



# UGRO Capital Limited

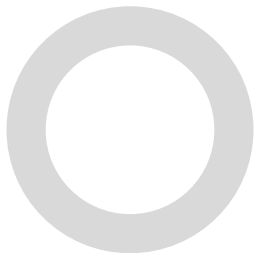
## Building an Institution for MSME Lending

Data Tech Empowering Small Businesses (MSME) Lending

## Q3'FY25 Earnings Presentation

24 January 2025

NSE: UGROCAP | BSE: 511742



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## Consecutive highest loan origination Quarter:

INR 2,098 Cr compared to INR 1,971 Cr in Q2'FY25 and INR 1,552 Cr in Q3'FY24

## Successful initiation in the embedded finance disbursements:

MSL acquisition<sup>(1)</sup> has delivered as planned, with AUM reaching INR 302 crore as of December 2024; showcasing strong traction.

## Focus on Emerging Market (EM) channel<sup>(2)</sup>:

74 Emerging Market branches added in 9M'FY25 taking total branch count to 224

## Highest ever disbursement by Emerging Market channel:

INR 543 Cr vs. INR 180 Cr in Q3'FY24; overall contribution to EM channel increased to 19% as of Dec'24.

## Mobilized highest ever borrowings in a quarter:

~INR 1,400 Cr in Q3'FY25 vs ~INR 1,100 Cr in Q2'FY25 and ~INR 800 Cr in Q3'FY24; \$105 Mn of ECB sanctioned/raised

## Stable Asset Quality:

GNPA maintained at 2.1% with all portfolio parameters stable; provision coverage maintained at 47%.

(1) The process is underway and the regulatory approval is awaited.

(2) 'Micro' has been renamed as 'Emerging Market' for better reference to our focus segment

# Performance snapshot for Q3'FY25/ 9M'FY25

	Q3'FY25	Q3'FY24		9M'FY25	9M'FY24	
AUM (INR Cr)	11,067	8,364	↑ 32%	11,067	8,364	↑ 32%
Net Disbursement (INR Cr) <sup>(1)</sup>	2,098	1,552	↑ 35%	5,215	4,311	↑ 21%
Off-book AUM	44%	45%	↓ 71 bps	44%	45%	↓ 71 bps
Net Total Income % <sup>(2)</sup>	12.8%	13.5%	↓ 66 bps	12.3%	13.0%	↓ 71 bps
Pre-Tax Profit (INR Cr)	53.0	46.4	↑ 14%	145.9	122.8	↑ 19%
PAT (INR Cr)	37.5	32.5	↑ 15%	103.4	86.7	↑ 19%
Cost to Income Ratio	56.7%	53.2%	↑ 350 bps	54.6%	54.6%	↓ 5 bps
ROA	1.9%	2.4%	↓ 46 bps	1.9%	2.3%	↓ 42 bps
ROE <sup>(3)</sup>	8.4%	9.4%	↓ 96 bps	8.5%	9.7%	↓ 117 bps

Annualized EPS of 9M'FY25<sup>(4)</sup>  
**INR 15.0 per share**

Price to Earnings Ratio (P/E)  
**15.4x**  
(Basis BSE price as on Dec 31, 2024)

(1) Net Disbursement = Gross Disbursements – Repayment received in Supply Chain Financing during the period ; (2) On Average Gross on-books AUM; (3) Annualised and excluding equity component of CCDs; (4) Annualised Diluted EPS for 9M'FY25 of INR 14.3

# Key metrics for Q3'FY25/ 9M'FY25

**01** **Asset Growth**

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**AUM**  
 As of Dec'24 : **11,067 Cr**  
 (+32% Y-o-Y)

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**Net Loans Originated**  
 Q3'FY25 | 9M'FY25:  
**2,098 Cr | 5,215 Cr**  
 (+35% | +21% Y-o-Y)

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**Portfolio yield (net)**  
 As of Dec'24: **16.7%**

**02** **Profitability**

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**Net Total Income**  
 Q3'FY25 | 9M'FY25:  
**218 Cr | 583 Cr**  
 (+34% | +34% Y-o-Y)

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**PPOP**  
 Q3'FY25 | 9M'FY25:  
**94 Cr | 265 Cr**  
 (+24% | +34% Y-o-Y)

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**Net Profit**  
 Q3'FY25 | 9M'FY25:  
**38 Cr | 103 Cr**  
 (+15% | +19% Y-o-Y)

**03** **Asset Quality**

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**GNPA**  
 As of Dec'24 : **2.1%**  
 (Dec'23: 2.0%)

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**NNPA**  
 As of Dec'24 : **1.5%**  
 (Dec'23: 1.1%)

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**Collection efficiency<sup>(1)</sup>**  
 Dec'24 : **96%**

**04** **Liability & Co - lending**

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**Borrowings**  
 As of Dec'24 : **6,151 Cr**

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**Co-lending**  
 - Partnership with **16** co - lenders / co - originators  
 - **4,902 Cr** off-book AUM  
 (+30% Y-o-Y)

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**Cost of Borrowings**  
 As of Dec'24 : **10.68%**

(1) Total Collections (including overdue) / Current month demand

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

## UGRO's Focus

**GRC+**  
**GroScore**

**Prime Intermediated:  
Metro & Tier 1/2 Branches**

**Collateral:** Prime Property (For Sec.), Prime Machinery  
**Cashflow:** GST, Banking & Liquid income assessment

**Rs 1cr – 15cr**  
Customer Turnover

**Secured Biz. Loan: Rs 81L**  
**Biz. Loan\*: Rs 19L**  
**Prime Machinery: Rs 40L**  
Average ticket size

**Yield:** Sec/Biz/Mch: 14%/19%/15%  
**Tenure:** Sec/Biz: 12/3/4 yrs

**Channel AUM Mix:** 53%  
Sec/Biz/Mch : 22%/30%/1%

**GRC+**

**Emerging Market: Tier 2 & beyond branches**

**Collateral:** Standard Property  
**Cashflow:** Liquid income assessment

**<Rs 1cr**  
Customer Turnover

**Rs 14L**  
Average ticket size

**Yield:** 19%  
**Tenure:** 9 yrs

**Channel AUM Mix:** 19%

**GRC+**  
**GroScore**

**Ecosystem Channel & Green Asset Financing**

**Collateral:** Prime Machinery  
**Cashflow:** GST & Banking

**Rs 1cr – 10cr**  
Customer Turnover

**Rs 35L**  
Average ticket size

**Yield:** 14%  
**Tenure:** 4 yrs

**Channel AUM Mix:** 12%

**GROX**  
**GRO line** **GRO CHAIN**

**Direct & Digital Alliances**

**Collateral:** Receivables, FLDG from partner  
**Cashflow:** Banking & liquid income assessment

**<Rs 50L**  
Customer Turnover

**Alliances: Rs 4L**  
**Embedded Finance: Rs 1L**  
Average ticket size

**P&A/Embedded fin**  
**Yield:** 15%/16%  
**Tenure:** 4 yrs/1yr

**Channel AUM Mix:** 11%/3%

\*CGTMSE backed

**Products sold across channels:** Intermediated: Secured Biz. Loan, Biz. Loan, Rooftop Solar and Machinery; Emerging Market: Secured Enterprises 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

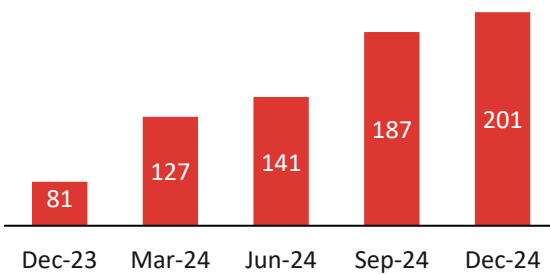
Strategic decision to rundown lower yielding SCF book – not covered here

# Emerging Market Snapshot- Y-o-Y

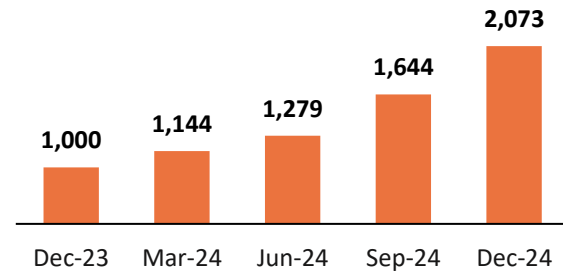
	9M' FY24	9M'FY25	
# of branches	81	201	↑ 148%
# of states	7	11	↑ 57%
# of logins	15,070	28,434	↑ 89%
Disbursement (Rs cr)	518	1,208	↑ 133%
AUM (Rs cr)	1,000	2,073	↑ 107%
Channel AUM Mix %	12%	19%	↑ 623bps

## Quarterly trends- Last 5 quarters

# of branches:



Channel AUM (Rs cr) trend:



## Strategy- Current/ Target

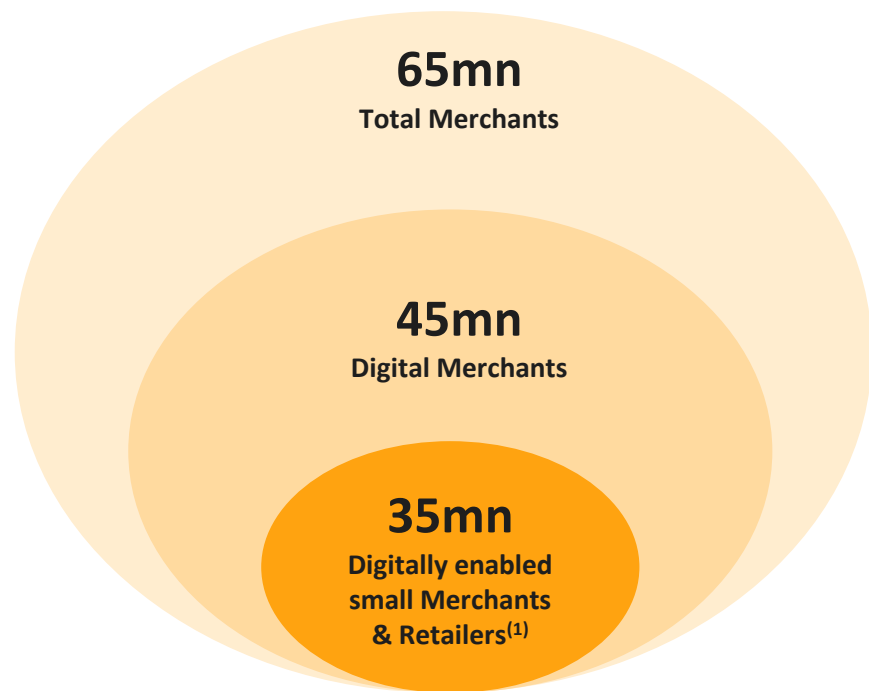
- Target to increase the number of branches to 400 by March 2026 and increase geographical presence in another 2-3 states.

- Significant focus on increasing the volumes.
- The AUM mix is planned to increase from current levels to approx. 35-40% in the next 4-6 quarters.

Our Emerging Market Channel continues to grow quarter on quarter with steady volumes and increase in number of branches as desired

# Embedded finance platform (MSL) acquisition tracking as per plan

## Embedded finance ecosystem and potential



**\$22bn+**  
Annual Credit Requirement  
for Small Retailers <sup>(2)</sup>

92% Credit  
Gap<sup>(3)</sup>

**\$20bn+**  
Annual Credit Gap

## MSL Performance so far..

- Our targeted acquisition of the embedded finance platform (MSL) has tracked to the right scale.
- We have seen good traction for the partner volumes, with monthly run rate of Rs 150cr to Rs 200cr.
- Out of total universe of ~3 crore merchants pertaining to MSL's partners, we have served 28,000+ customers. The AUM as of Dec-24 is Rs 302cr.
- Along with existing partners on the platform, talks are in final stages with couple of leading partners in this space.
- The approval process for completion of acquisition is ongoing.

## Current Partnerships

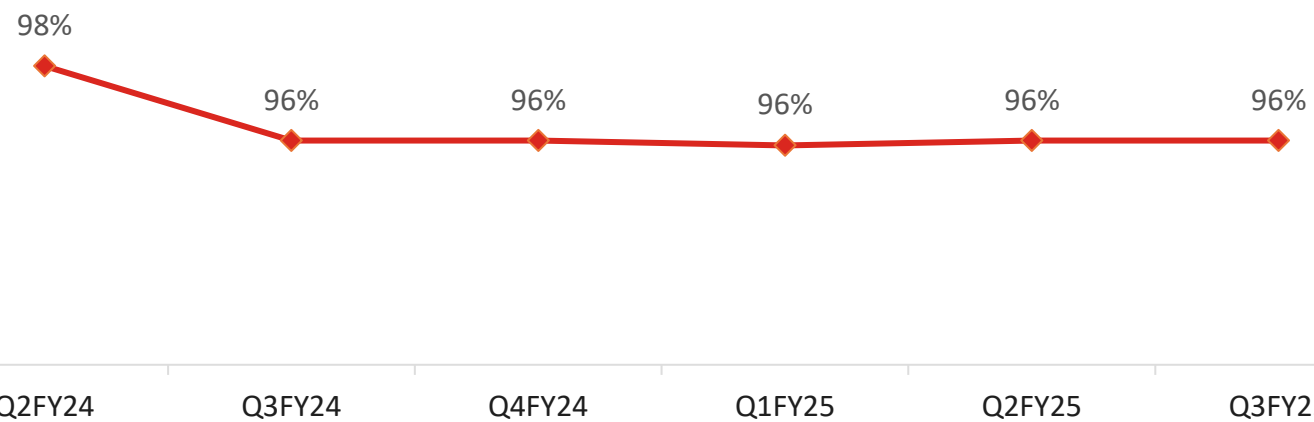




# Our collection efficiencies and portfolio performance **remains stable**

## Collection Efficiency remains robust

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



### Key highlights:

- **GNPA / NNPA** as a % of Total AUM stood at **2.1% / 1.5%** as of Dec'24
- **Stage 3** provisioning coverage stood at **47%**

\*Excluding foreclosures

## ECL Data (Dec'24)

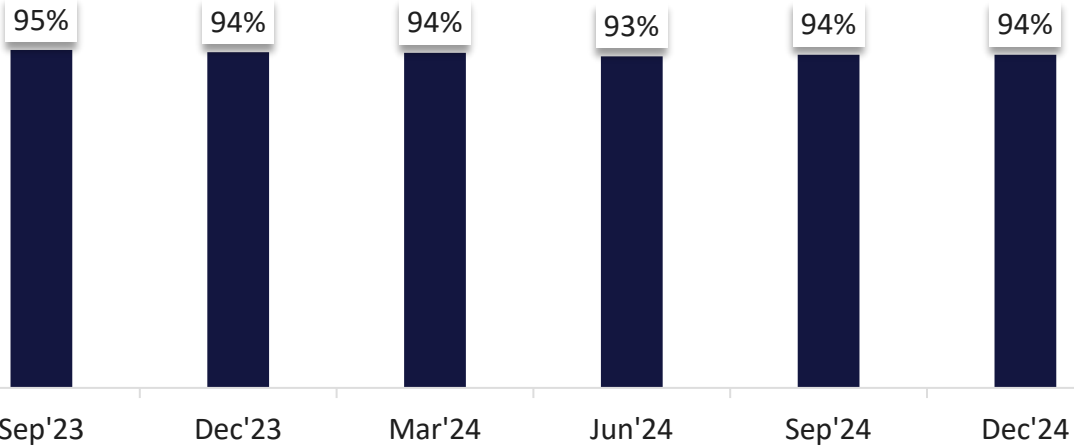
(In Cr)	Loan Exposure	Loan Exposure (%)
Stage 1	10,341	93.5%
Stage 2	488	4.4%
Stage 3	237	2.1%
<b>Total</b>	<b>11,067</b>	<b>100.0%</b>

## Product wise GNPA

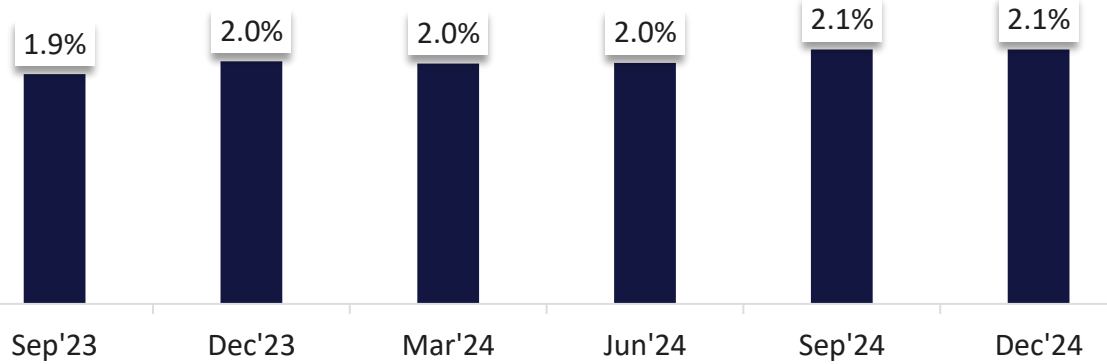
Product Category	AUM (INR Cr)	GNPA(%)
Secured Business Loan	3,042	0.4%
Business Loan	3,353	3.8%
Emerging market LAP	1,362	3.8%
Supply Chain Financing	309	10.7%
Machinery Loan	1,500	0.8%
Partnerships & Alliances	1,199	0.1%
Embedded Finance	302	0.5%
<b>Grand Total</b>	<b>11,067</b>	<b>2.1%</b>

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

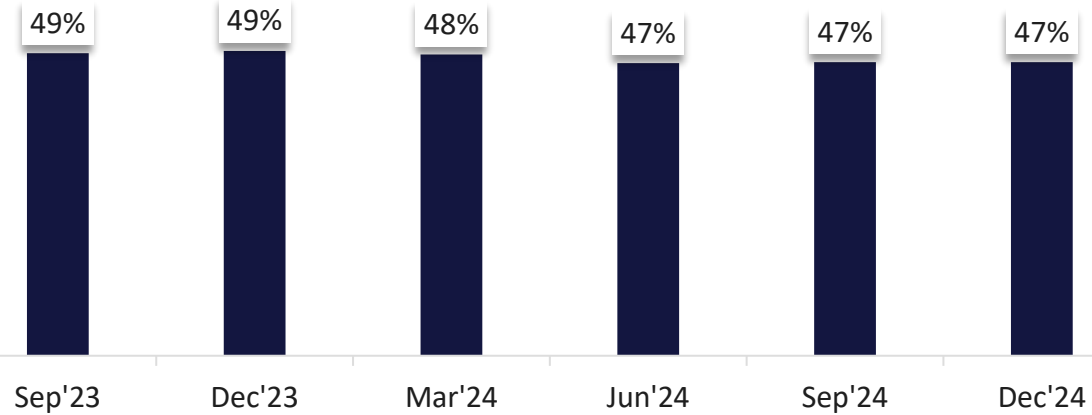
## Stable Stage 1 assets



## Stable Stage 3 assets



## Adequate Provision Coverage Ratio

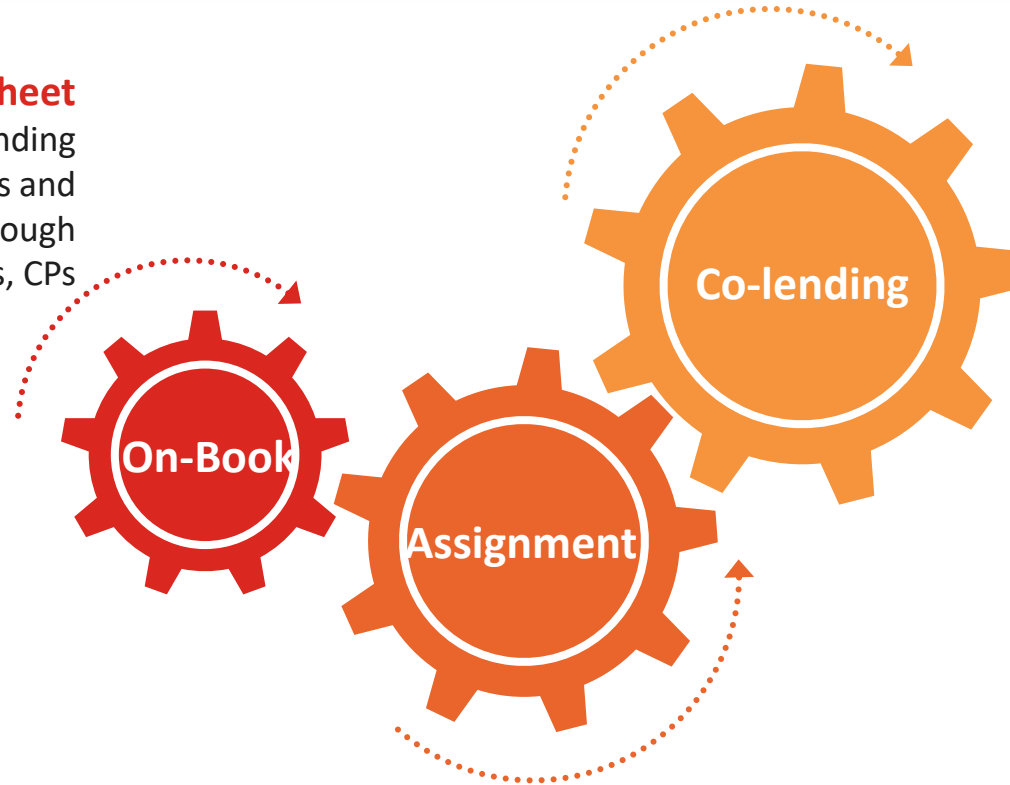


# Unique **capital light liability** strategy

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

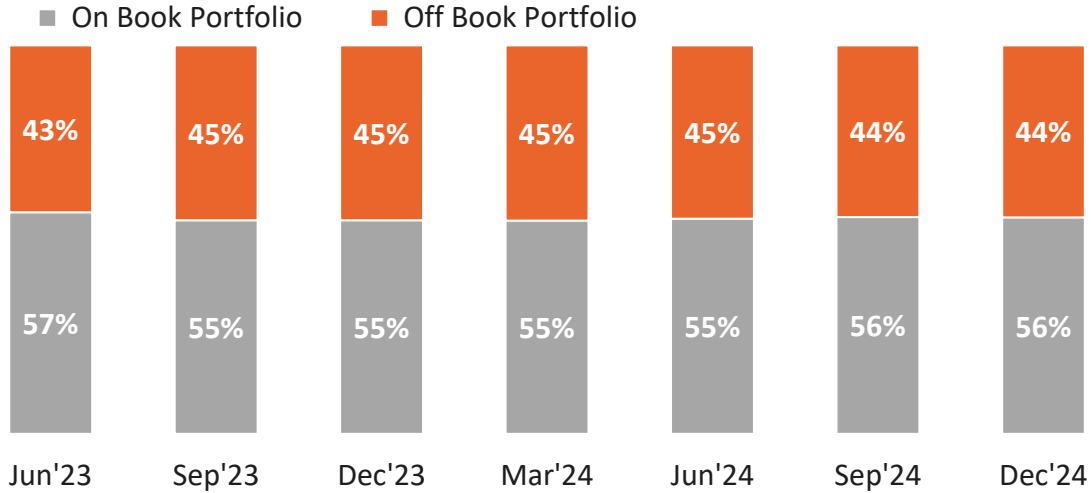
## **Assignments with FIs**

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

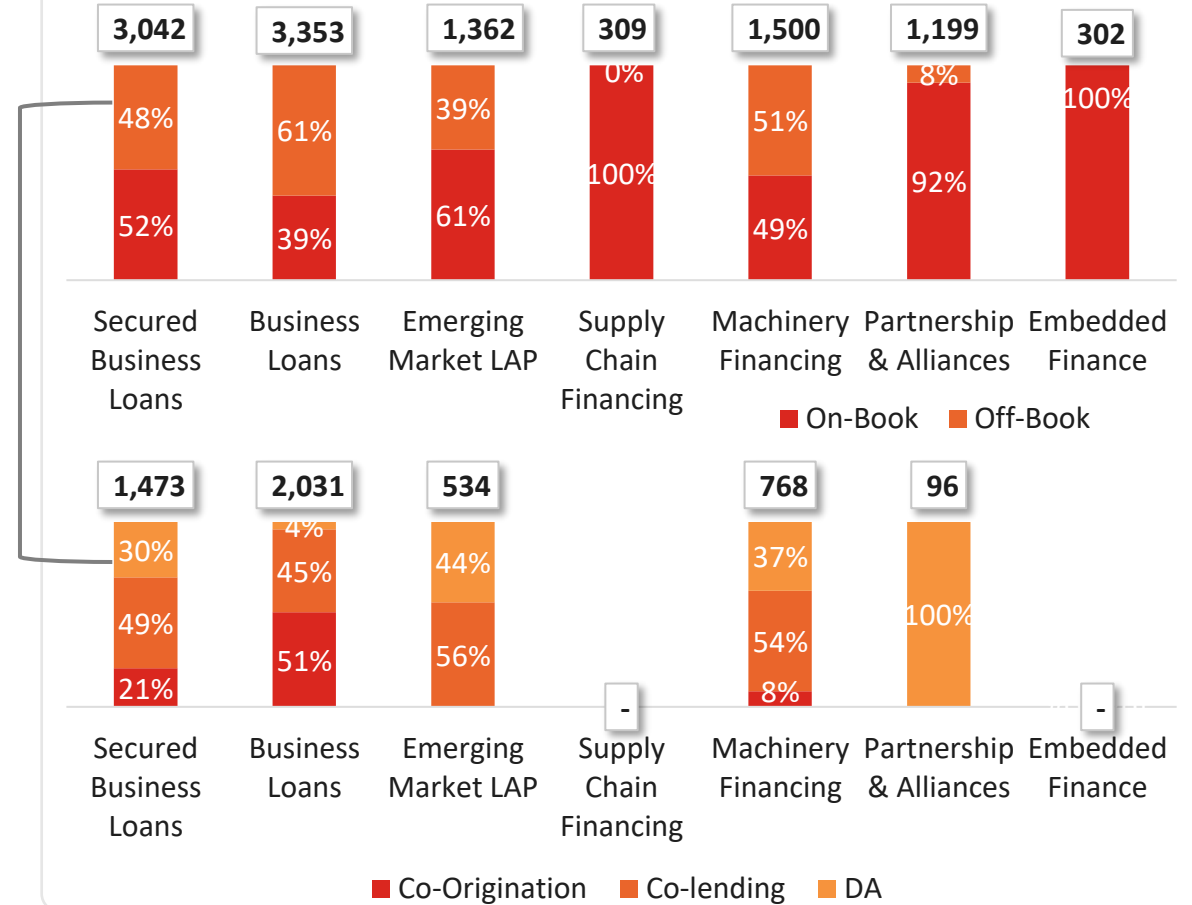
# Overall off book ratio maintained

## High proportion of off - Book AUM mix



	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24
Off Book AUM	2,929	3,405	3,765	4,078	4,114	4,493	4,902
Co-Origination	1,457	1,604	1,615	1,610	1,513	1,398	1,412
Co-lending	943	1,166	1,474	1,685	1,839	2,222	2,350
DA	530	635	676	784	762	874	1,141

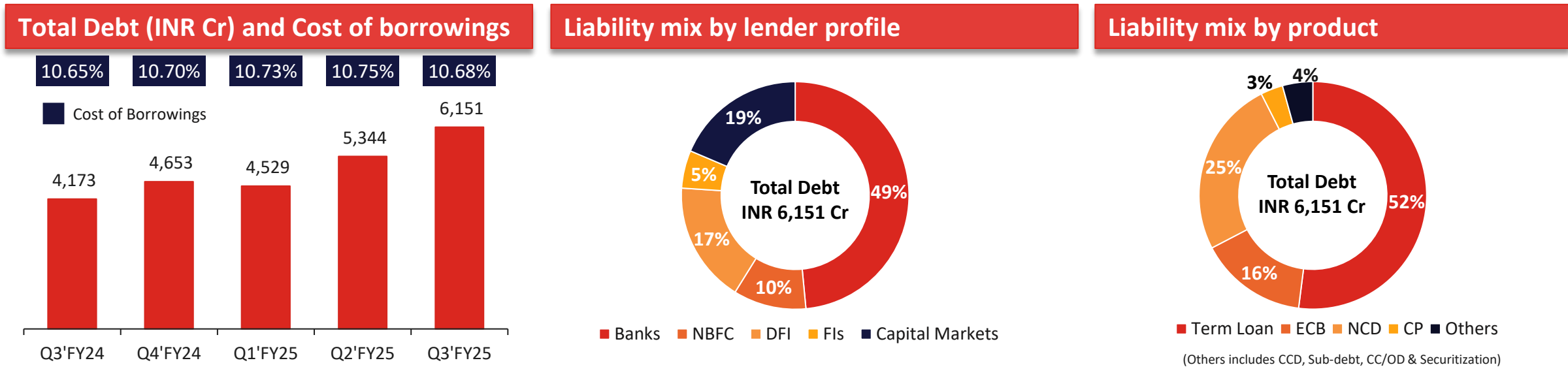
## Product wise Mix of off - Book AUM (Dec'24)



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



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



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

Public Sector Banks and Institutions	Private Sector Banks	DFIs	NBFCs

# Finance | Income Statement

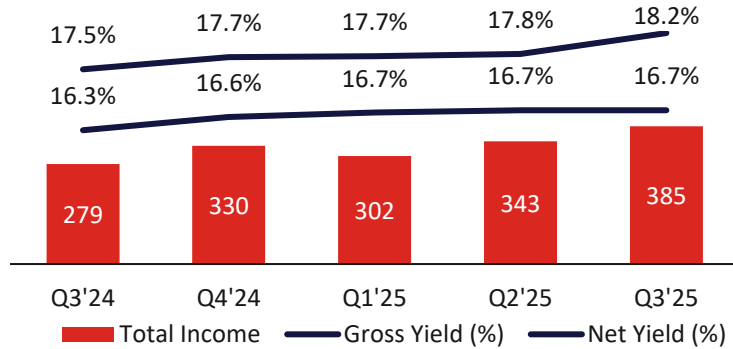
Income Statement (₹ Cr)	Q3'FY25	Q3'FY24	Y-o-Y	Q2'FY25	Q-o-Q
Interest Income	254.4	181.1	41%	208.0	22%
Income on Co-Lending / Direct Assignment	103.6	76.4	36%	109.5	(5%)
Other Income	26.9	21.8	23%	25.3	6%
<b>Total Income</b>	<b>385.0</b>	<b>279.3</b>	<b>38%</b>	<b>342.9</b>	<b>12%</b>
Interest Expenses	167.3	116.7	43%	143.1	17%
<b>Net Total Income</b>	<b>217.7</b>	<b>162.6</b>	<b>34%</b>	<b>199.8</b>	<b>9%</b>
Employee Cost	64.6	48.5	33%	61.6	5%
Other Expenses	58.8	38.0	55%	43.7	35%
<b>PPOP</b>	<b>94.2</b>	<b>76.1</b>	<b>24%</b>	<b>94.5</b>	<b>-</b>
Credit Cost	41.3	29.7	39%	44.3	(7%)
<b>PBT</b>	<b>53.0</b>	<b>46.4</b>	<b>14%</b>	<b>50.1</b>	<b>6%</b>
Tax	15.5	13.8	12%	14.6	6%
<b>PAT</b>	<b>37.5</b>	<b>32.5</b>	<b>15%</b>	<b>35.5</b>	<b>6%</b>

Annualised ROA Tree	Q3'FY25	9M'FY25
<b>As a % of Gross On Book AUM</b>		
Total Income	22.7%	21.7%
Interest Expenses	9.9%	9.4%
Net Total Income	12.8%	12.3%
Opex	7.3%	6.7%
Credit cost	2.4%	2.5%
PBT	3.1%	3.1%
PAT	2.2%	2.2%
Key Ratios	Q3'FY25	9M'FY25
ROA (% Avg. Total Assets)	1.9%	1.9%
Leverage	3.1x	3.1x
RoE*	8.4%	8.5%

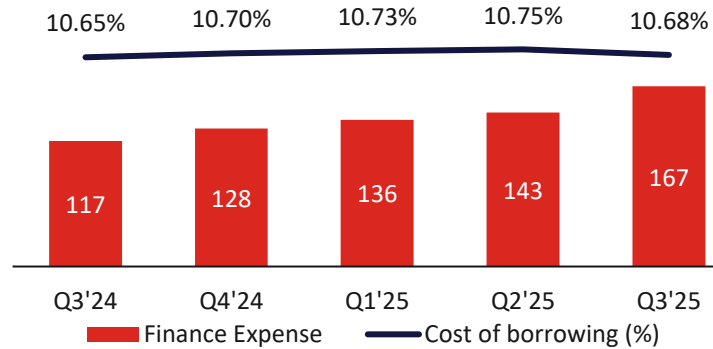
\* Excluding Equity component of CCDs

# Operating & Financial Metrics

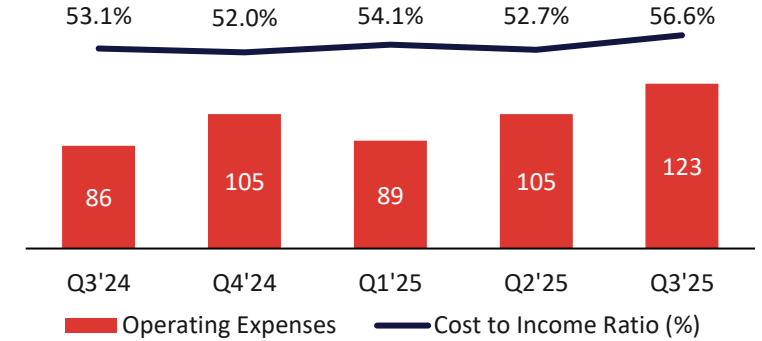
## Total Income (INR Cr) & Portfolio Yield<sup>§</sup>



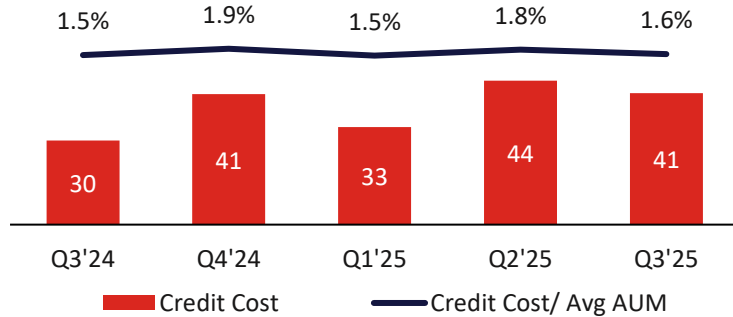
## Finance Cost (INR Cr) & Cost of Borrowing



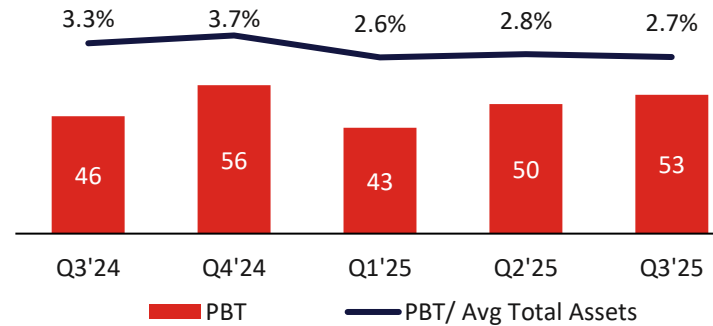
## Operating Exp. (INR Cr) and Cost to Income



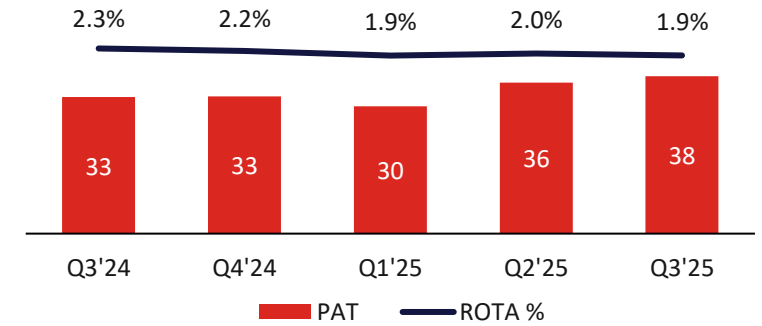
## Credit Cost (INR Cr) & Credit cost / Avg AUM



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



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



**1,998**  
Net Worth

**11,067**  
AUM

**44%**  
Off book %

**6,151 / 21.5%**  
Total Debt / CRAR

**2.1% / 1.5%**  
GNPA / NNPA (Total AUM)

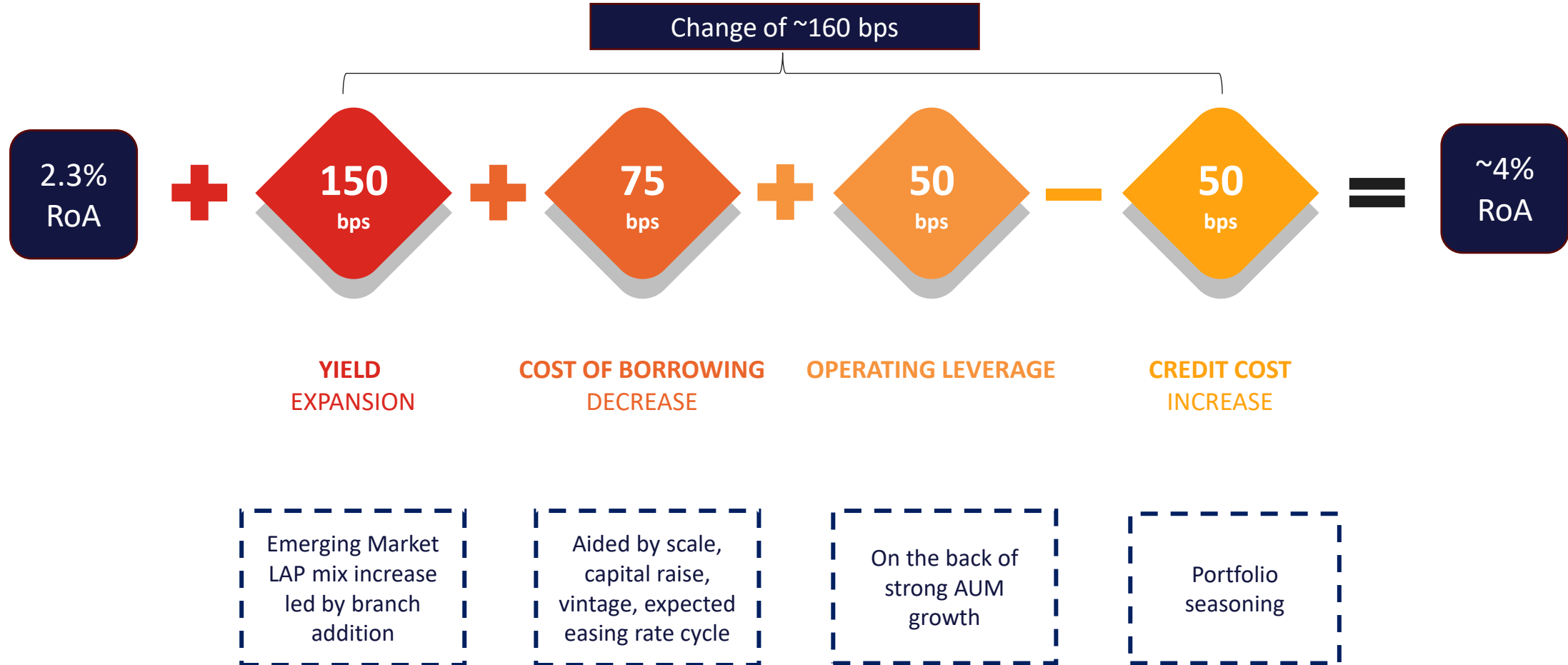
**224**  
Branches

**115,000+**  
Active Borrowers

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

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

# We continue to work towards 4% ROA







# 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



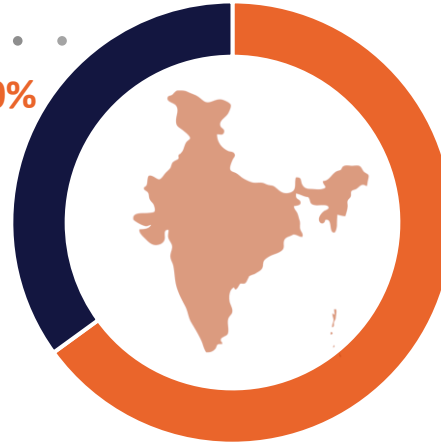
~25 Crore employment



~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

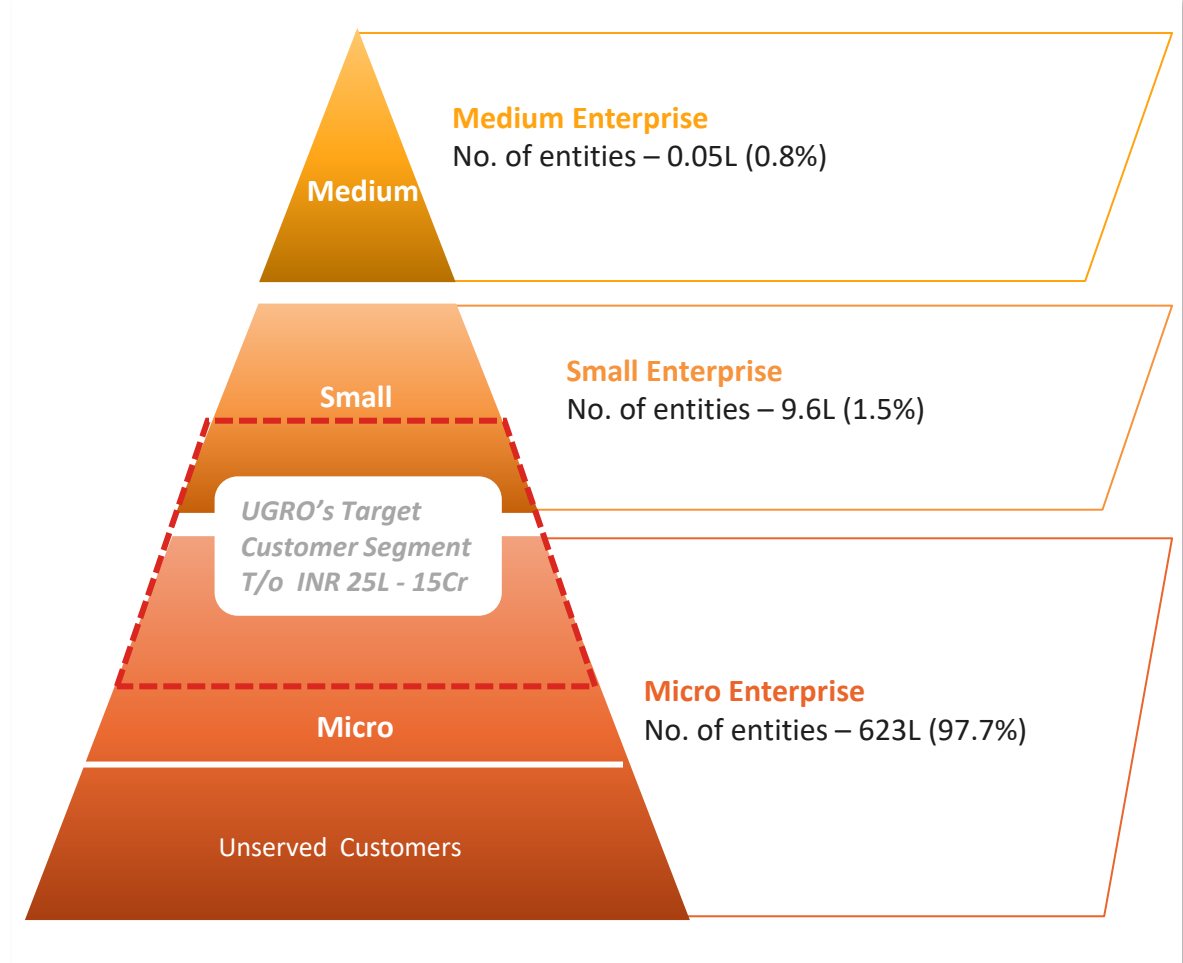
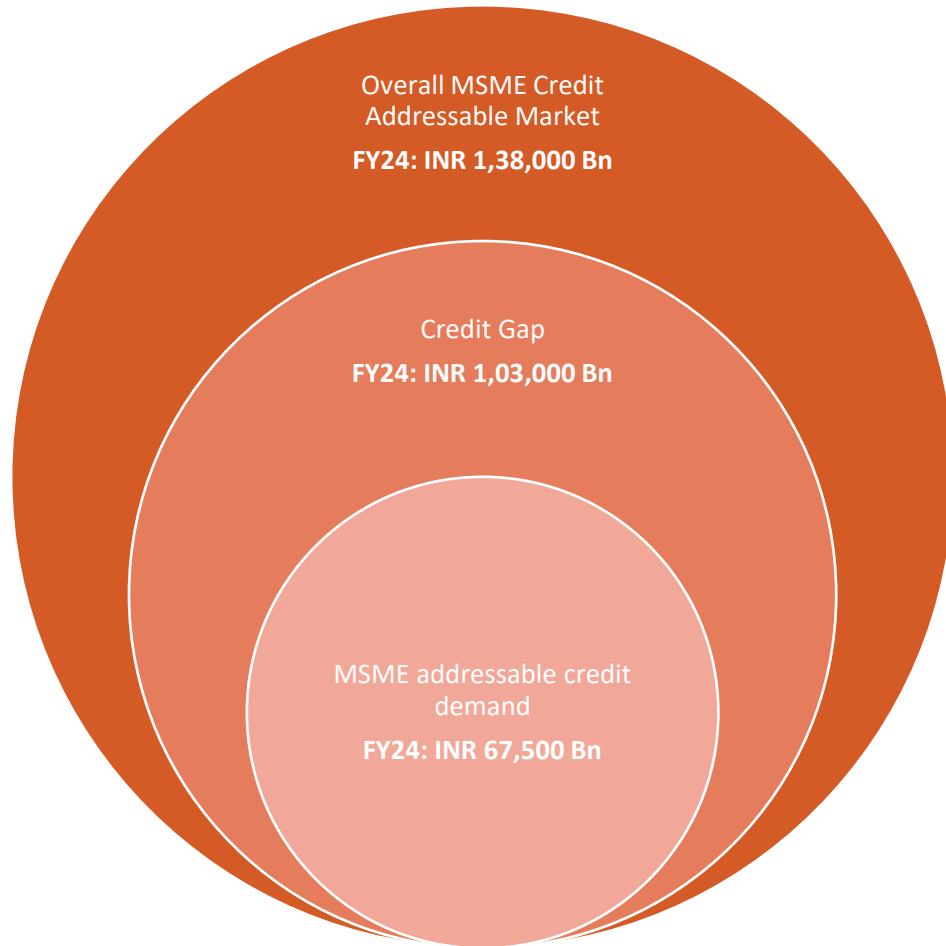
- 24 new MSME branches by year-end, will enable SIDBI to cover 168 of 242 major MSME clusters thereby expanding its reach amongst MSMEs

# 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 1,03,000 Bn

Credit Gap of our customer segment constitutes majority portion



Source: IFC report on Financing India's MSME; 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 103 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 224, 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

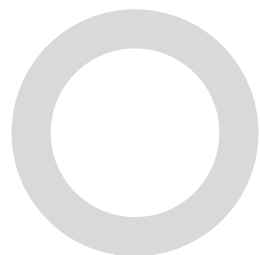
## **Multi-product Capability**

Prime, EM LAP, Machinery, Rooftop Solar, Partnership & Digital alliances products cater to the entire MSME ecosystem

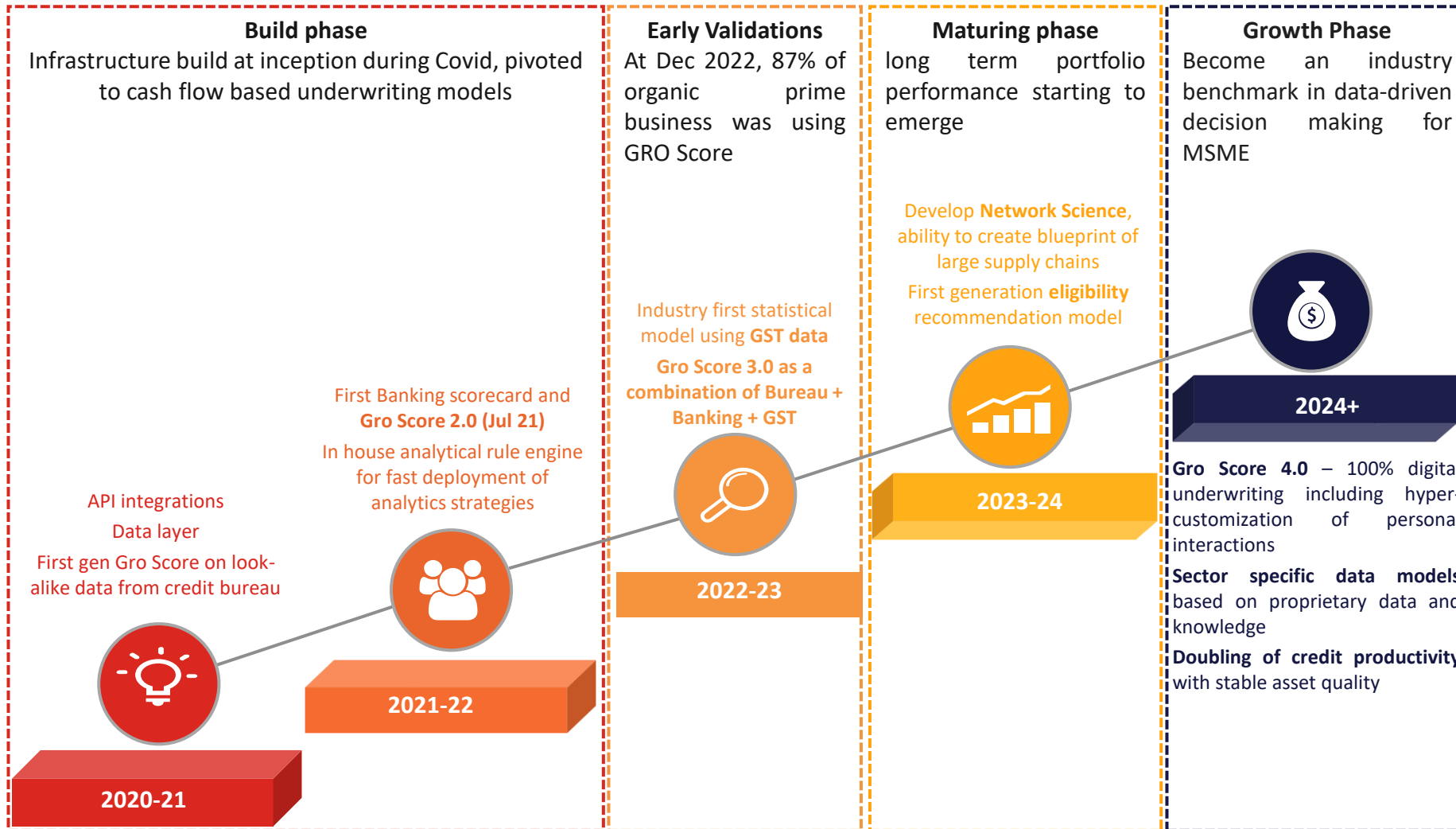
# UGRO's Data & Tech

driven approach

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



Data Repository- Dec'24
6.2L+ Bureau Records analyzed
2.5L+ Bank Statements analyzed
88k+ GST records analyzed
135k+ Customer served



# 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

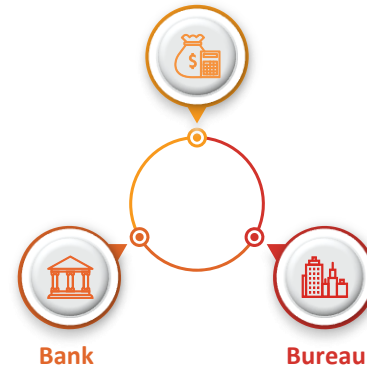
Pace of borrowing

## ...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

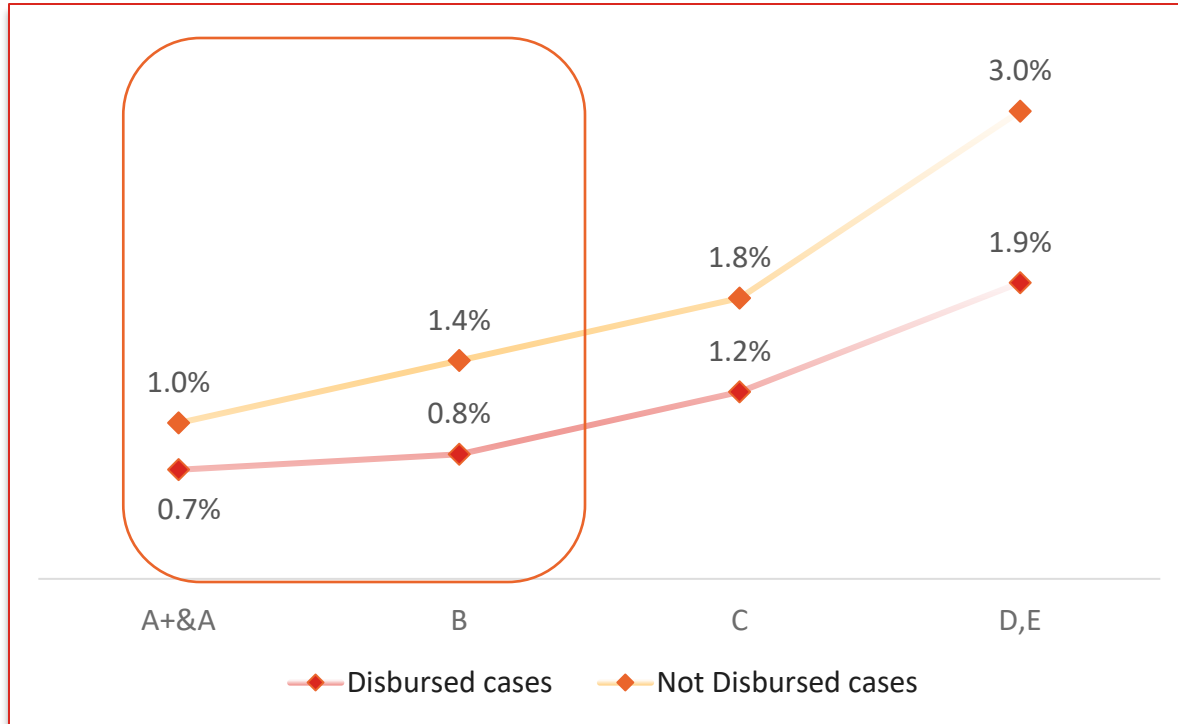
Scoring of each case into one of the five bands of A – E with A being the best and E being the worst



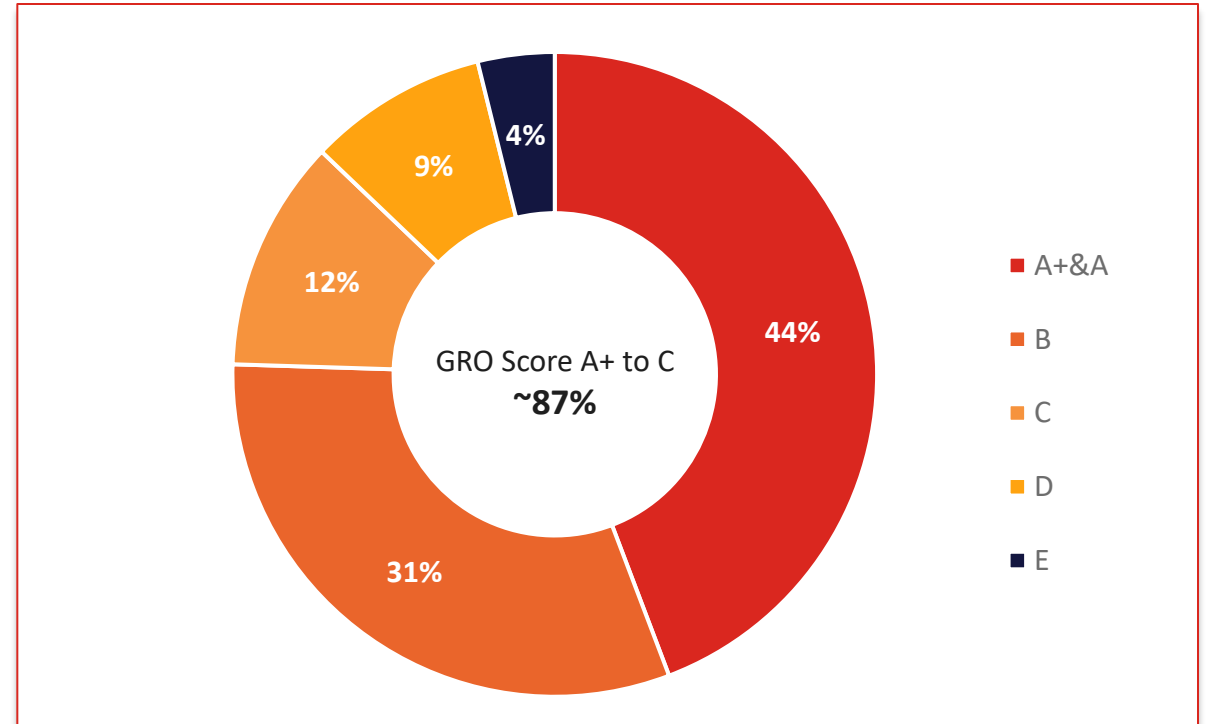
... and decide whether to disburse or not disburse the loan within 60 minutes.

# GRO Score – Risk Bands Stacking up on Historical Portfolio

Default rates across score bands – All customers assessed Since Inception



Score Band wise break up of recent disbursements (Jul 24 – Dec 24)

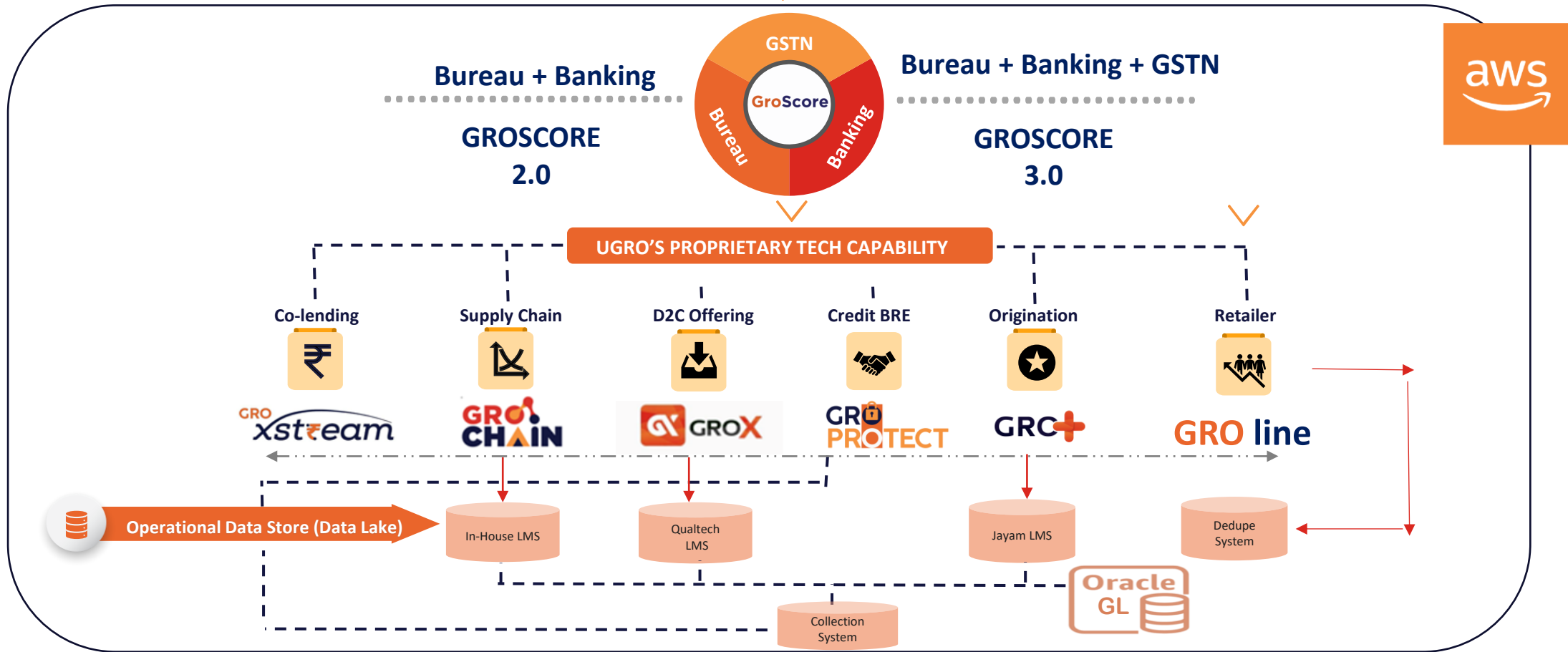


Segments A+,A, B – contributing to majority share of disbursements and lever for calibrated increase of throughput

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 U GRO Capital

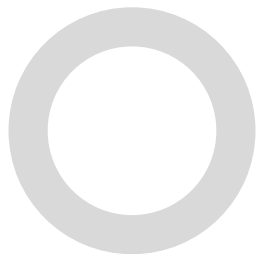
# Our System Architecture supports full SME lending



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

**GRC+**  
**GroScore**

**Prime Intermediated:  
Metro & Tier 1/2 Branches**

**Collateral:** Prime Property (For Sec.), Prime Machinery  
**Cashflow:** GST, Banking & Liquid income assessment

**Rs 1cr – 15cr**  
Customer Turnover

**Secured Biz. Loan: Rs 81L**  
**Biz. Loan\*: Rs 19L**  
**Prime Machinery: Rs 40L**  
Average ticket size

**Yield:** Sec/Biz/Mch: 14%/19%/15%  
**Tenure:** Sec/Biz: 12/3/4 yrs

**Channel AUM Mix:** 53%  
Sec/Biz/Mch : 22%/30%/1%

**GRC+**

**Emerging Market: Tier 2 & beyond branches**

**Collateral:** Standard Property  
**Cashflow:** Liquid income assessment

**<Rs 1cr**  
Customer Turnover

**Rs 14L**  
Average ticket size

**Yield:** 19%  
**Tenure:** 9 yrs

**Channel AUM Mix:** 19%

**GRC+**  
**GroScore**

**Ecosystem Channel & Green Asset Financing**

**Collateral:** Prime Machinery  
**Cashflow:** GST & Banking

**Rs 1cr – 10cr**  
Customer Turnover

**Rs 35L**  
Average ticket size

**Yield:** 14%  
**Tenure:** 4 yrs

**Channel AUM Mix:** 12%

**GROX**  
**GRO line** **GRO CHAIN**

**Direct & Digital Alliances**

**Collateral:** Receivables, FLDG from partner  
**Cashflow:** Banking & liquid income assessment

**<Rs 50L**  
Customer Turnover

**Alliances: Rs 4L**  
**Embedded Finance: Rs 1L**  
Average ticket size

P&A/Embedded fin  
**Yield:** 15%/16%  
**Tenure:** 4 yrs/1yr

**Channel AUM Mix:** 11%/3%

\*CGTMSE backed

**Products sold across channels:** Intermediated: Secured Biz. Loan, Biz. Loan, Rooftop Solar and Machinery; Emerging Market: Secured Enterprises 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

	Emerging Market
	Light Engineering
	Auto Components
	Chemicals
	Food Processing
	Education
	Healthcare
	Electrical Equipment & Components
	Hospitality

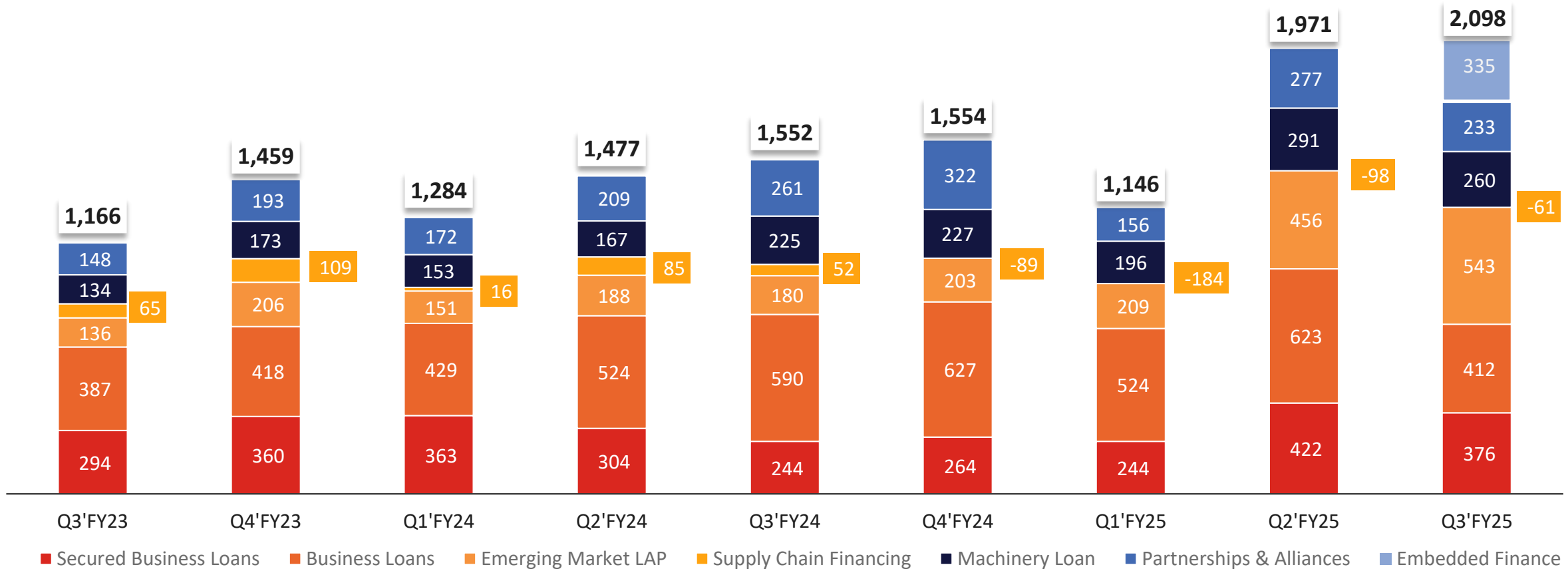


	<b>23</b> Prime Branches
	<b>201</b> EM Branches
	<b>730+</b> GRO Partners
	<b>10+</b> Green Anchors
	<b>70+</b> OEMs
	<b>60+</b> Fintech Partners
	<b>1,800+</b> Front-end Sales

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

Amount in INR Cr

**Disbursement is up 35% YoY; Disbursement excluding Supply Chain Financing<sup>(1)</sup> is up 44% YoY**



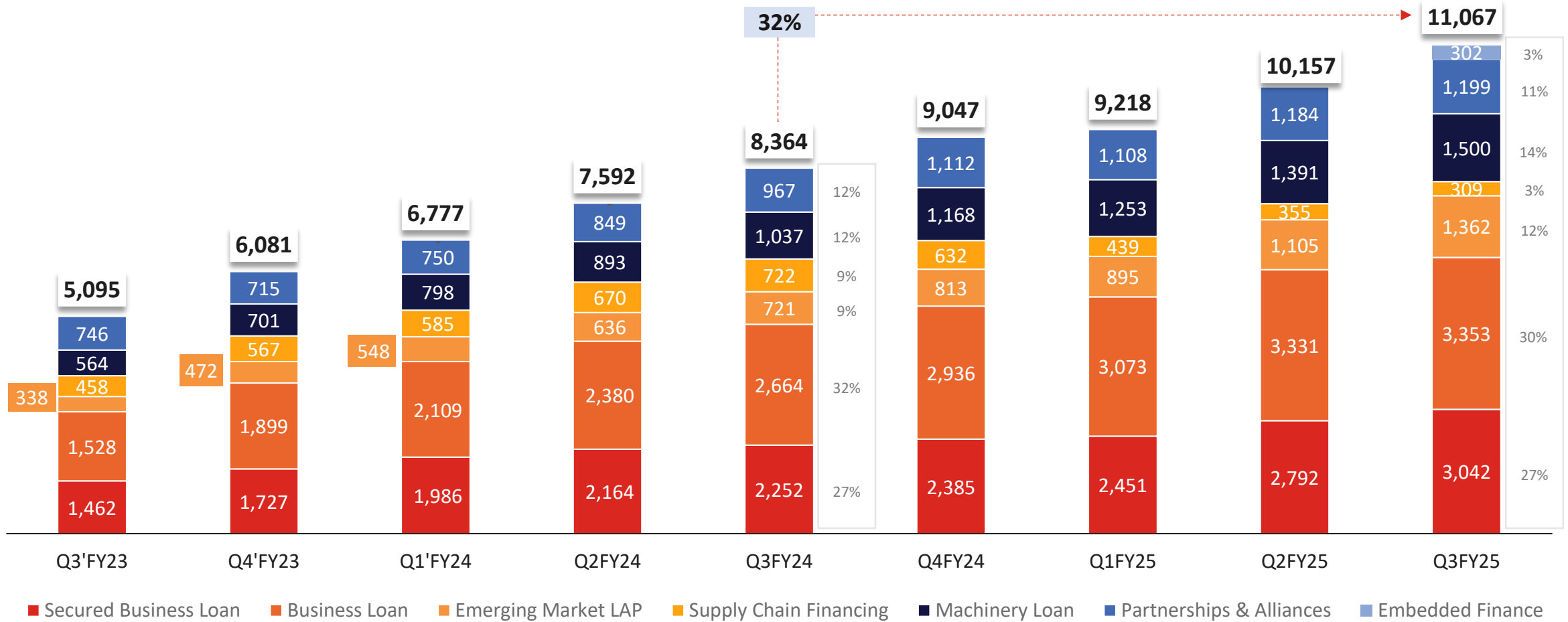
Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Emerging Market LAP is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG. Embedded Finance through MyShubhlife (MSL) platform

(1) 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 11,067 Cr as of Dec'24 from INR 10,157 Cr as of Sep'24 and INR 8,364 Cr as of Dec'23 (+32%)

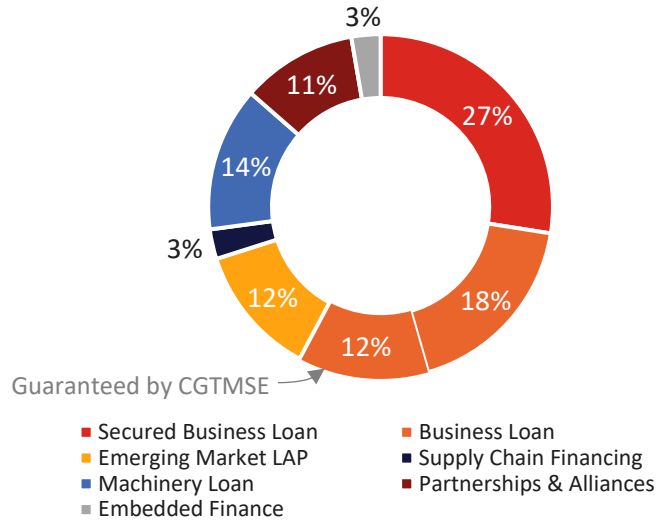


Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Emerging Market LAP is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG. Embedded Finance through MyShubhlife (MSL) platform



# Well diversified, granular and stable portfolio quality

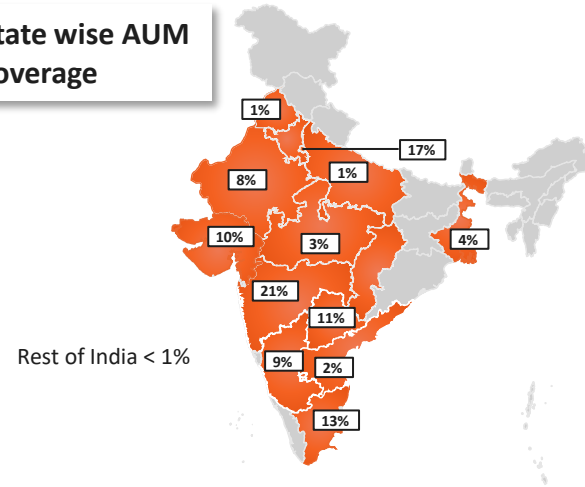
## Product Mix (AUM)



Product category	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loan	3,042	14.3%	75
Business Loan	3,353	18.9%	18
Emerging Market LAP	1,362	20.4%	10
Supply Chain Financing	309	15.1%	18
Machinery Loan	1,500	14.5%	34
Partnerships & Alliances	1,199	15.1%	4
Embedded Finance	302	16.0%	1
<b>Grand Total</b>	<b>11,067</b>	<b>16.7%</b>	<b>11</b>

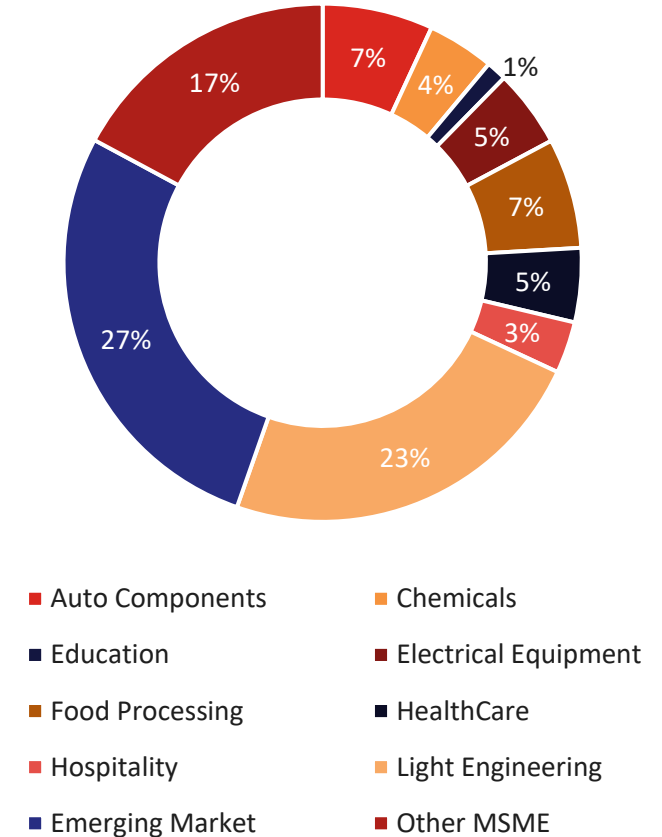
## Portfolio Concentration in key geographical areas

### State wise AUM coverage



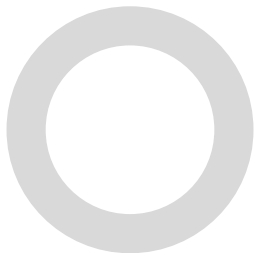
State wise branches	EM LAP	Prime	Total
Tamil Nadu	39	1	40
Madhya Pradesh	32	3	35
Rajasthan	28	2	30
Andhra Pradesh	22	2	24
Maharashtra	17	6	23
Telangana	15	1	16
Karnataka	15	1	16
Gujarat	14	1	15
Uttar Pradesh	11	1	12
Other States	8	6	13
<b>Total</b>	<b>201</b>	<b>23</b>	<b>224</b>

## Sector Mix



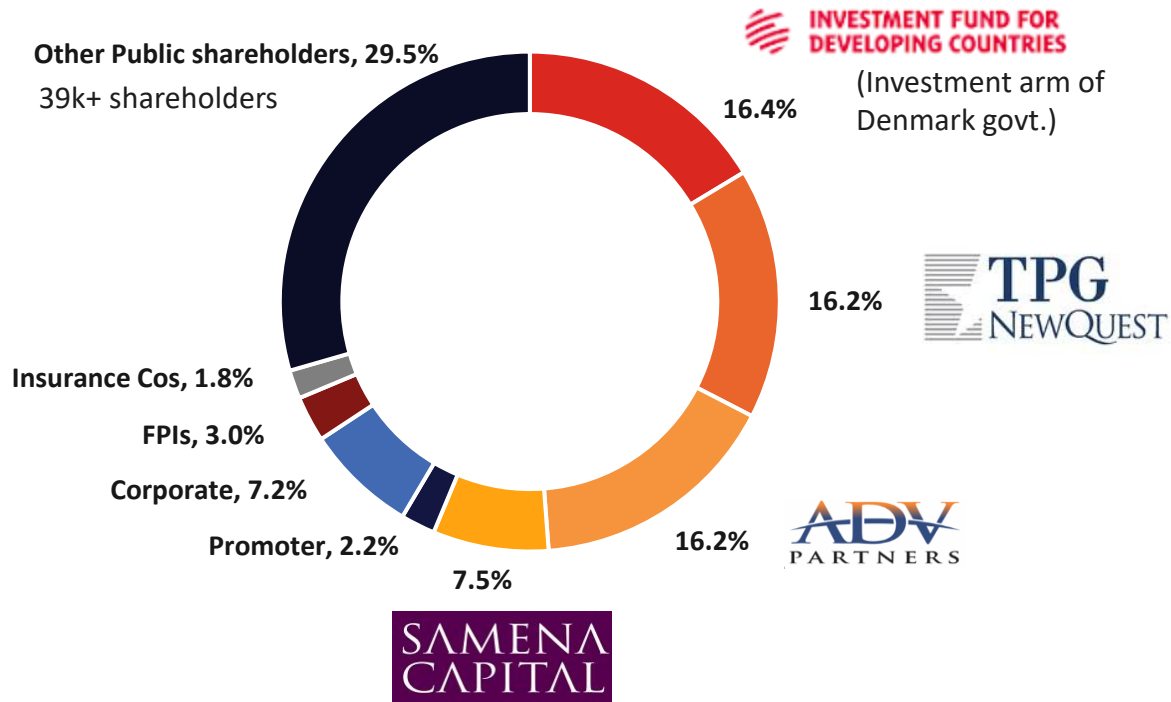


# Shareholding, Board, and Management

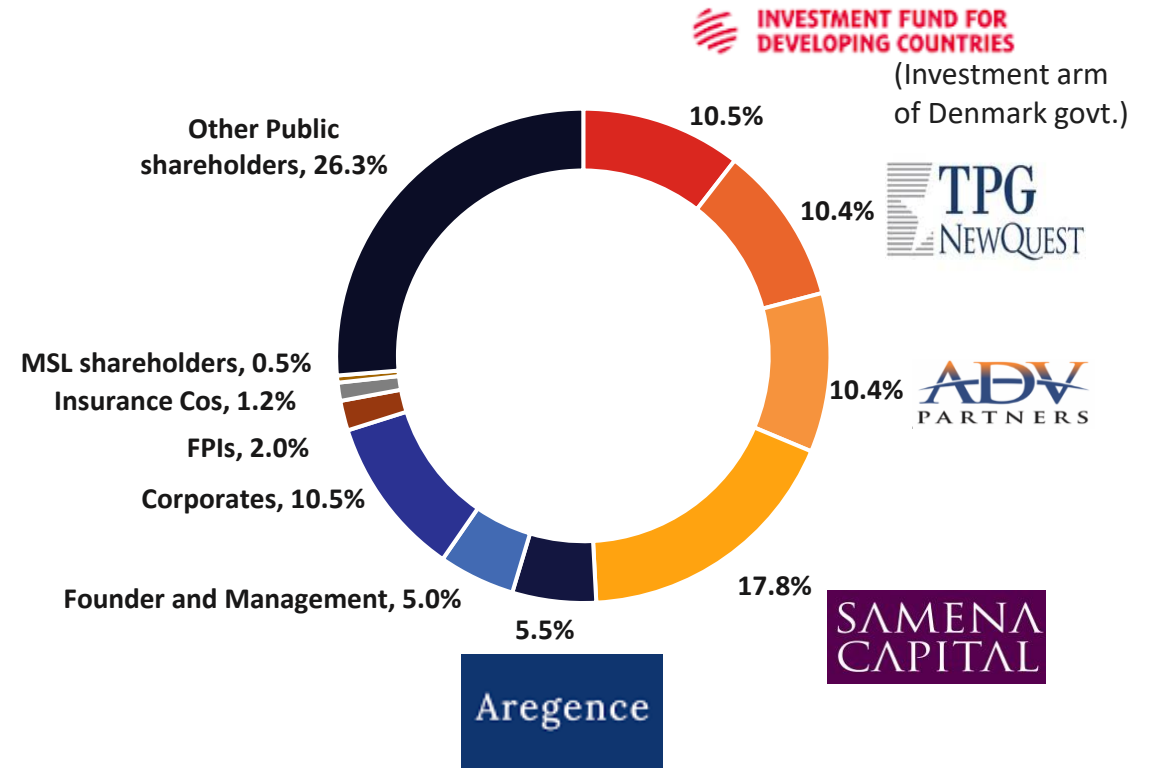


# Institutionally Owned: Majority held by Institutional Investors

### Shareholding Pattern as of Dec'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



**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 Sathiyayan**  
CBO – Emerging Market  
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



**Sameer Nanda**  
Chief Collections & Litigation Officer  
25+ Years of Experience



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



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



**Ritu Prakash Singh**  
Head – Investor Relations & Senior Economist  
18+ Years of Experience



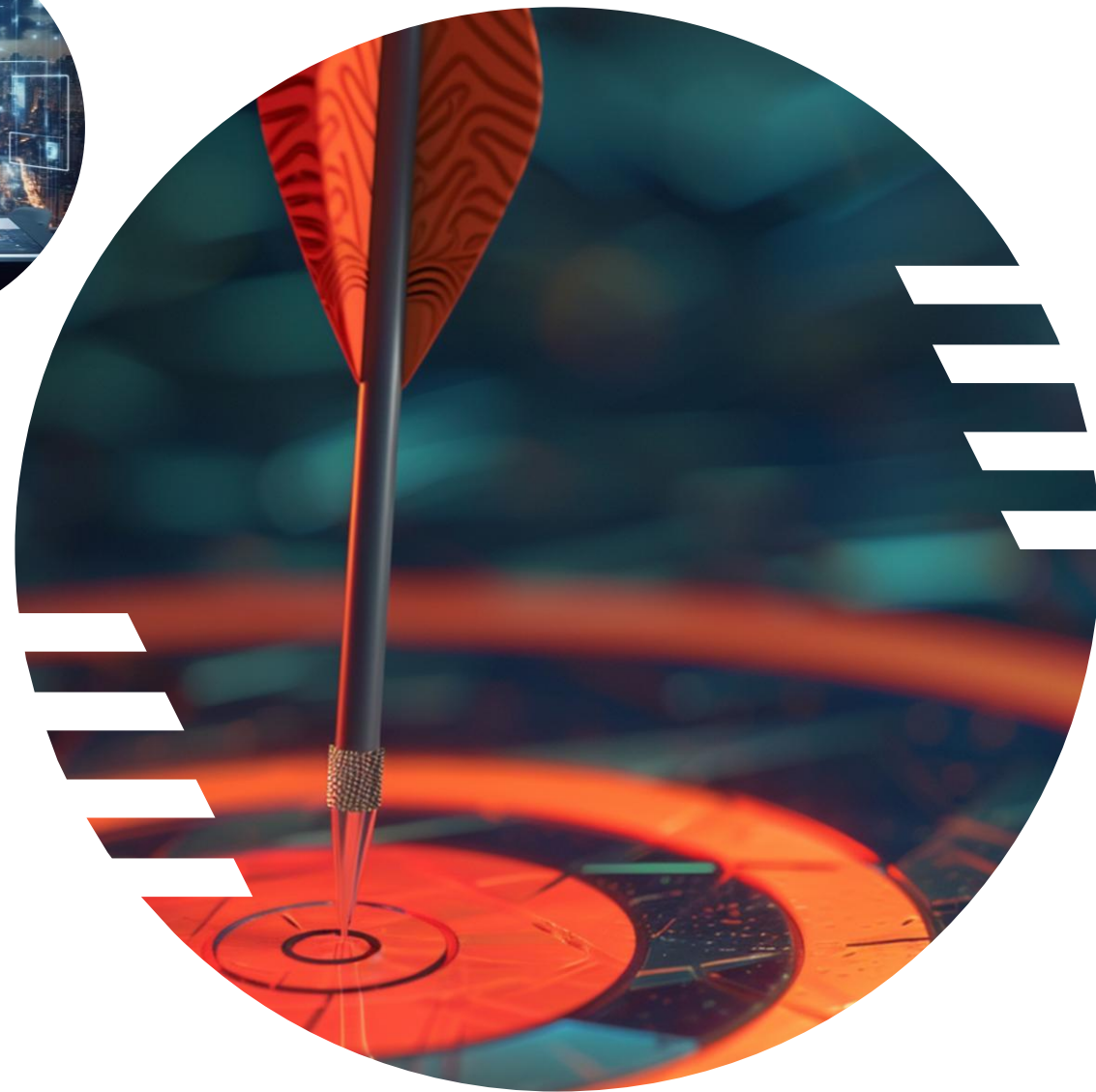
**Ankit Chothani**  
Head - Marketing & Corporate Communications  
19+ Years of Experience





# Understanding Co-lending

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



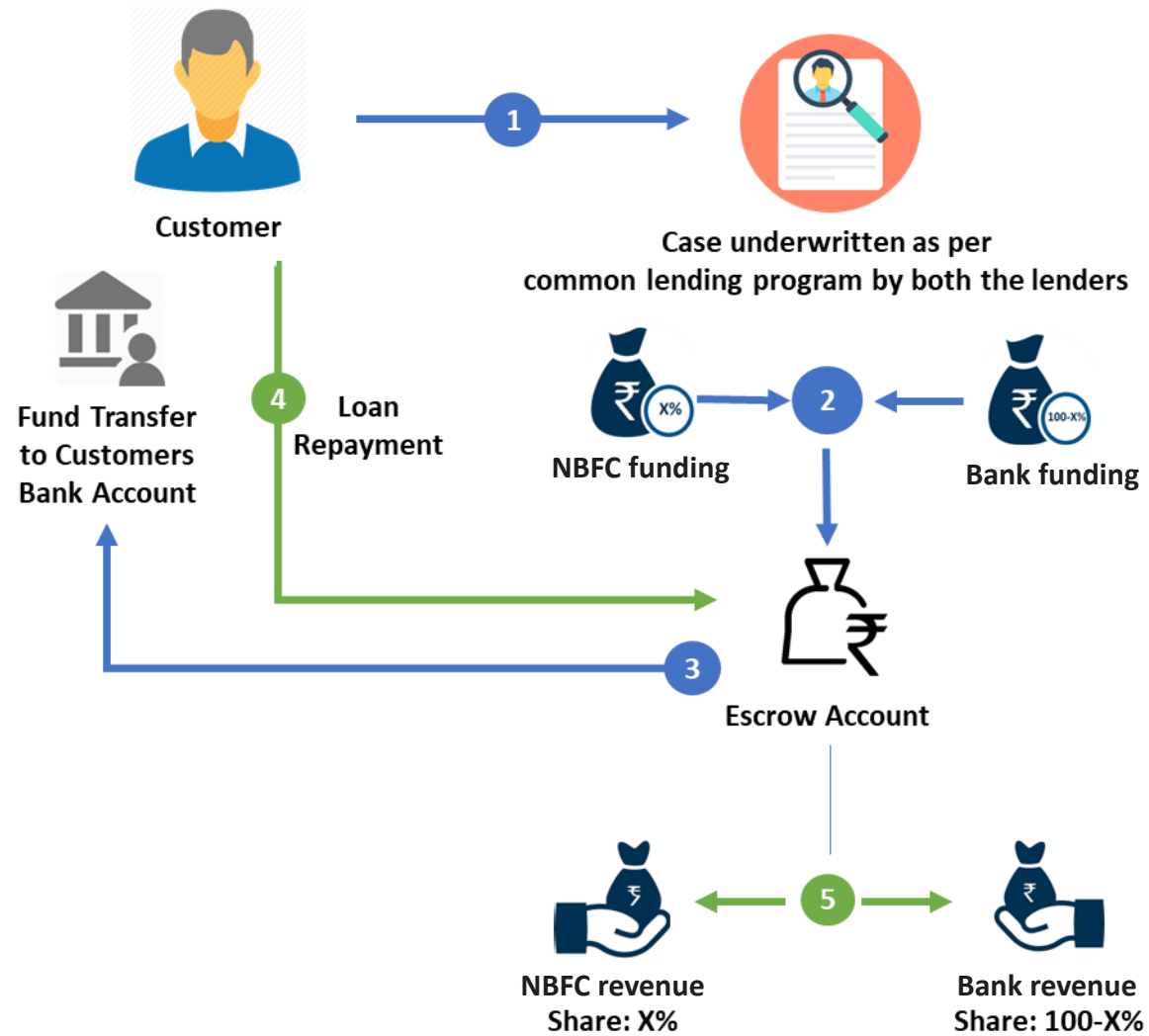


# RBI Guidelines on Co-lending

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 disbursement 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

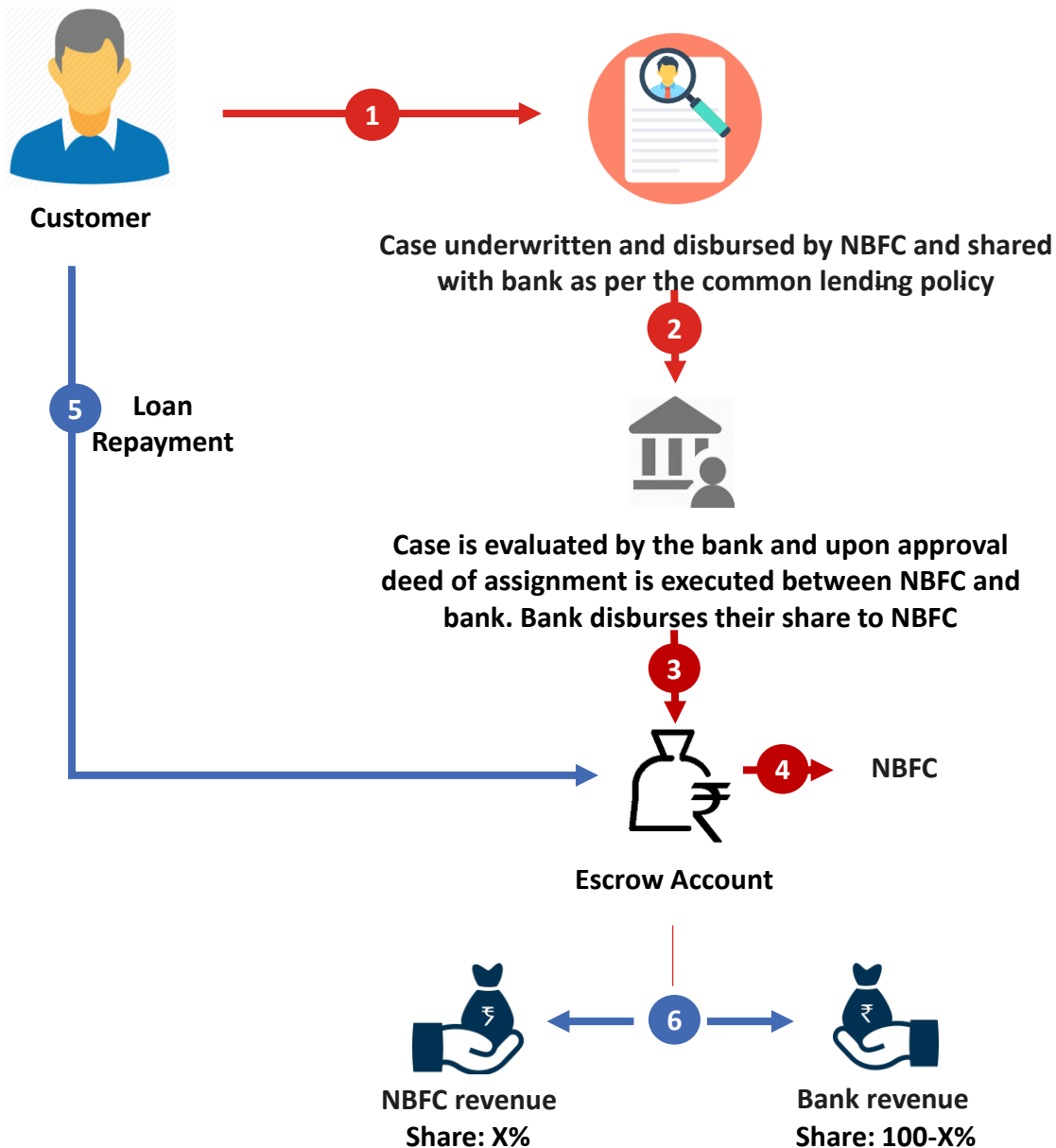
# Co-origination Process Framework - CLM 1



## 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 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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