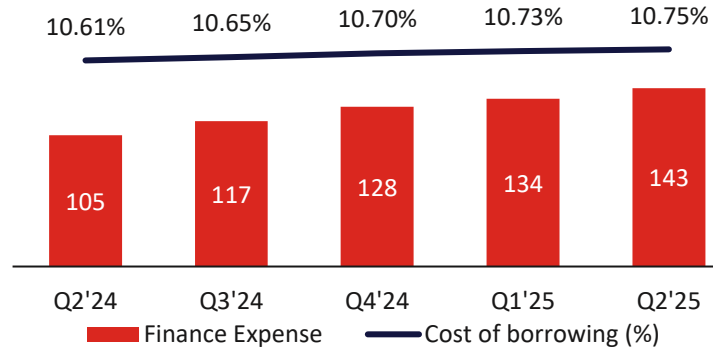
Balance Sheet (₹ Cr)		Sep-24	Mar-24
<b>Assets</b>			
Cash and Bank Balance		588	455
Loans		6,360	5,432
Investments		68	59
Other financial assets		35	20
<b>Financial Assets</b>		<b>7,050</b>	<b>5,966</b>
PPE, Intangible assets, ROU etc		141	130
Current and Deferred tax assets (net)		2	6
Other non-financial assets		315	178
<b>Non-Financial Assets</b>		<b>458</b>	<b>313</b>
<b>Total Assets</b>		<b>7,509</b>	<b>6,280</b>

# Operating & Financial Metrics

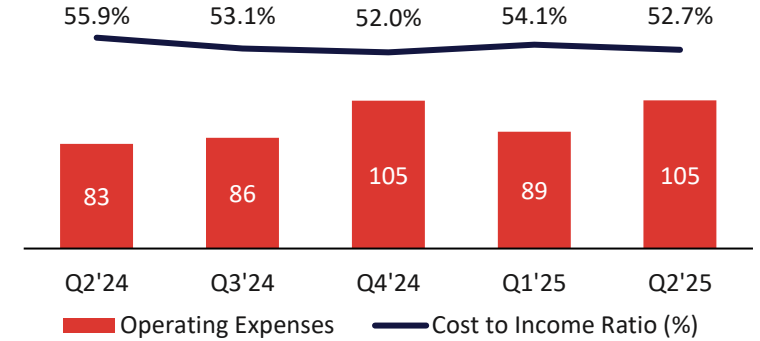
## Total Income (INR Cr) & Portfolio Yield<sup>\$</sup>



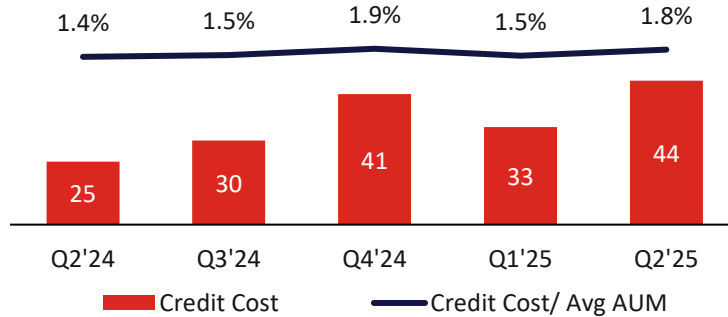
## Finance Cost (INR Cr) & Cost of Borrowing



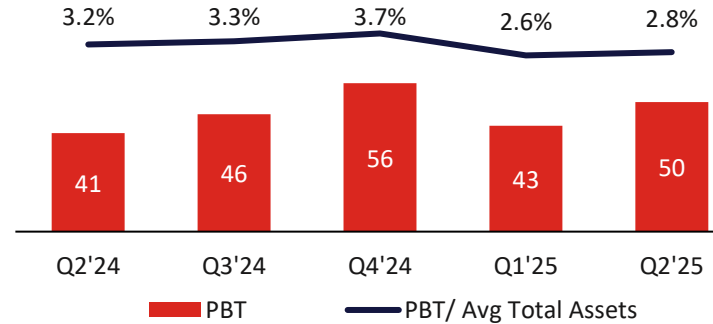
## Operating Exp. (INR Cr) and Cost to Income



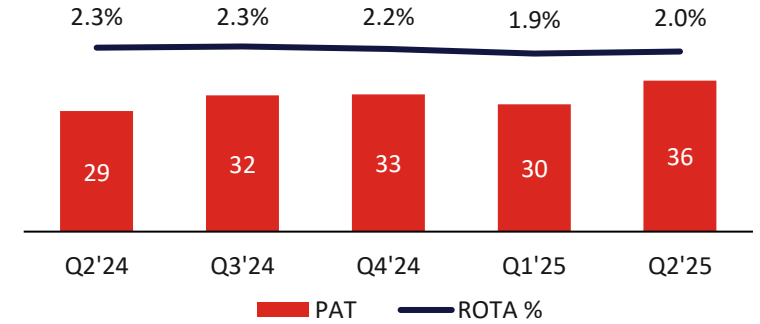
## Credit Cost (INR Cr) & Credit cost / Avg AUM



## PBT (INR Cr) and PBT / Avg. Total Assets<sup>#</sup>



## PAT (INR Cr) and PAT / Avg. Total Assets<sup>#</sup>



1,958

Net Worth

10,157

AUM

44%

Off book %

5,344 / 24.5%

Total Debt /  
CRAR

2.1% / 1.3%

GNPA / NNPA  
(Total AUM)

210

Branches

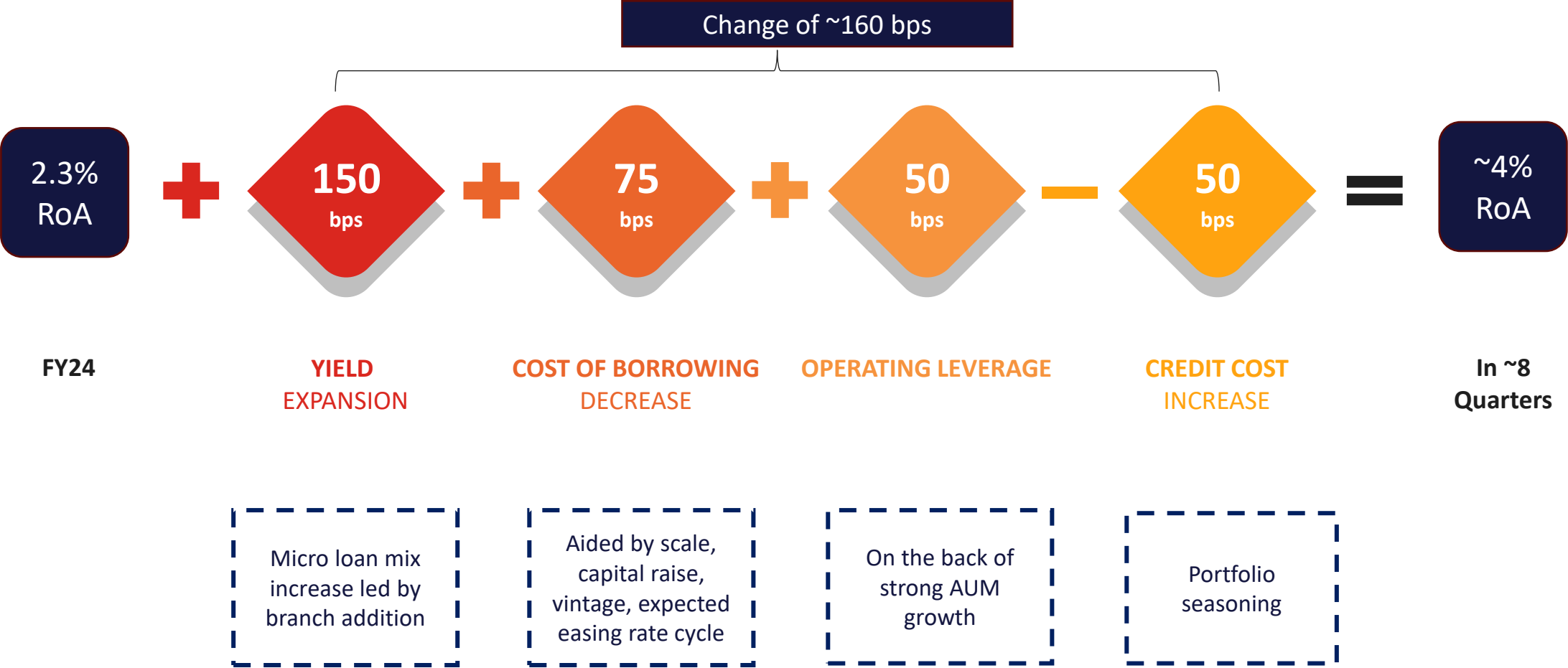
~100,000

Active Borrowers

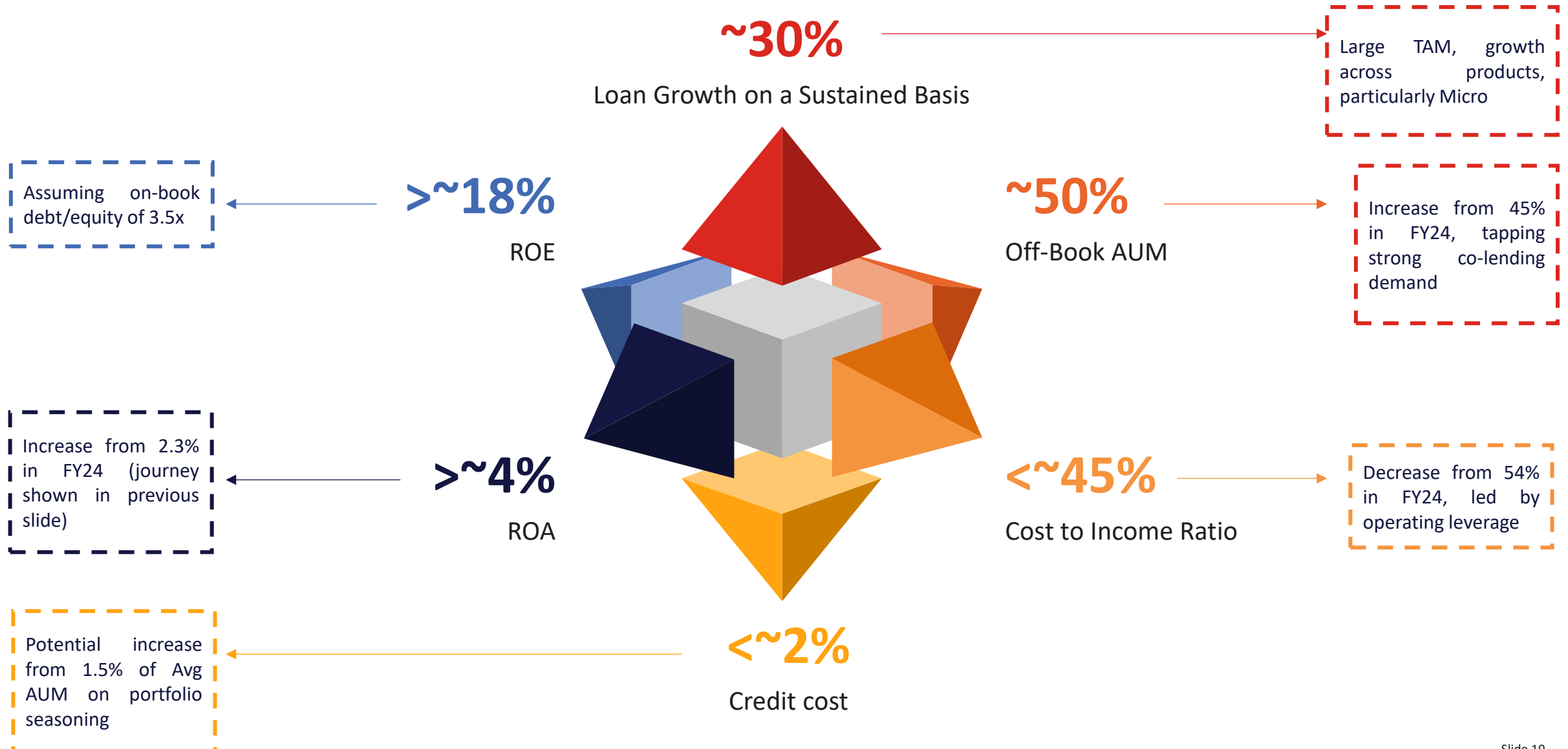
<sup>\$</sup> Weighted Average AUM yield as on Period End

<sup>#</sup> Annualized ratio based on quarterly average of total assets

# We have a clear path to achieve 4% ROA



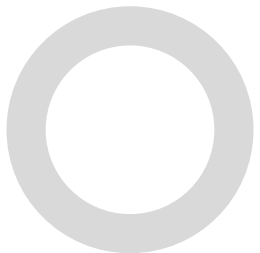
# ...and Long-term Sustainable Strategy to maintain healthy growth, return ratios





# MSME lending :

The largest opportunity today





# For India's GDP to reach USD 5 trillion, MSME sector has to reach USD ~2 trillion

## Today



~6.3 Crore MSMEs



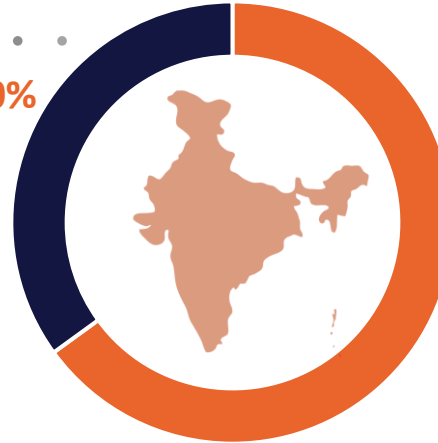
~15 Crore employment



~30% of GDP

## India's GDP in FY2028

MSME • •  
35 – 40%



## FY2028



~8 – 10 Crore MSMEs



~20-22 Crore employment



~30-40% of GDP

MSME sector expected to grow to USD ~2 trillion by FY2028

- Rapid digitization, expansion of the ecommerce
- Penetration of the Digital India Stack 2.0
- Rising digital payments; India accounts for 45% of global transactions
- Other initiatives: Account Aggregator Framework, OCEN, ONDC
- Continuous support from Government

# MSME sector is the key to India's “**Employment Generation**”, making it one of the **Central themes of Government** in the last decade

MSME count to grow to ~10 crores employing 20-22 crores



## ...well supported by continuity in **Government initiatives**

### Government Initiatives throughout the years

- **2014** - Pradhan Mantri MUDRA Yojana (PMMY)
- **2015** - Udyog Aadhaar Memorandum (UAM)
- **2016** - Stand-Up India Scheme
- **2017** - MSME Samadhaan, MSME Sambandh
- **2018** - 59-minute loan portal, Interest Subvention Scheme for MSMEs
- **2019** - MSME Support and Outreach Program
- **2020** - Emergency Credit Line Guarantee Scheme (ECLGS)
- **2021** - Raising and Accelerating MSME Performance (RAMP) Program
- **2022** - Revised Credit Guarantee Scheme for MSMEs
- **2023** - Credit guarantee trust, Vivad se Vishwas scheme

### Financial Support for MSME Growth - 2024

#### Budget Allocation

- For Ministry of MSME: INR 22k Crores
- Funds for central sector schemes for MSMEs: INR 22k Crores

#### Loan Enhancements

- Mudra Loans for 'Tarun' category limit: Increased to INR 20 lakh for borrowers who have repaid earlier loans
- Micro and Small Enterprise-Cluster Development Programme (MSE-CDP): INR 400 crores

#### Credit Facilities

- Guarantee Emergency Credit Line (GECL): ~INR 10k Crores for additional working capital loans to MSMEs
- Raising and Accelerating MSME Performance (RAMP): INR 1,170 Crores for credit guarantees to improve credit access
- MSME Champions Scheme: INR 55 crores for MSME modernisation
- Credit Guarantee Scheme: INR 100 crores for manufacturing sector

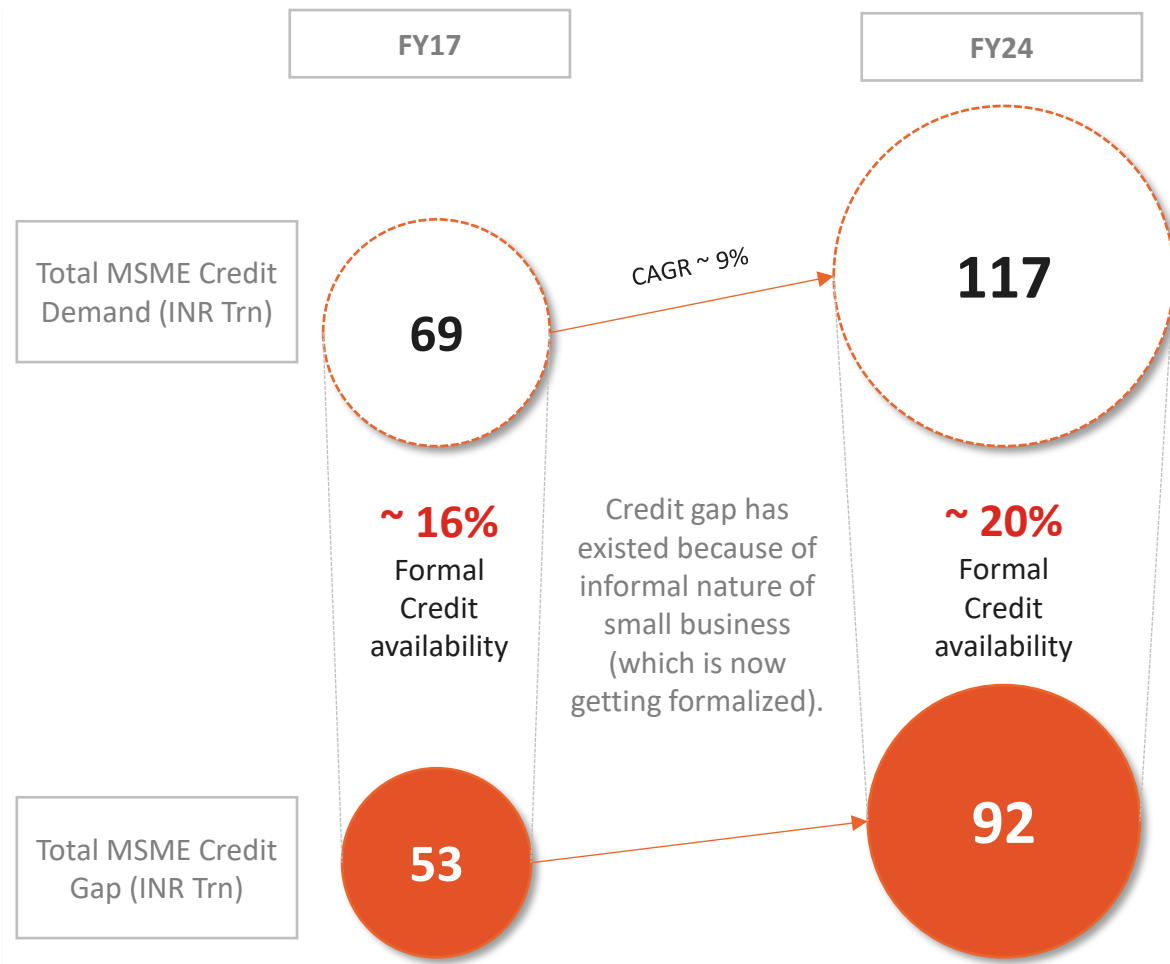
#### Others

- 24 new MSME branches by year-end, will enable SIDBI to cover 168 of 242 major MSME clusters thereby expanding its reach amongst MSMEs

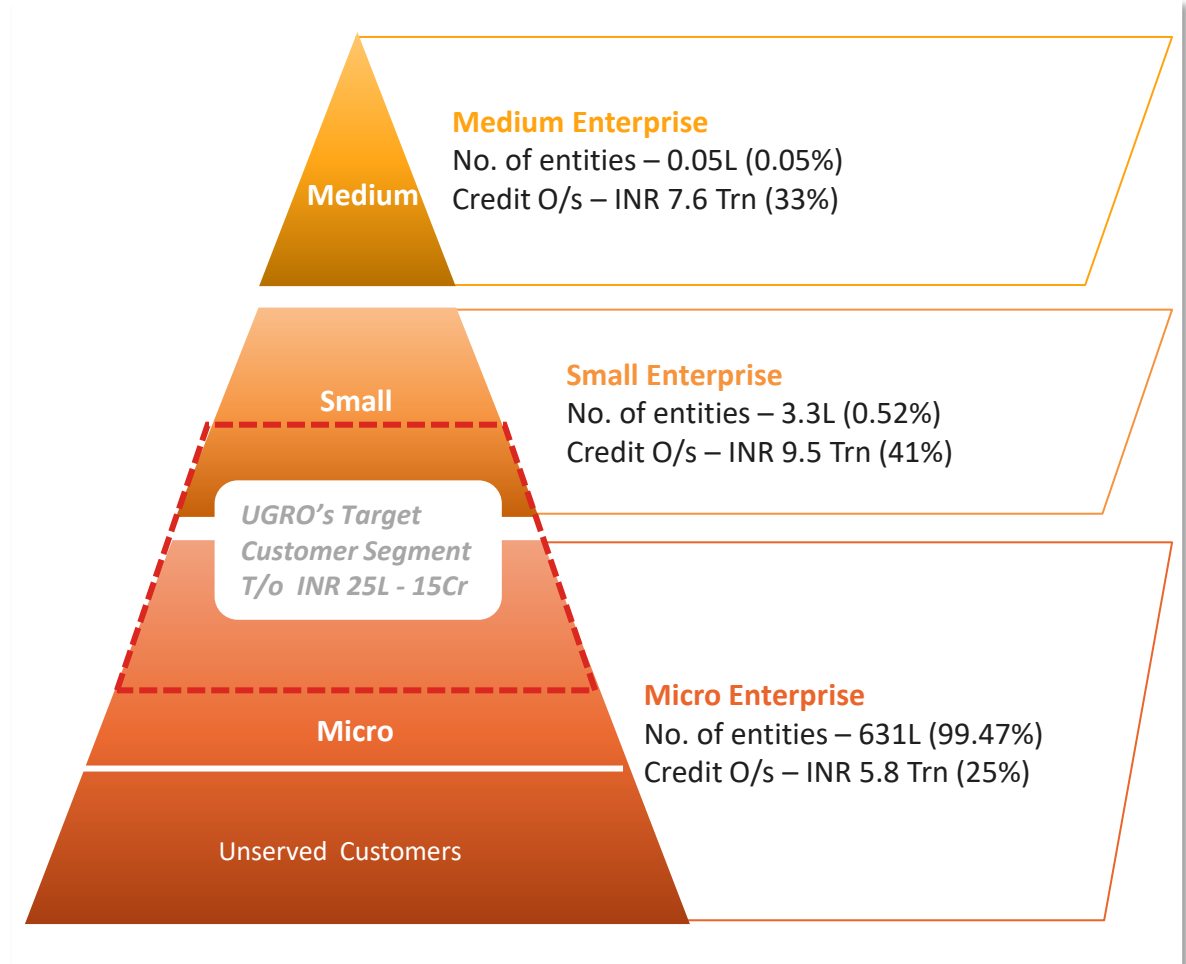
# Building a large institution for MSME financing is a real possibility

Explosion of Credit in MSME Segment: Large market opportunity, conducive macro, favorable policy framework

## Total MSME Credit gap is INR 92 trn



## Credit Gap of our customer segment constitutes 95%



Source: IFC report on Financing India's MSME dated November 2018; Crisil Report.

## UGRO Capital: Well-placed to capitalize on the opportunity

### MSME Focused Lender targeting large credit gap

Targeting MSME sector which has substantial credit gap of ~INR 92 lakh crore

### Analytics Powered

India's trailblazing data-driven cashflow based underwriter, transforming the MSME credit landscape

### Pan-India Presence

Extensive network pan India, with branch network of 210, expanding fast

### Large Capital Base

Marquee investors have invested ~INR 2,700 crore in 3 rounds

### Capital Light Model

Pioneered "Unique Capital Light Liability Strategy" by co-lending with Banks and large NBFCs and assignment of the PSL book for greater scale

### Multi-product Capability

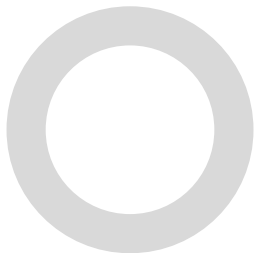
Prime, Micro Secured, Machinery, Roof-top Solar, Partnership & Digital alliances products cater to the entire MSME ecosystem



# UGRO's Data & Tech

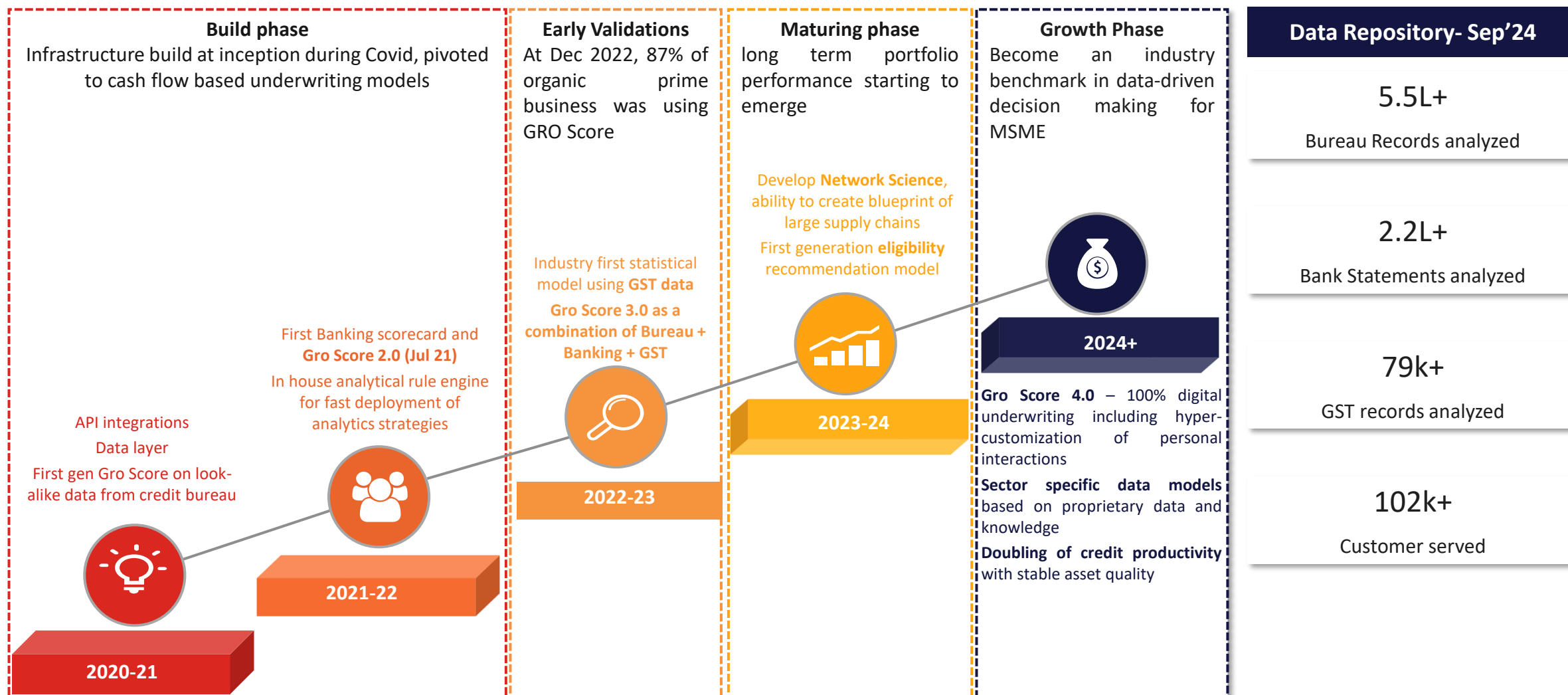
driven approach

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# UGRO's journey of Data-Tech driven lending to MSMEs over 5+ yrs



# Data driven by AI/ML powers our core underwriting : GroScore

## Ability to capture alternate data from banking and bureau...



Machine generates 25,000+ data features from an applicant's bureau record and bank statement

### Across Multiple parameters

Turnover and transaction intensity

Borrowing mix and nature

Cheque bounces & bank charges

Frequency and magnitude of defaults

Payment cycles

History of high-cost debt/credit card usage

Obligations as % of turnover

Balances and withdrawals

Counterparties & relative strengths

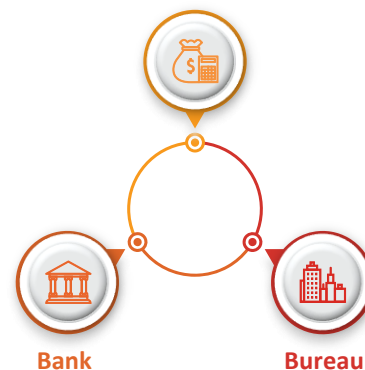
Pace of borrowing

## ...to draw meaningful insights out of unorganized data...

**GRO 2.0**  
Credit Bureau Data + Banking Data

**GRO 3.0**  
Credit Bureau Data + Banking Data + GST

GST



Matches Banking & Bureau Scorecards to generate one single score which further gets augmented with GST data as an external input



**Artificial Intelligence**  
Engineering of making Intelligent Machines and Programs



**Machine Learning**  
Ability to learn without being explicitly programmed



**Deep Learning**  
Learning based on Deep Neural Network

**Historical aggregation** – several pages of statement going back 12 months can be summarized instantly

**Normalization** – convert absolute values to scale, for even comparison

**Trending** – changes over time, create standardized measure of comparison across diverse nature of entities, sectors, geographies

**Scoring of each case into one of the five bands of A – E with A being the best and E being the worst**

A

B

C

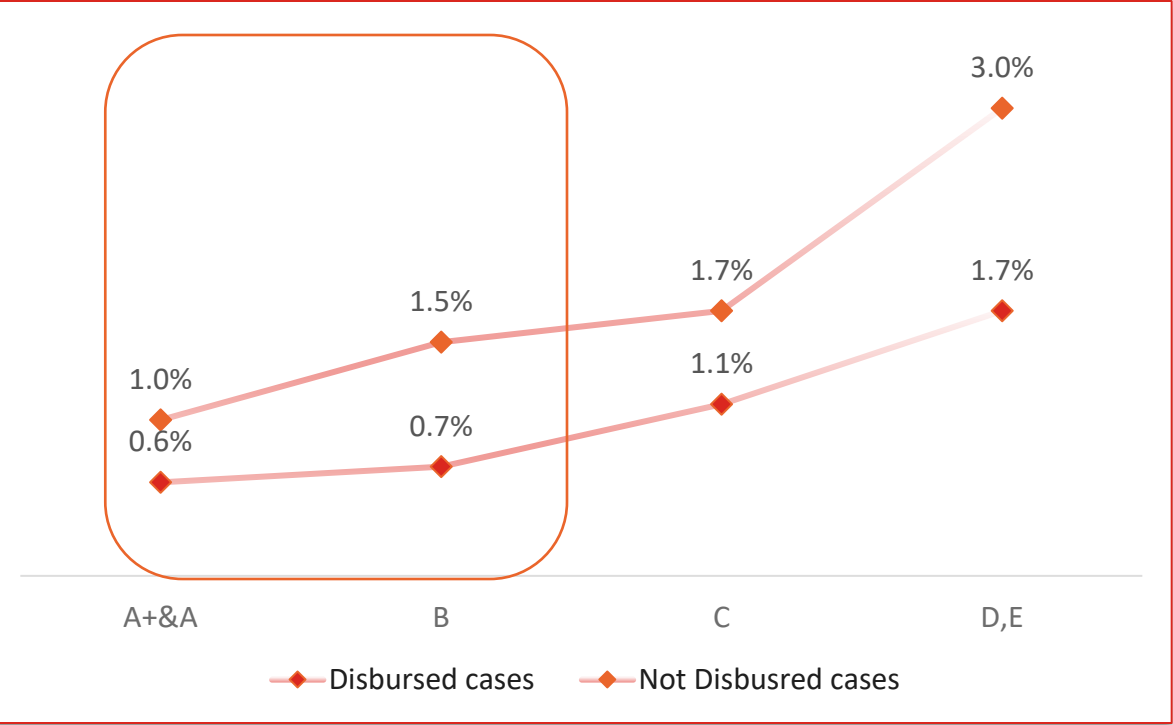
D

E

... and decide whether to disburse or not disburse the loan within 60 minutes.

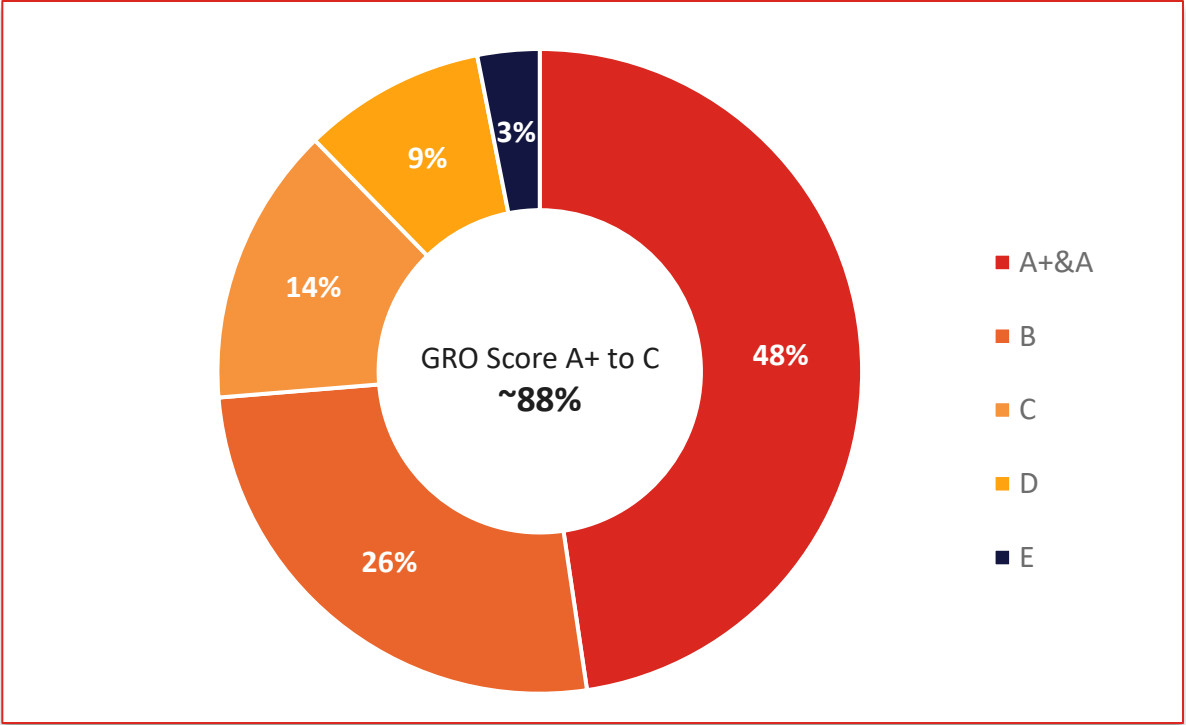
# GRO Score – Risk Bands Stacking up on Historical Portfolio

Default rates across score bands – All customers assessed Since Inception



Segments A+,A, B – contributing to majority share of disbursals and lever for calibrated increase of throughput

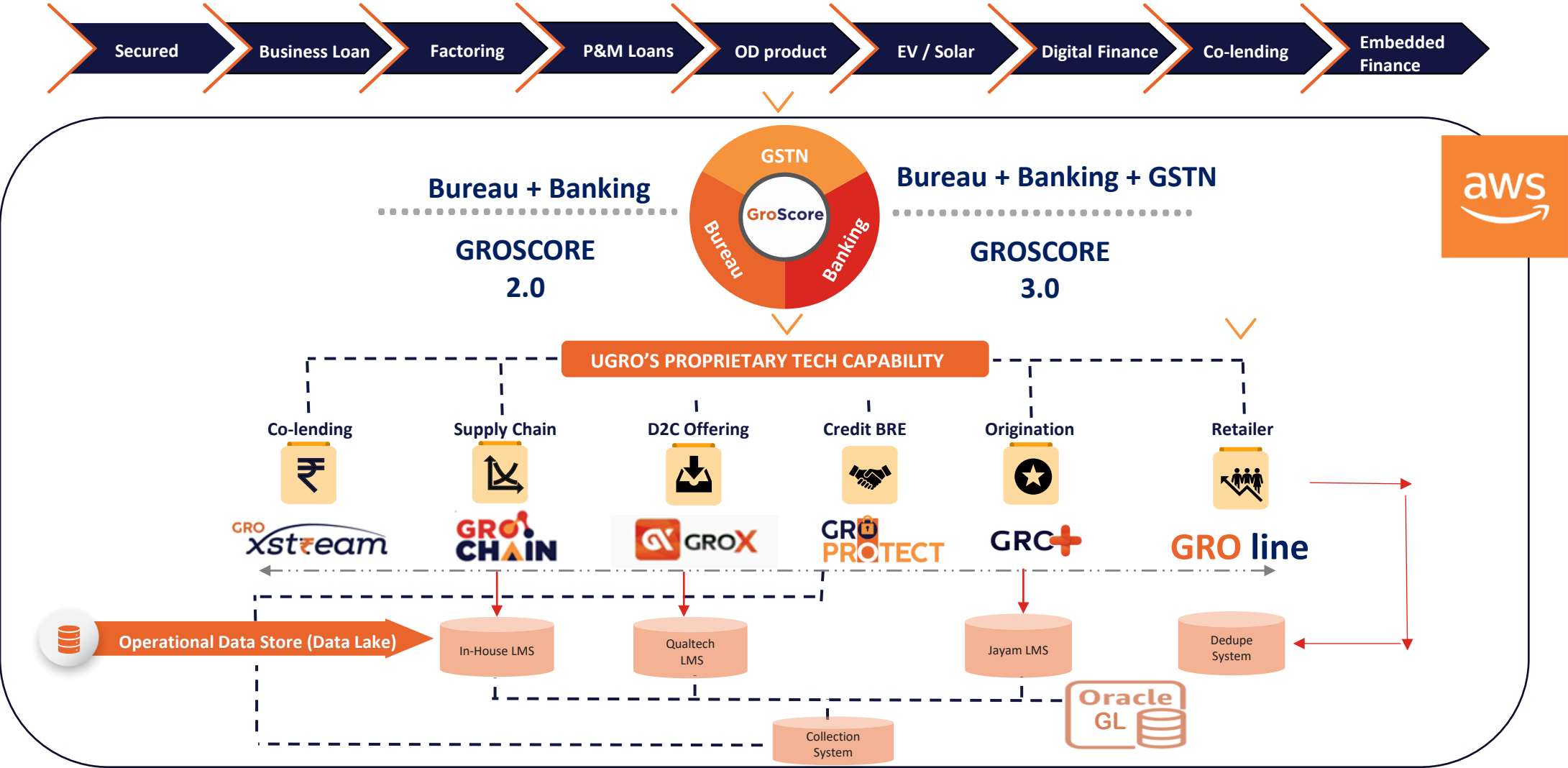
Score Band wise break up of recent disbursals (Apr 24 – Sep 24)



To that effect we have analysed both sets of data i.e. cases disbursed and rejected by UGRO. Performance across risk bands was observed to be stacking up for both sets of data

Explanation note : Scores are computed based on repayment track record of loan applicants and submitted bank statements. Default rate tracking is done based on quarter-end credit bureau data; “default” represents incidence of 90 dpd in any business purpose credit facility reported in bureau during a period of six months from the point of assessment at UGRO Capital

# Our System Architecture supports full SME lending



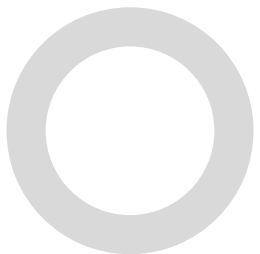
**BANKING PARTNERS**

**A FEW KEY API ECOSYSTEM PARTNERS**

**DEVELOPMENT PARTNERS**



# Multi-product, multi-channel Asset Engine



# Serving a diverse set of customers with **multi-product, multi-channel strategy**

<div><div><b>GRC+</b> <b>GroScore</b></div><div><b>Prime Intermediated: Metro &amp; Tier 1/2 Branches</b></div><div><b>Collateral:</b> Prime Property (For Sec.) <b>Cashflow:</b> GST, Banking &amp; Liquid income assessment</div><div><b>Rs 1cr – 15cr</b> Customer Turnover <b>Secured Biz. Loan: Rs 72L</b> <b>Biz. Loan*: Rs 18L</b> Average ticket size <b>Yield:</b> Sec/Biz: 14%/19% <b>Tenure:</b> Sec/Biz: 11/3 yrs <b>AUM Mix:</b> 60% Sec/Biz. Loan: 27%/33%</div></div>	<div><div><b>GRC+</b></div><div><b>Micro: Tier 2 &amp; beyond branches</b></div><div><b>Collateral:</b> Standard Property <b>Cashflow:</b> Liquid income assessment</div><div><b>&lt;Rs 1cr</b> Customer Turnover <b>Rs 9L</b> Average ticket size <b>Yield:</b> 21% <b>Tenure:</b> 7 yrs <b>AUM Mix:</b> 11%</div></div>	<div><div><b>GRC+</b> <b>GroScore</b></div><div><b>Ecosystem Channel &amp; Green Asset Financing</b></div><div><b>Collateral:</b> Prime Machinery <b>Cashflow:</b> GST &amp; Banking</div><div><b>Rs 1cr – 10cr</b> Customer Turnover <b>Rs 35L</b> Average ticket size <b>Yield:</b> 15% <b>Tenure:</b> 4 yrs <b>AUM Mix:</b> 14%</div></div>	<div><div><b>GROX</b> <b>GRO line</b> <b>GRO CHAIN</b></div><div><b>Direct &amp; Digital Alliances</b></div><div><b>Collateral:</b> Receivables, FLDG from partner <b>Cashflow:</b> Banking &amp; liquid income assessment</div><div><b>&lt;Rs 50L</b> Customer Turnover <b>Alliances: Rs 4L</b> Average ticket size <b>Yield:</b> 15% <b>Tenure:</b> 4 yrs <b>AUM Mix:</b> 12%</div></div>
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\*CGTMSE  
backed

**Products sold across channels:** Intermediated: Secured Biz. Loan, Biz. Loan, Rooftop Solar and Machinery; Micro: Secured Biz. Loan, Rooftop Solar and Machinery; Equipment finance and Green Asset Financing: Direct distribution and across other channels; Digital business & Alliances: Digital business and retailer finance

Strategic decision to  
rundown lower yielding SCF  
book – not covered here

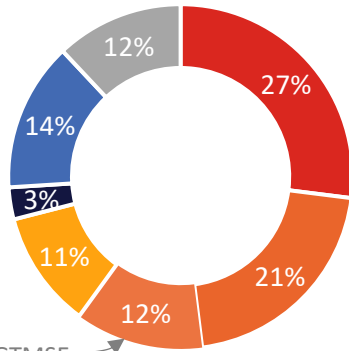


# Sector Focused Approach, Multiple Products and Large Distribution Strength



# Well diversified, granular and stable portfolio quality

## Product Mix (AUM)

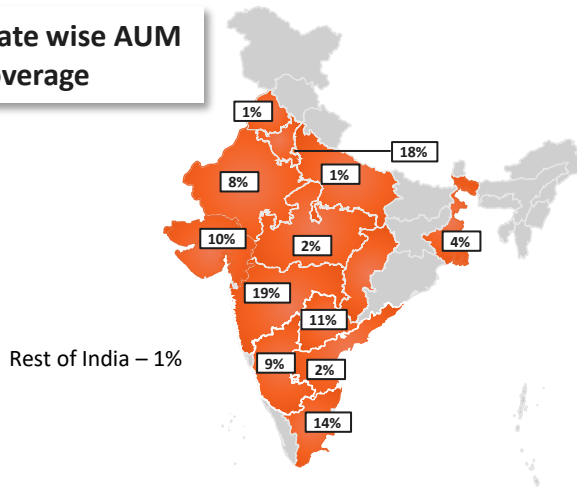


Guaranteed by CGTMSE

- Secured Business Loans
- Business Loans
- Micro Enterprise Loan
- Supply Chain Financing
- Machinery Loan
- Partnerships & Alliances

## Portfolio Concentration in key geographical areas

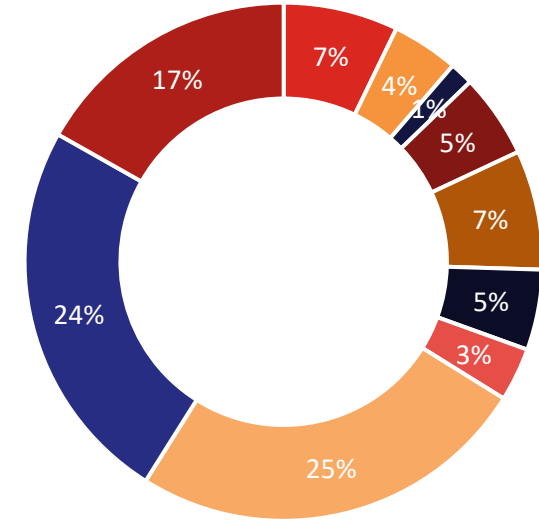
### State wise AUM coverage



Rest of India – 1%

State wise branches	Micro	Prime	Total
Tamil Nadu	40	1	41
Madhya Pradesh	32	3	35
Rajasthan	27	2	29
Karnataka	15	1	16
Telangana	15	1	16
Andhra Pradesh	14	2	16
Gujarat	14	1	15
Maharashtra	12	6	18
Other States	18	6	24
<b>Total</b>	<b>187</b>	<b>23</b>	<b>210</b>

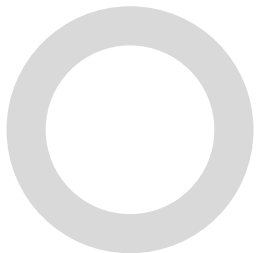
## Sector Mix



- Auto Components
- Chemicals
- Education
- Electrical Equipment
- Food Processing
- HealthCare
- Hospitality
- Light Engineering
- Micro Enterprises
- Other MSME

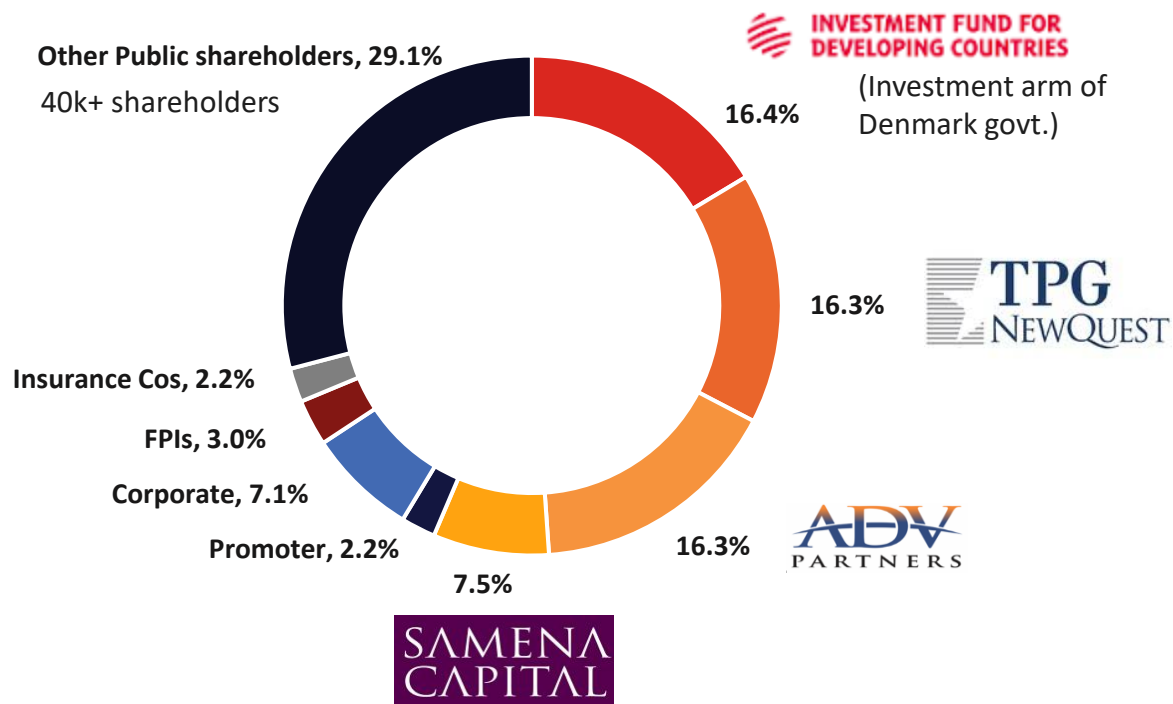


# Shareholding, Board, and Management

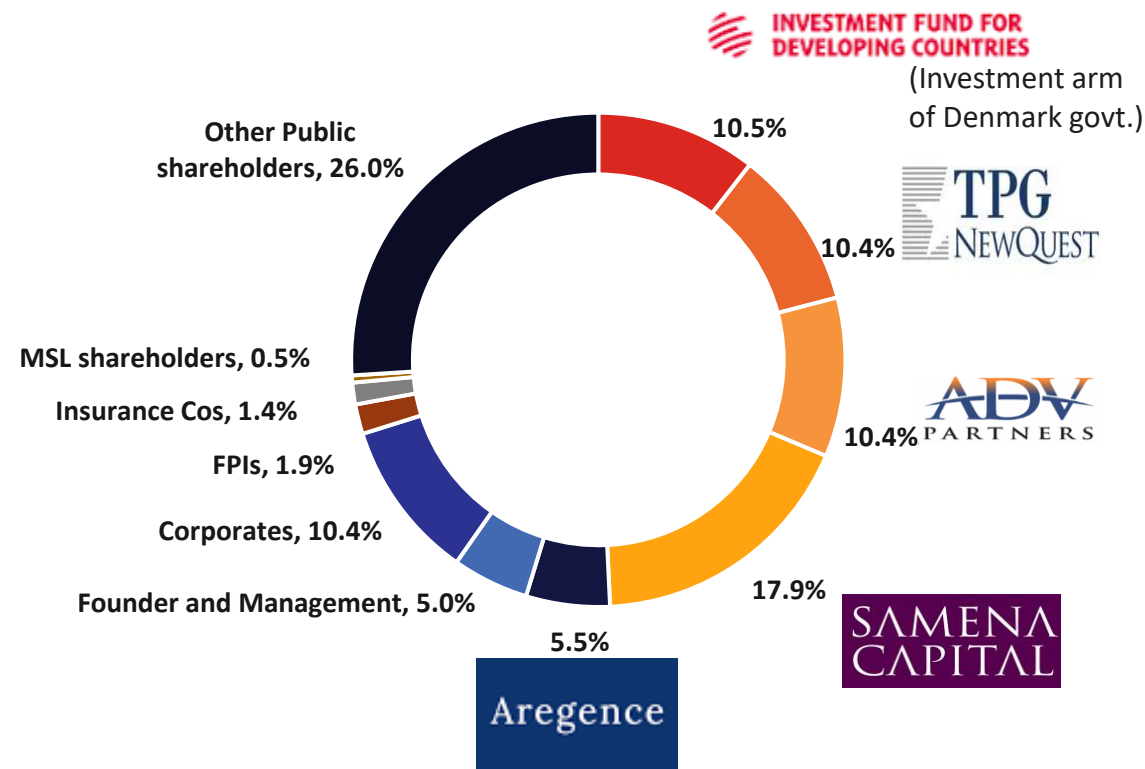


# Institutionally Owned: Majority held by Institutional Investors

## Shareholding Pattern as of Sep'24



## Fully diluted shareholding pattern\*



Management to potentially own 7 Mn shares on a fully diluted basis; vesting conditions linked to share price performance (ranging between Rs 261-538 till 2026) over next 2 years, thereby aligning management's goals towards company's performance and ultimately shareholder returns

\*considering full allotment of shares issued on preferential basis

# We are Independently supervised by **eminent Board of Directors**

## Non-Executive Chairman



**Satyananda Mishra**  
Chairman, Corporate Social  
Responsibility Committee  
Ex-Chairman- MCX, Ex-CIC, GOI,  
Ex-Director - SIDBI



## Independent Directors



**Karnam Sekar**  
Ex - MD & CEO of  
Indian Overseas Bank



Committee Chairman  
Risk Management



**Hemant Bhargava**  
Ex-Chairman in  
charge and MD of LIC



Committee Chairman  
Audit



**Rajeev K. Agarwal**  
Ex-Whole Time  
Member, SEBI



Committee Chairman  
Nomination & Remuneration,  
Stakeholder Relationship, Securities  
allotment and transfer committee



**S. Karuppasamy**  
Ex-Executive Director, RBI



Committee Chairman  
IT Strategy,  
Compliance & Customer Service



**Tabassum Inamdar**  
Ex Goldman Sachs,  
UBS Securities, Kotak  
Securities



## Nominee / Shareholder Directors



**Chetan Gupta**  
(Samena Nominee)  
Managing Director  
at Samena Capital  
**SAMENA**  
CAPITAL



**Suresh Prabhala**  
(ADV Nominee)  
Partner at ADV



**Rohit Goyal**  
(IFU Nominee)  
VP at IFU



**Shachindra Nath -**  
**Founder & Managing Director**  
26+ Years of diversified financial  
services experience across asset  
management, lending, capital  
markets & insurance

# With **strong corporate governance framework** enshrined in the Articles

- High degree of **regulatory oversight and transparency**
- An institution created with a **long-term view**, designed for continued operational efficiency
- Access to **permanent capital**



- **Reputed Audit Firm** to be appointed as the statutory auditors
- **Sharp and Tannan** appointed as the **statutory auditor** and **Khimji Kunverji & Co** appointed as the co-sourced firm for **internal audit**

- Any proposed loan **>1% of net worth or to a related party** to require unanimous approval of ALCO and the Board
- Board approved **multi-layer credit authority delegation**
- **Removal of key management (including CRO, CFO)** to require 3/4th board approval
- Any significant action by the Company to need **3/4<sup>th</sup> approval of the Board**

- **Independent directors** to comprise majority for perpetuity
- Any shareholder holding **>10% to qualify for a board seat**
- Key committees to be headed by an independent member with required credentials
- **The majority of the NRC, ALCO and Audit Committees** to comprise of **independent directors**

**Special Resolution of Shareholders required for effecting any changes to the AoA**  
**Promoters/Management do not have unfettered rights to divert business strategy**



# Professionally Managed: Leadership team has 165+ years of cumulative experience



**Shachindra Nath -  
Founder & Managing Director**  
26+ Years of diversified financial  
services experience across asset  
management, lending, capital  
markets & insurance



**Amit Mande  
Chief Revenue Officer**  
24+ Years of Experience



**Anuj Pandey  
Chief Risk Officer**  
25 Years of Experience



**Kishore Lodha  
Chief Financial Officer**  
23+ Years of Experience



**Sunil Lotke  
Chief Legal & Compliance Officer**  
21+ Years of Experience



**Rajni Khurana  
Chief People Officer**  
24+ Years of Experience



**Sharad Agarwal  
Chief Operating & Technology Officer**  
25+ Years of Experience





# Leadership is supported by strong second layer of management



**Monika Kapoor**  
CBO - Intermediated Business  
21+ Years of Experience



**J Sathiayan**  
CBO - Micro Enterprises  
25+ Years of Experience



**Ajit Kumar**  
CBO - Equipment Finance  
& Green Asset Financing  
25+ Years of Experience



**Tanya Chadha**  
CBO - Digital Business  
& Alliances  
19+ Years of Experience



**Irem Sayeed**  
Chief Credit Officer  
25+ Years of Experience



**Subrata Das**  
Chief Innovation Officer  
19+ Years of Experience



**Satyabrata Mohapatra**  
Head - Operations &  
Customer service  
24+ Years of Experience



**Prabhakaran Sundaraj**  
Head - Collections &  
Litigations  
27+ Years of Experience



**Arun Arora**  
Head - FCU, Collateral &  
Technical  
19+ Years of Experience



**Neeraj Deshpande**  
Head – Co-lending  
24+ Years of Experience



**Deepak Khetan**  
Head – Investor Relations  
17+ Years of Experience



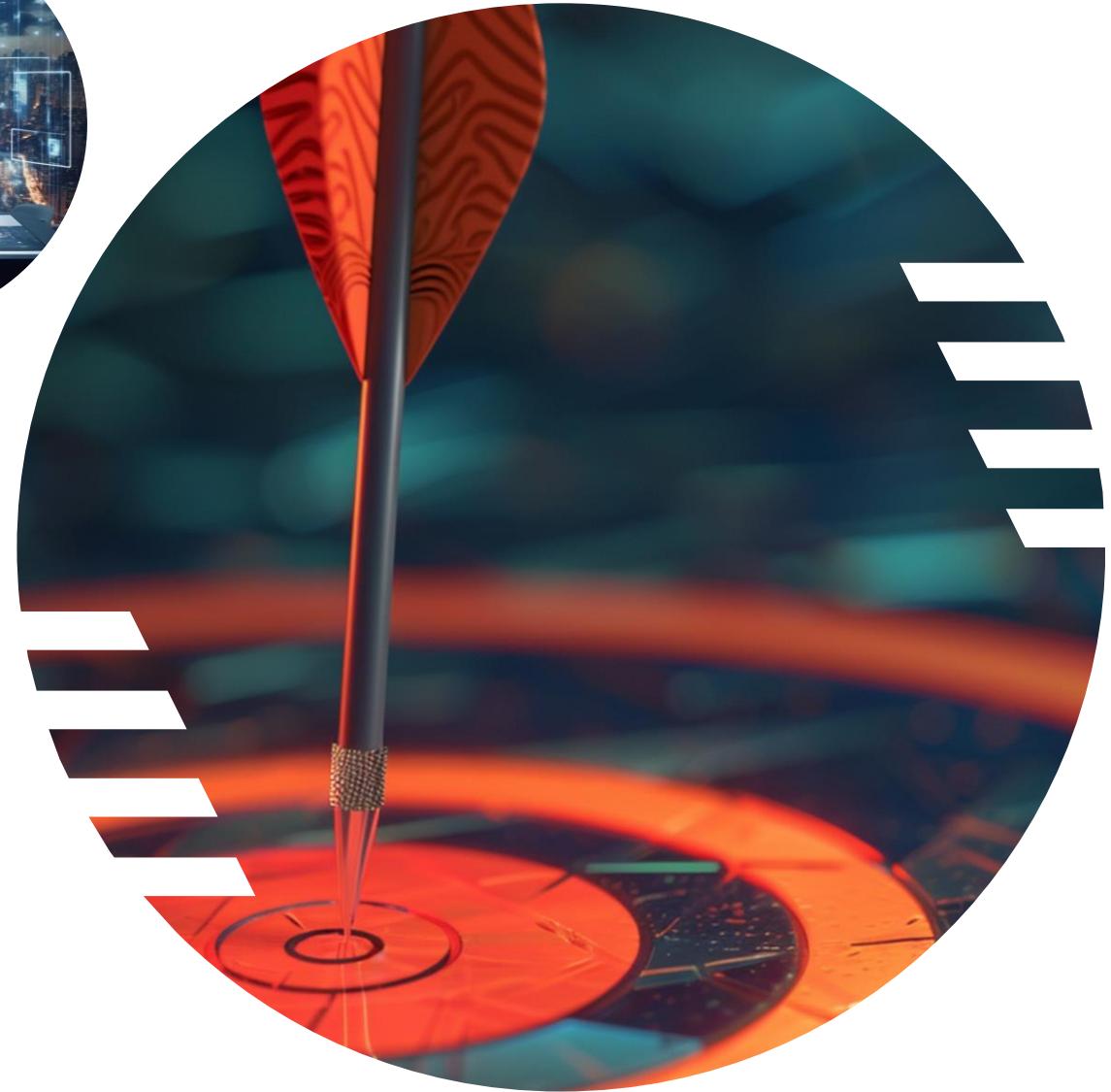
**Ankit Chothani**  
Head - Marketing &  
Corporate Communications  
19+ Years of Experience





# Understanding Co-lending

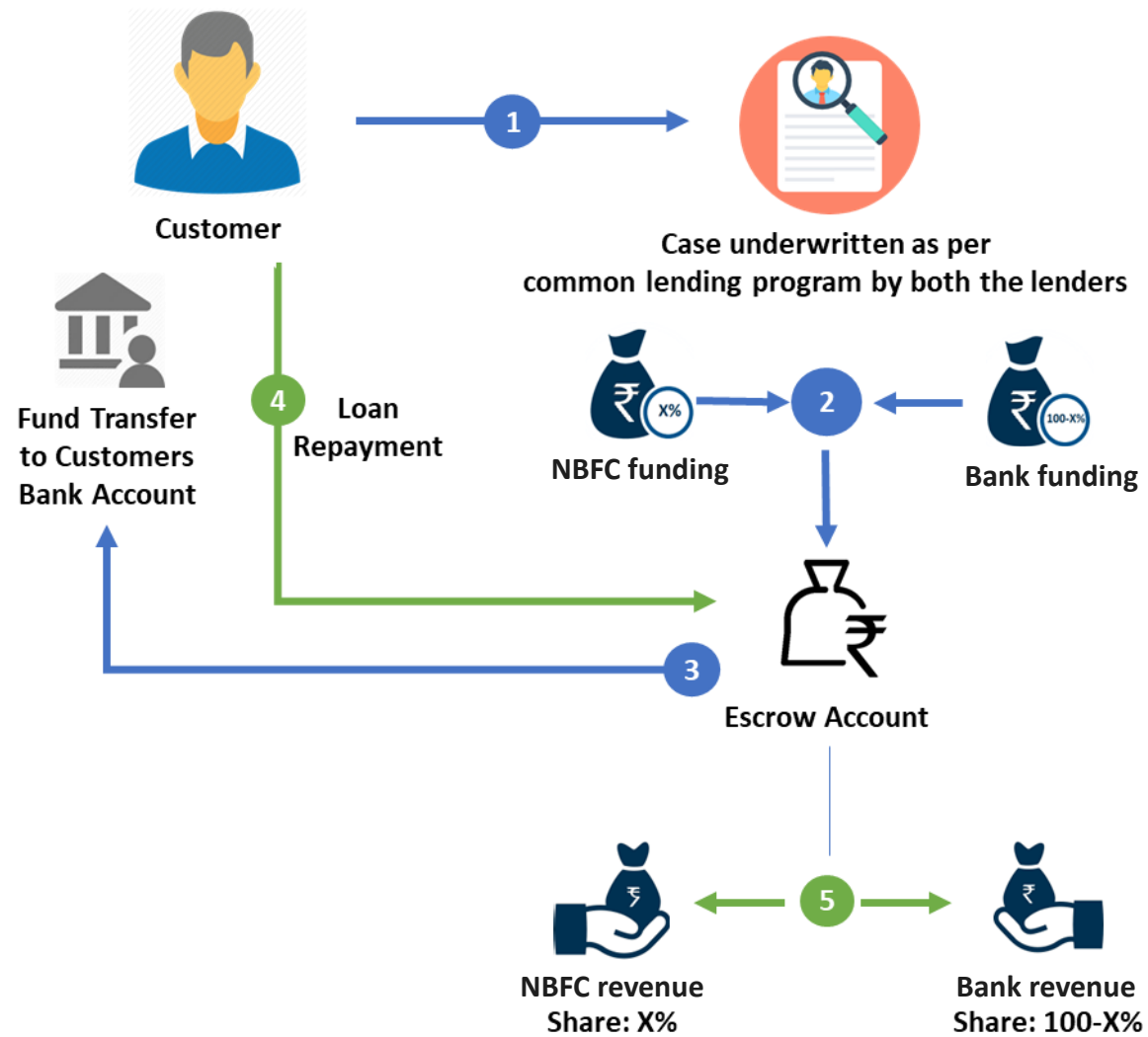
*Note: This section is only for learning & illustration purpose*



RBI circular dated November 05, 2020

- 1 **Loan sanction** - Joint contribution of credit by banks and NBFCs
- 2 **Interest rate** - Blended rate to be offered to customers
- 3 **Common Escrow Account:** The Bank and the NBFC shall open common escrow account for disbursal as well as repayments
- 4 **Sharing of risks and rewards** – Banks and NBFCs to share risk and rewards in loan sharing ratio.
- 5 **Grievance Redressal:** The originator will be primarily responsible for providing the required customer service and grievance redressal to the borrower.
- 6 **Collection & Efficiency:** The originator shall be responsible for collections of receivables under default
- 7 **Enforcement of Security:** The originator shall act as servicing agent for enforcement of security

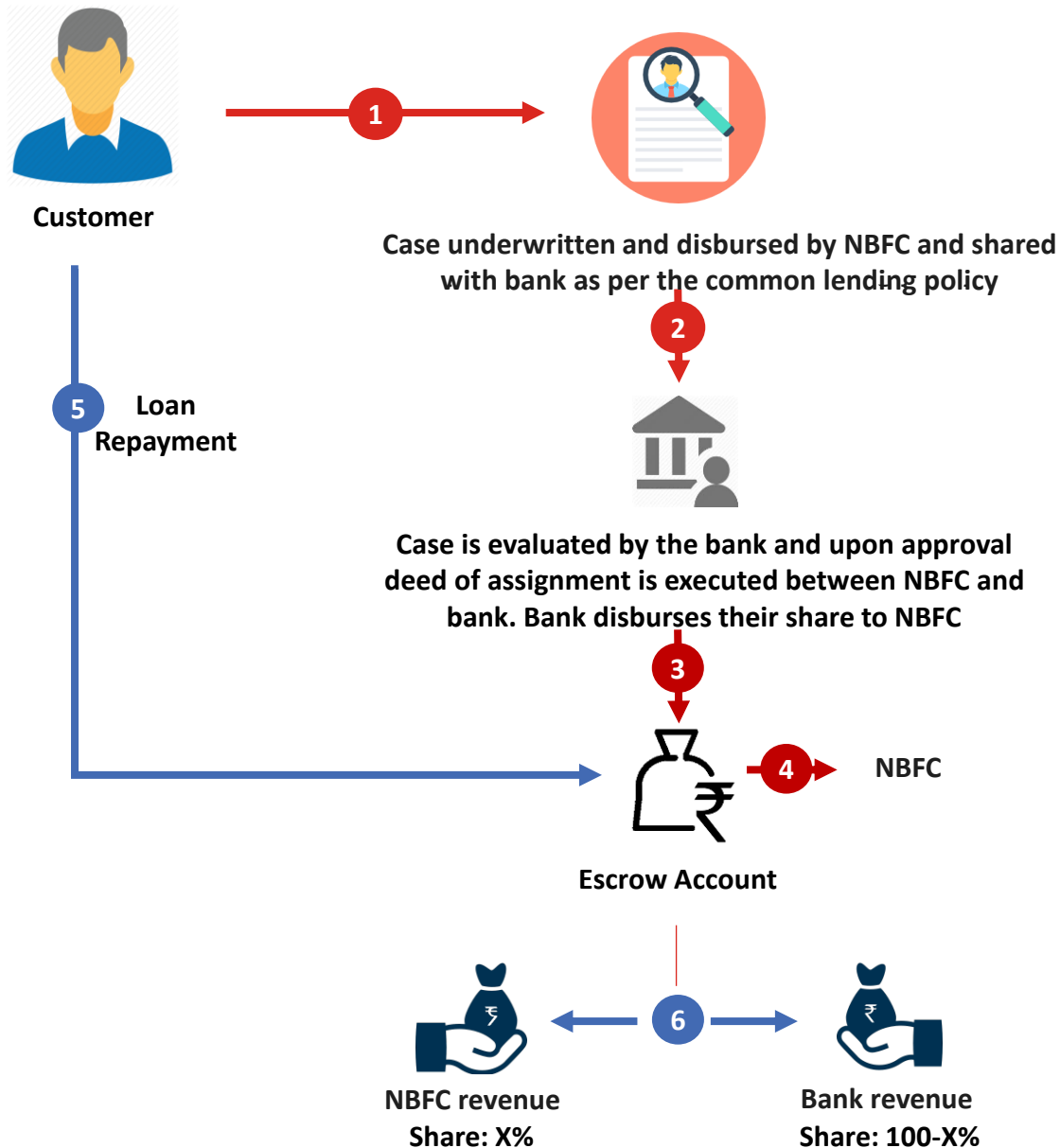
# Co-origination Process Framework - CLM 1



## Documentation:

- Co-Branded Sanction letter issued to the customer post approval by both the lenders.
- Customer signs agreement with both the lenders.
- Security (if any) to be created in favor of both the lenders on pari passu basis or as may be mutually agreed between the lenders
- NBFC acts as the sole customer inter-face

# Co-Lending Process Framework - CLM 2 (akin to Direct Assignment)

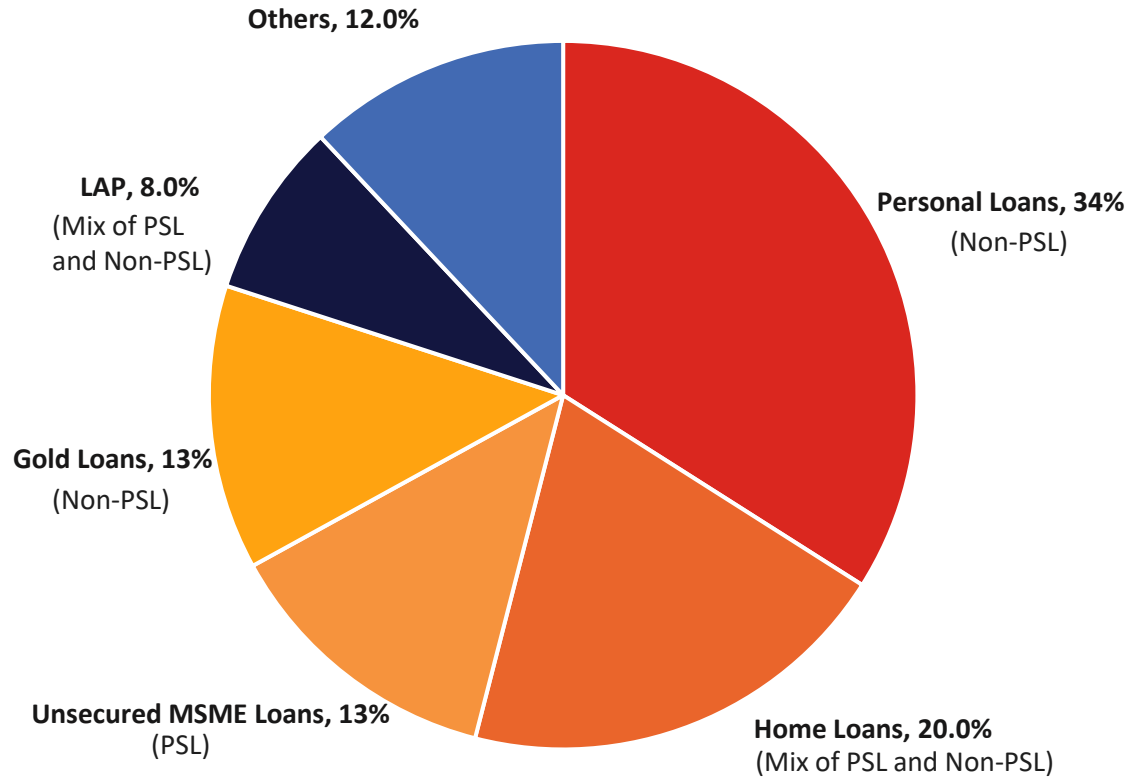


## Documentation:

- Sanction letter, Loan agreement and Security documents, if any, are executed between borrower and NBFC.
- Sanction Letter and Loan Agreement contains appropriate clauses on Co-lending / Assignment of Loan to Bank.
- Upon approval deed of assignment is executed between NBFC and Bank
- Intimation to the borrower about assignment of loan to the bank under Co-lending model is sent by NBFC
- NBFC acts as the sole customer inter-face

# Co-lending: Current Status and Market Opportunity

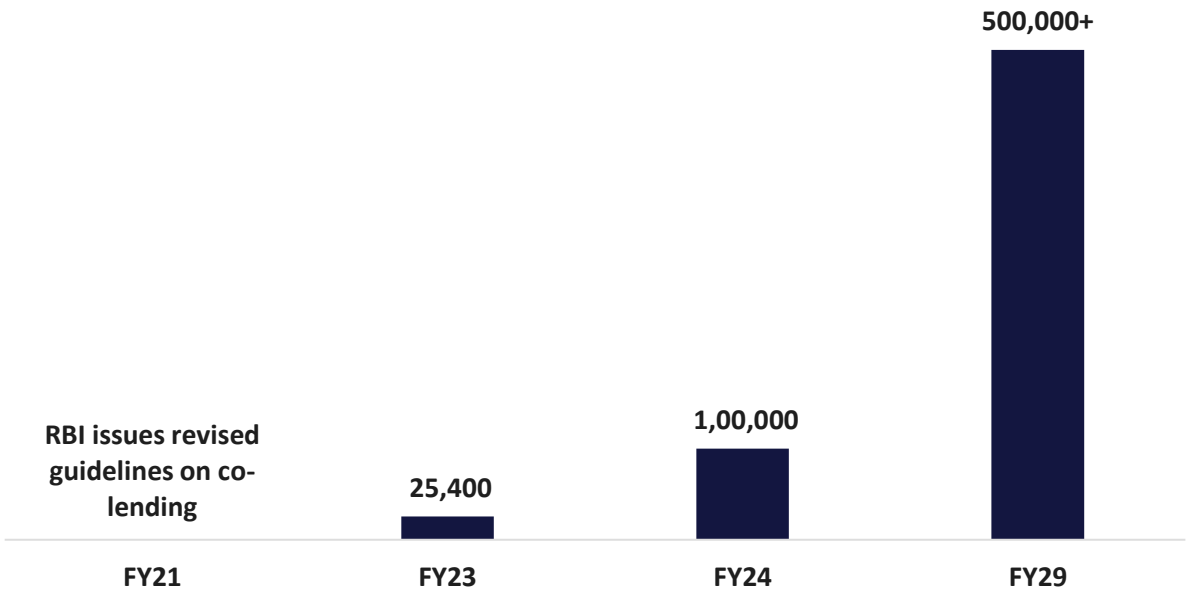
Composition of Co-lending AUM (as of Dec-23)



Source: CRISIL

Co-lending AUM is expected to grow 35-40% CAGR in medium term

Co-lending AUM (Rs lakh crores)



Source: CRISIL, Industry

As per industry estimates, PSL constitutes only 25% in total co-lending AUM

# Co-Lending model is a **win-win combination** for Banks, NBFCs & Customers

## Benefits for various stakeholders



- Expand distribution in under-served areas at minimal opex.
- Access to specific, untapped market segments (eg: MSMEs, low-income groups)
- Opportunity to increase share of credit in PSL
- Access to product innovations, technology & functional expertise
- Better asset quality

- Access to higher liquidity at competitive cost
- Enabling stronger growth in short time due to increased collaboration
- Increased reach in lending ecosystem particularly underserved customers
- Ability to offer competitive rates and niche products

- Access to credit particularly for under-served segments and geographies with limited access to credit
- Access to competitive interest rates and products
- Better service due to NBFC's customer-centric approach



# Direct Assignment (DA) vs Co-Lending akin to DA

Particular	Direct Assignment (DA)	Co-lending akin to DA
Forms part of Gross Loans (Balance Sheet) for Originator	Only 10% share	Only the 20% (self-funded) portion of the loan
Underwriting & due diligence	Underwriting is done by originator. Investor conducts due diligence at the portfolio level and can extend up to 100%, in accordance with its policy  Three months for loans with original tenor less than 24 months	Originating NBFC and funding Bank agree on a common lending policy basis which both the partners does customer level underwriting at the time of the sanction/ disbursement. Originator and funding partner – both, conduct due diligence for each contract, involving KYC verification, policy compliance, and examination of underlying securities documents
Minimum Holding Period (MHP) requirement	Six months for all other loans  Applicable from the date of Full disbursement/or registration of security interest with CERSAI (whichever is later)	Not applicable
Minimum Retention Requirement (MRR)	5% of book value of the loan, with original maturity less than 24 months  10% of book value of the loan, with original maturity more than 24 months  5% of book value for Residential MBS, irrespective of maturity  Can be waived off in case of full due diligence	If the co-lender originating the loan is an NBFC, an MRR of 20% is required
Funding	Initial funding done by the originator; post completion of MHP, the investor funds the agreed portion to the originator	The initial originator provides customer funding, and the funding partner funds the agreed portion of the loan to the originator without the need for MHP requirements

# Thank you

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