

22nd October 2024

**To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001**

**National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G
Block Bandra, Kurla Complex, Bandra
(East) Mumbai 400051**

Scrip Code – 511742

Symbol – UGROCAP

Subject: Investor Presentation for the quarter ended 30th September 2024

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith investor presentation for the quarter ended 30th September 2024.

This is for your information and records.

The aforesaid information is being made available on the Company's website at www.ugrocapital.com

Thanking You,

For UGRO Capital Limited

**Satish Kumar
Company Secretary and Compliance Officer
Encl: a/a**

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



UGRO Capital Limited

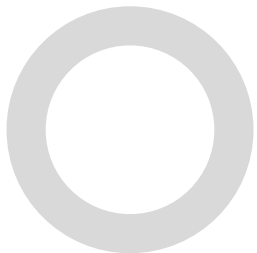
Building an Institution for MSME Lending

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

* Excluding Equity component of CCDs

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 % [‡]	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 [#]	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

[‡]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

01 **Asset Growth**

AUM
 As of Sep'24 : **10,157 Cr**
 (+34% Y-o-Y)

Net Loans Originated
 Q2'FY25 | H1'FY25:
1,971 Cr | 3,117 Cr
 (+34% | +13% Y-o-Y)

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

02 **Profitability**

Net Total Income
 Q2'FY25 | H1'FY25:
200 Cr | 365 Cr
 (+21% | +33% Y-o-Y)

PPOP
 Q2'FY25 | H1'FY25:
94 Cr | 170 Cr
 (+24% | +40% Y-o-Y)

Net Profit
 Q2'FY25 | H1'FY25:
36 Cr | 66 Cr
 (+23% | +22% Y-o-Y)

03 **Asset Quality**

GNPA
 As of Sep'24 : **2.1%**
 (Sep'23: 1.9%)

NNPA
 As of Sep'24 : **1.3%**
 (Sep'23: 1.1%)

Collection efficiency*
 Sep'24 : **96%**

04 **Liability & Co - lending**

Borrowings
 As of Sep'24 : **5,344 Cr**

Co-lending
 - Partnership with **16** co - lenders / co - originators
 - **4,493 Cr** off-book AUM
 (+32% Y-o-Y)

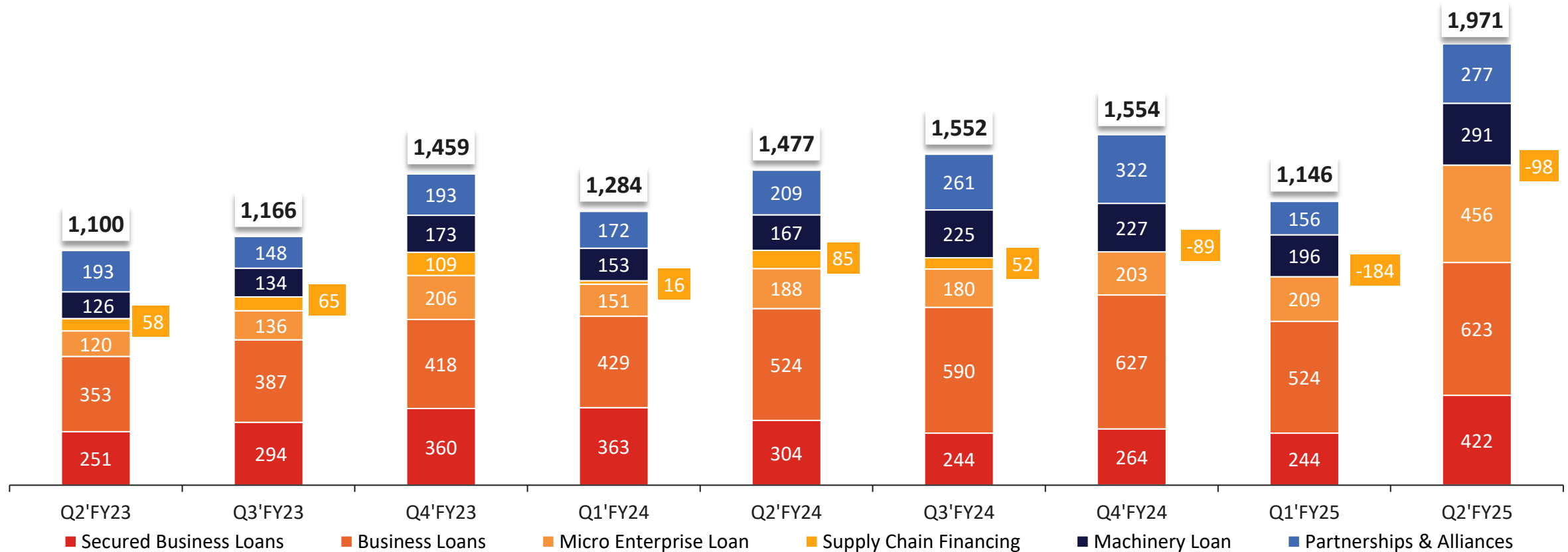
Cost of Borrowings
 As of Sep'24 : **10.75%**

*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



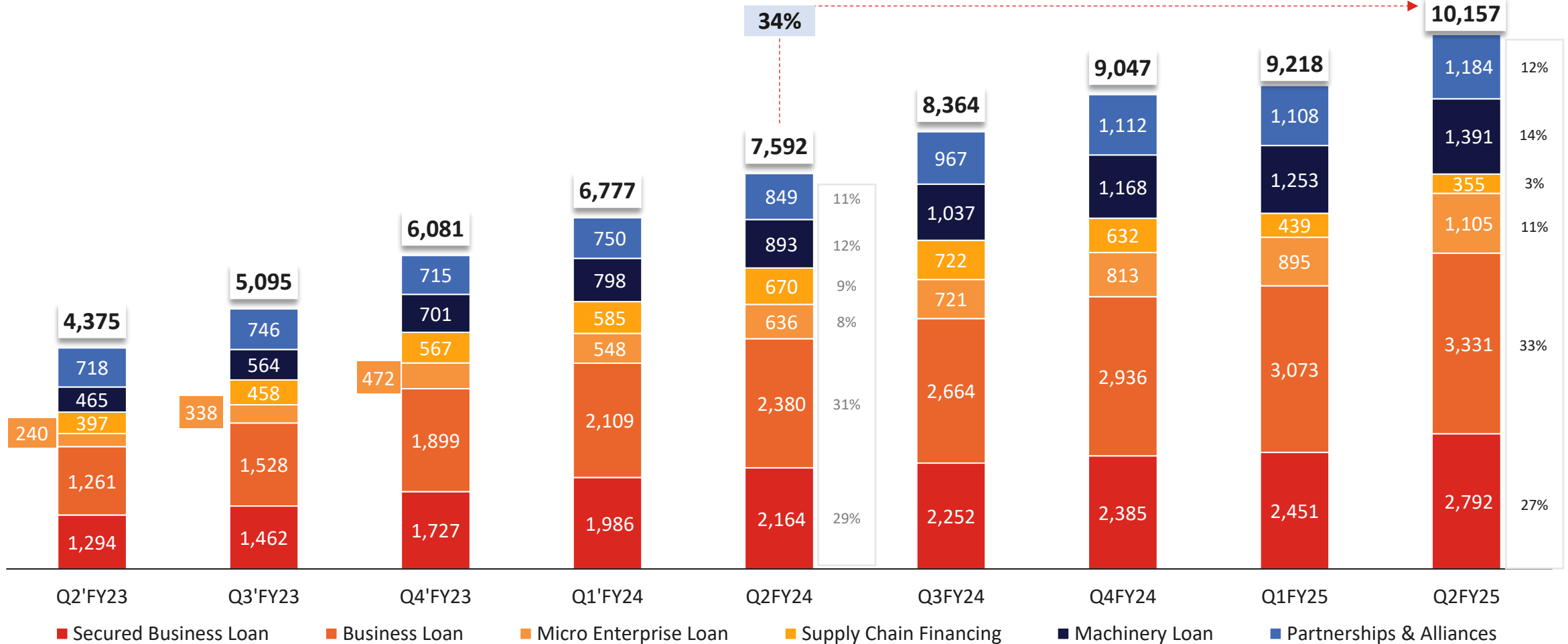
Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Micro Enterprise Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG.

*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%)

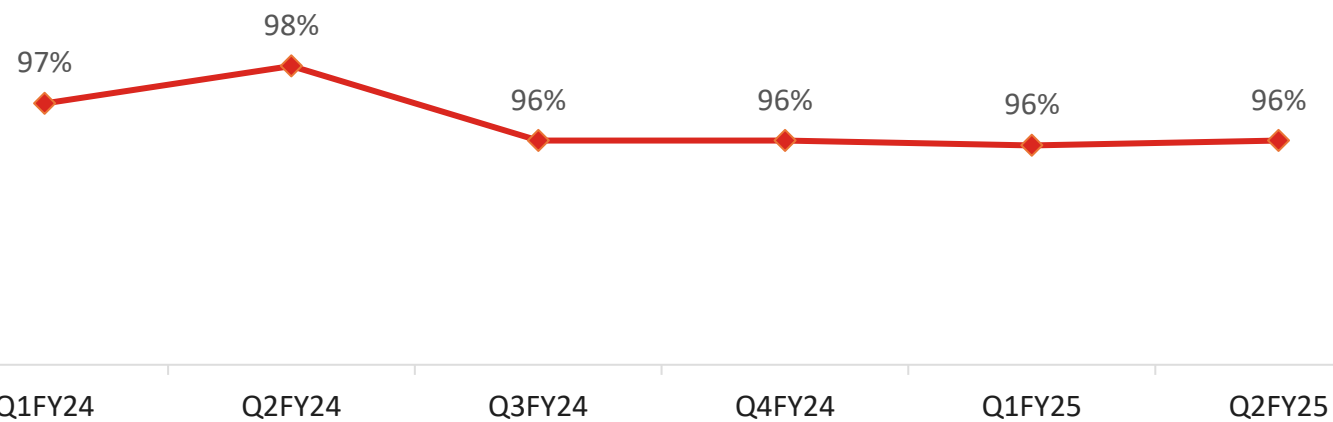


Note: Secured Business Loan is secured by property, Business Loan is secured by CGTMSE, Micro Enterprise Loan is secured by property, SCF is secured by receivables, Machinery Loan is secured by machinery, Partnerships & Alliances are secured by FLDG.

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%**

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%
Total	10,157	100.0%

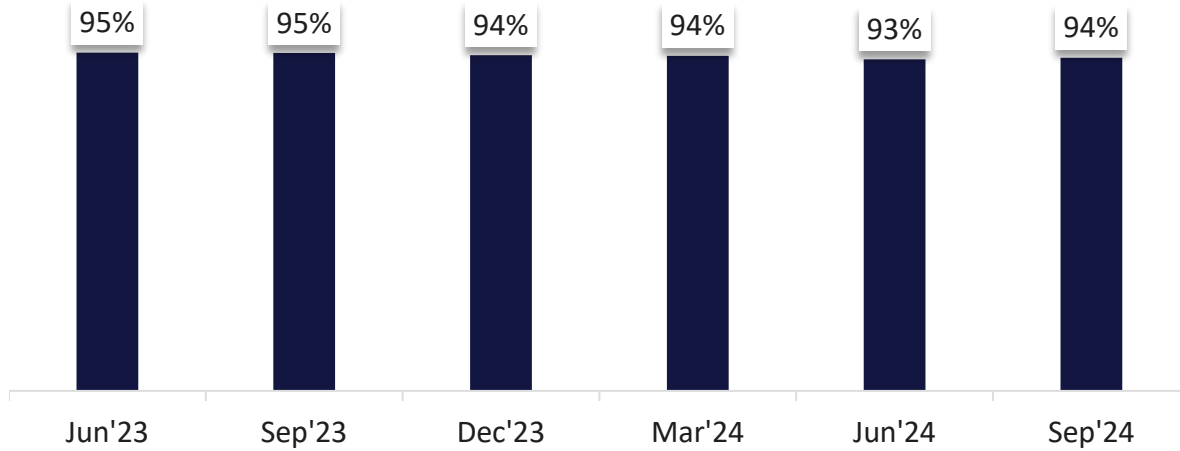
Product wise GNPA

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%
Grand Total	10,157	2.1%

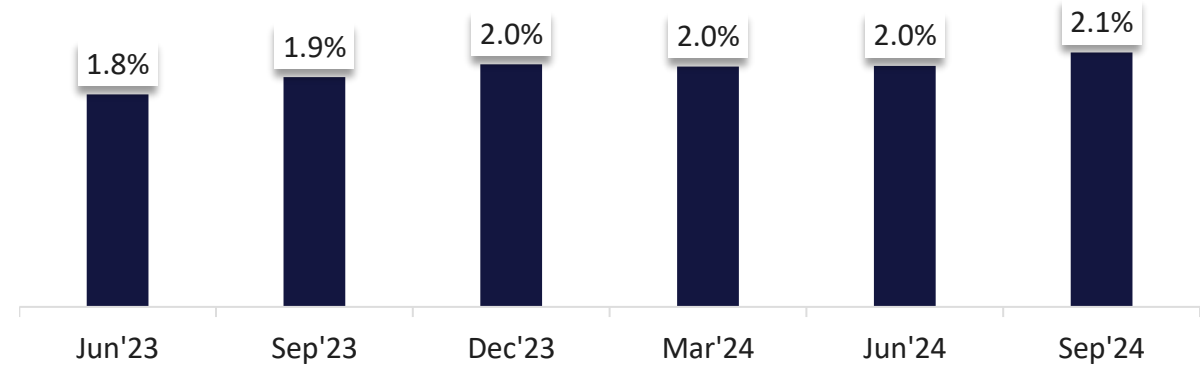
*Excluding foreclosures

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

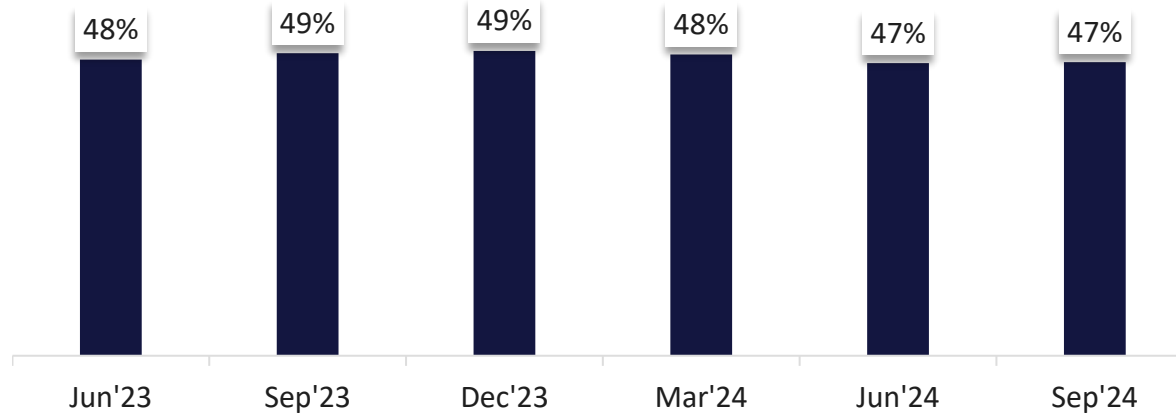
Stable Stage 1 assets



Stable Stage 3 assets



Adequate Provision Coverage Ratio

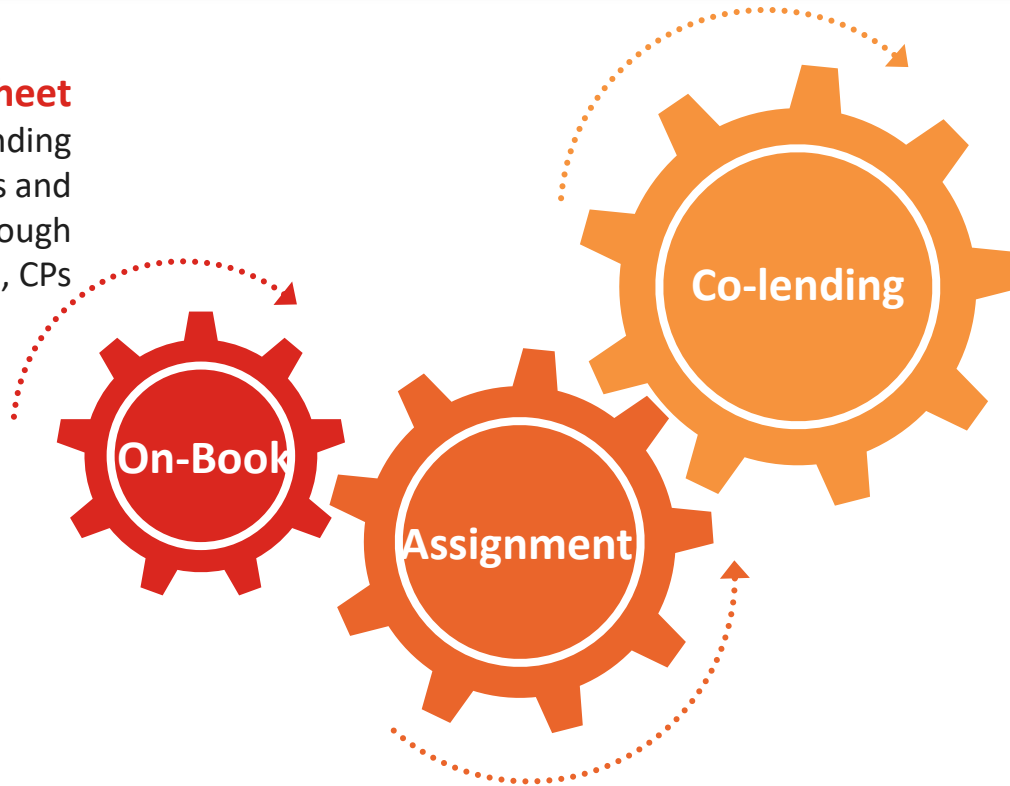


Unique **capital light liability** strategy

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

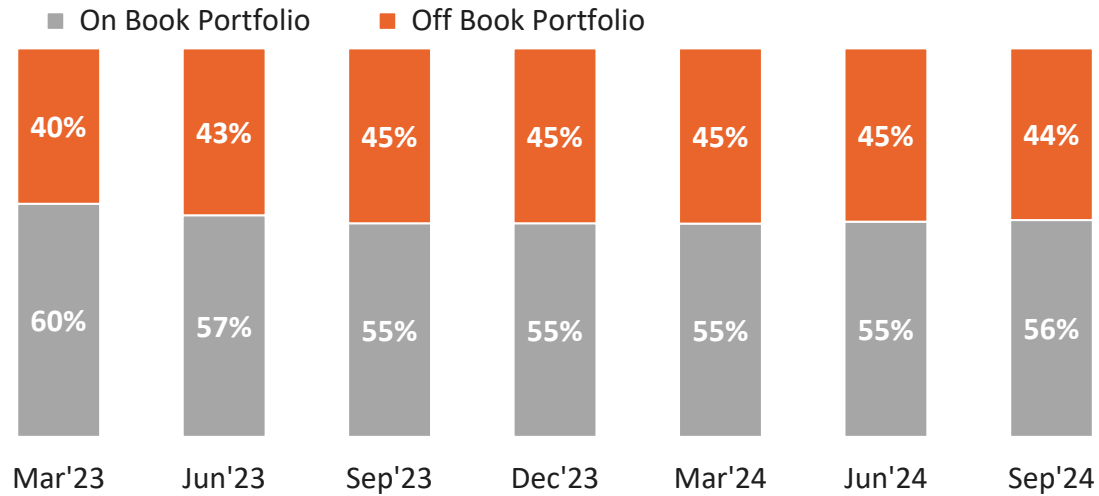
Assignments with FIs

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

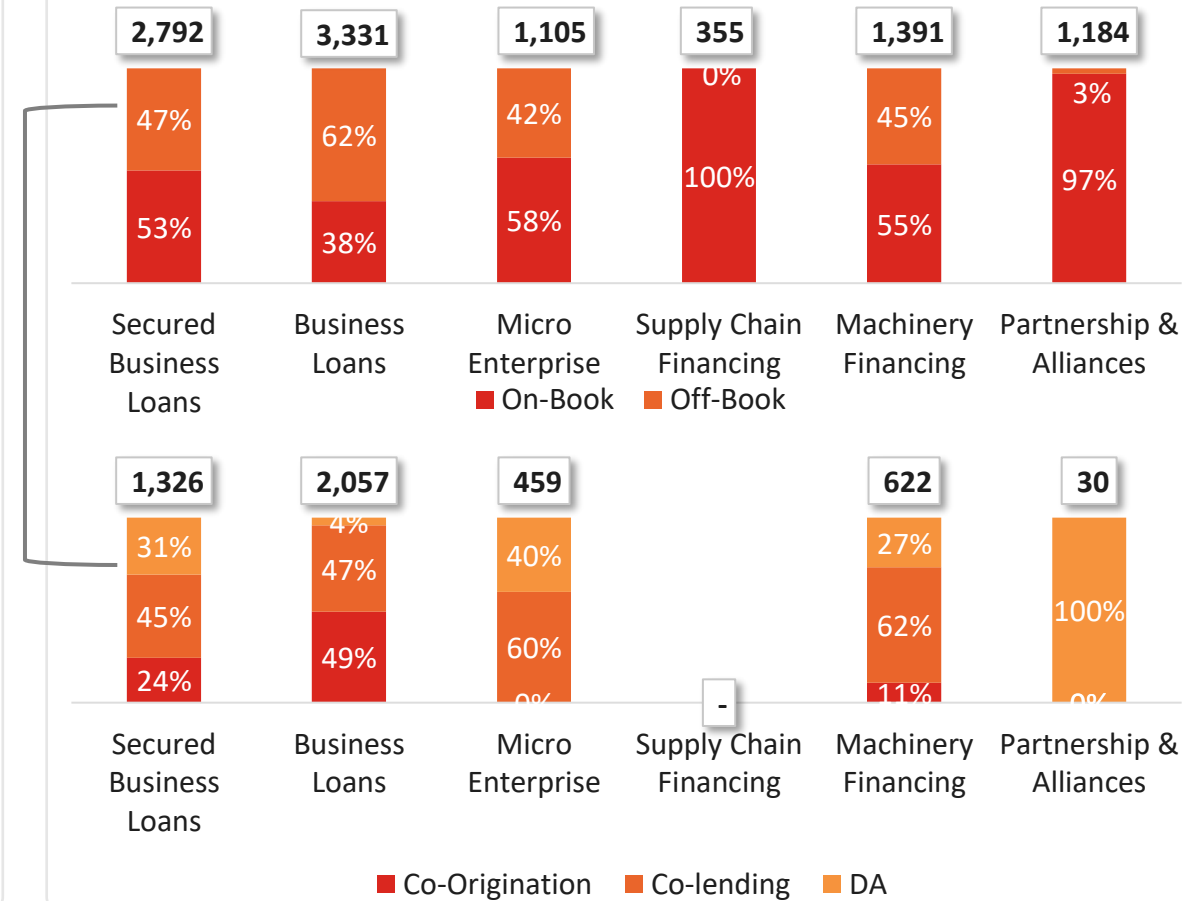
Robust momentum of our co-lending platform continues

High proportion of off - Book AUM mix



	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)

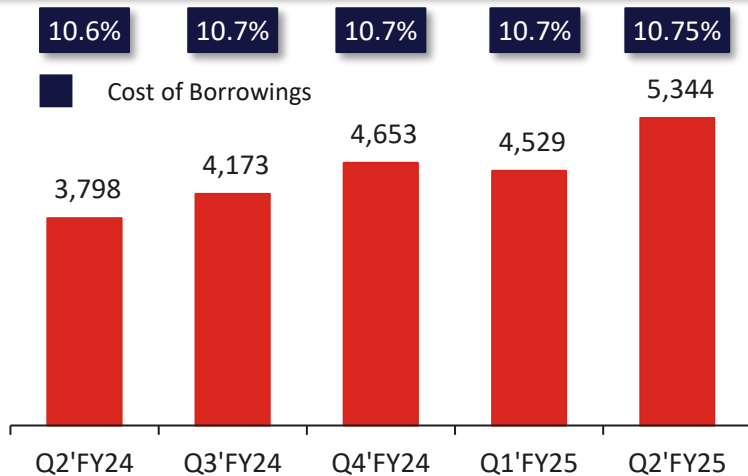


Co-lending Partnership with 9 Banks and 7 NBFCs

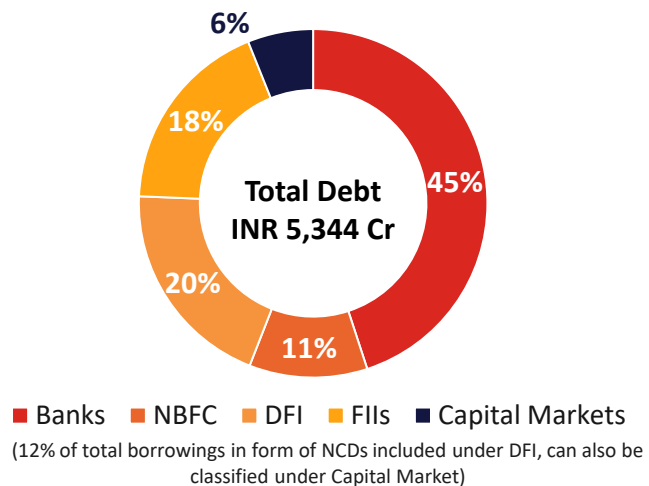


Diversified Lender base and continued build-out of liability book

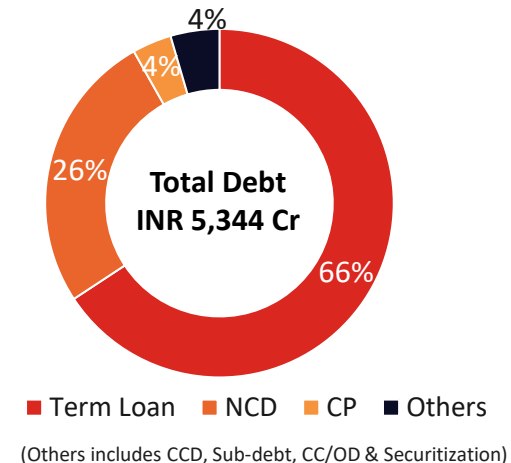
Total Debt (INR Cr) and Cost of borrowings



Liability mix by lender profile



Liability mix by product



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

Public Sector Banks and institutions	Private Sector Banks	DFIs	NBFCs

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%
Total Income	342.9	253.6	35%	301.6	14%
Interest Expenses	143.1	105.4	36%	136.1	5%
Net Total Income	199.8	148.2	35%	165.4	21%
Employee Cost	61.6	46.0	34%	54.5	13%
Other Expenses	43.7	36.8	19%	34.9	25%
PPOP	94.5	65.4	45%	76.0	24%
Credit Cost	44.3	24.6	81%	33.2	34%
PBT	50.1	40.8	23%	42.8	17%
Tax	14.6	11.9	23%	12.5	17%
PAT	35.5	28.9	23%	30.4	17%

Annualised ROA Tree	Q2'FY25	H1'FY25
As a % of Gross On Book AUM		
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%

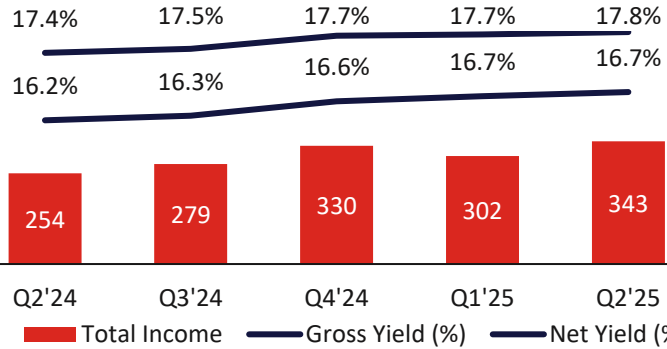
* Excluding Equity component of CCDs

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

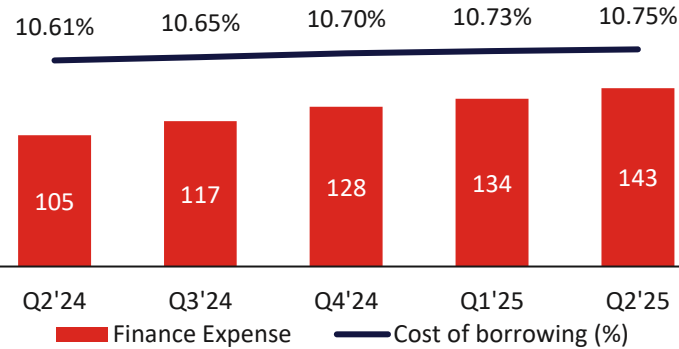
Balance Sheet (₹ Cr)	Sep-24	Mar-24
Assets		
Cash and Bank Balance	588	455
Loans	6,360	5,432
Investments	68	59
Other financial assets	35	20
Financial Assets	7,050	5,966
PPE, Intangible assets, ROU etc	141	130
Current and Deferred tax assets (net)	2	6
Other non-financial assets	315	178
Non-Financial Assets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

Operating & Financial Metrics

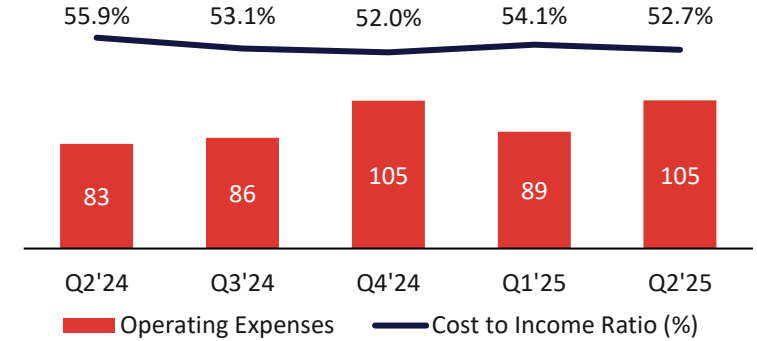
Total Income (INR Cr) & Portfolio Yield[§]



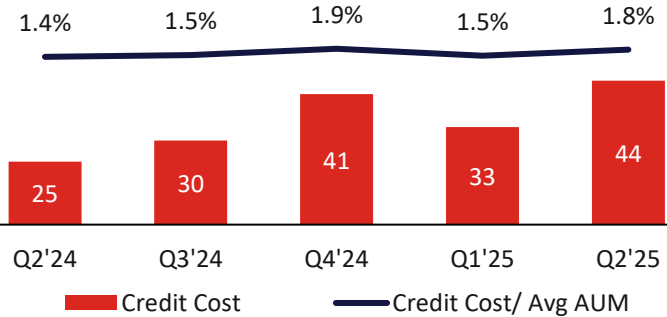
Finance Cost (INR Cr) & Cost of Borrowing



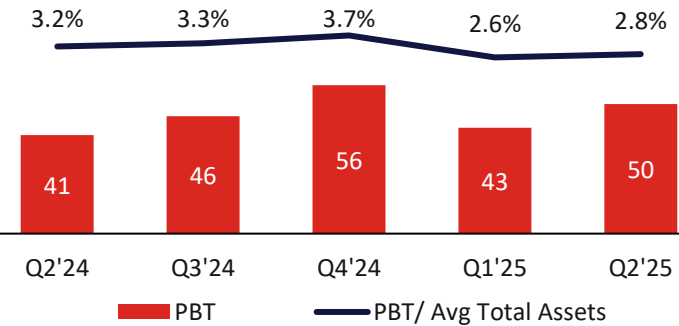
Operating Exp. (INR Cr) and Cost to Income



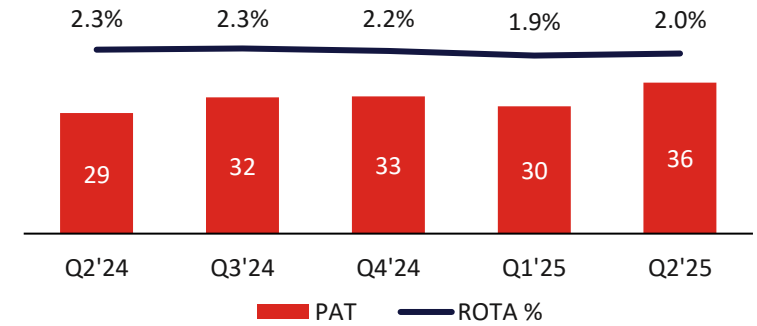
Credit Cost (INR Cr) & Credit cost / Avg AUM



PBT (INR Cr) and PBT / Avg. Total Assets[#]



PAT (INR Cr) and PAT / Avg. Total Assets[#]



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

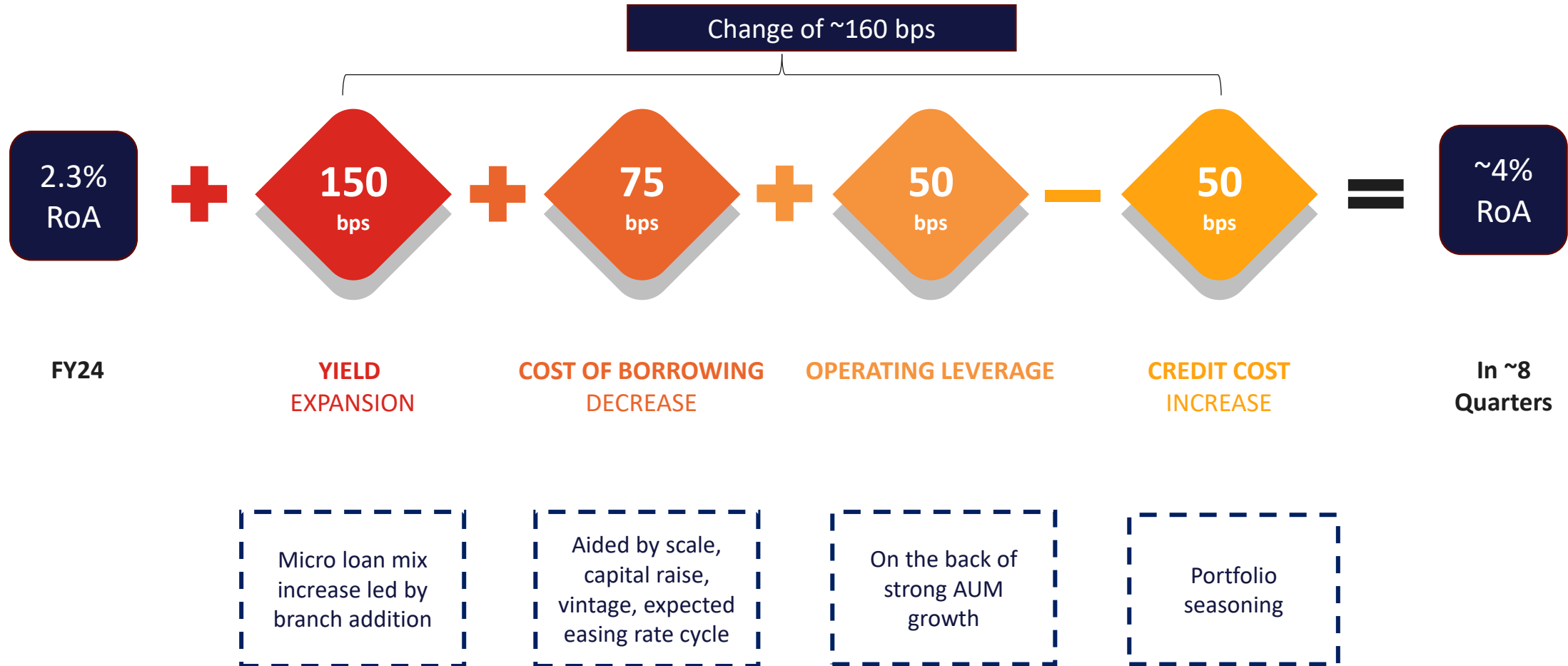
~100,000

Active Borrowers

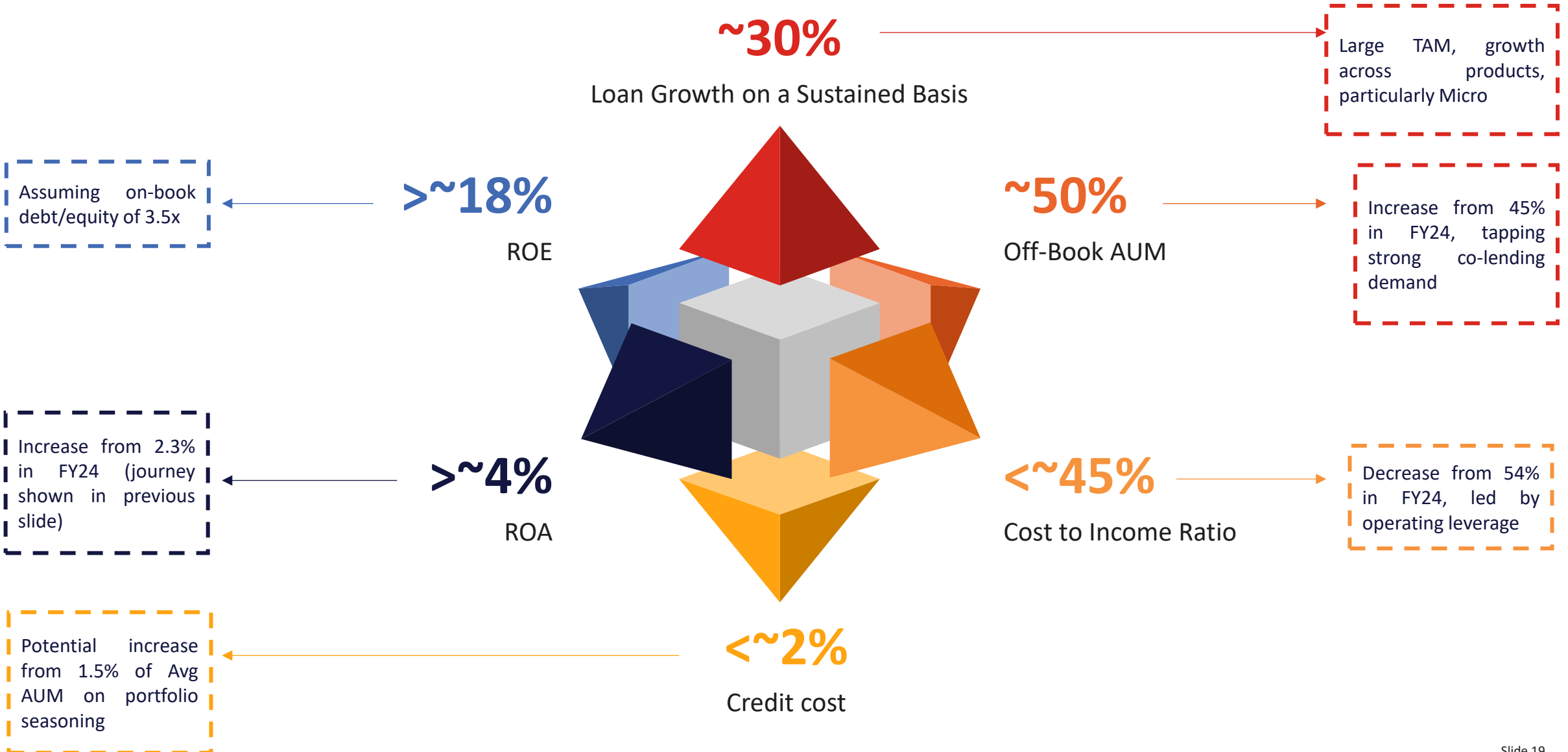
[§] Weighted Average AUM yield as on Period End

[#] 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



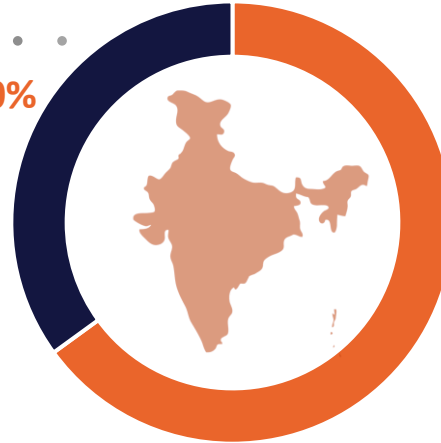
~15 Crore employment



~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

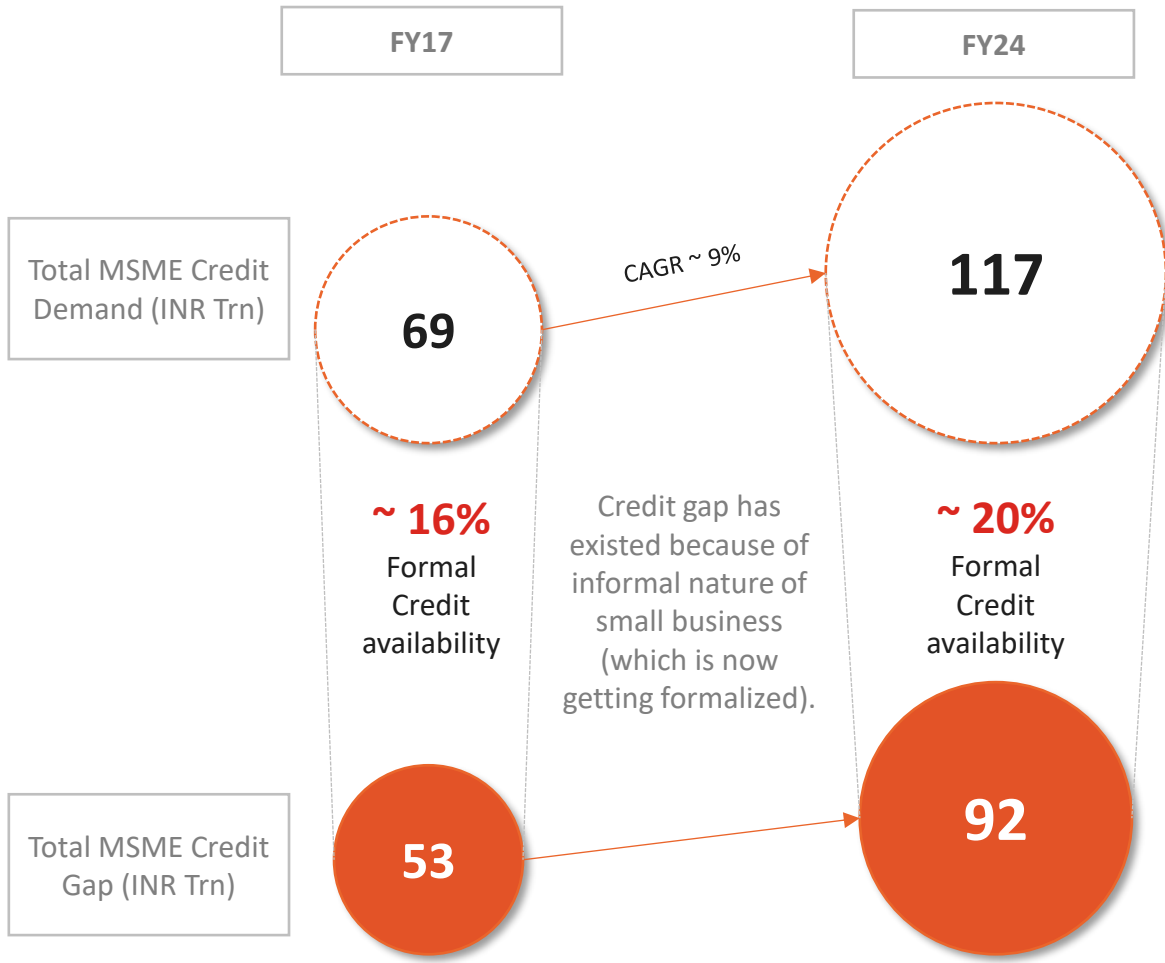
Others

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

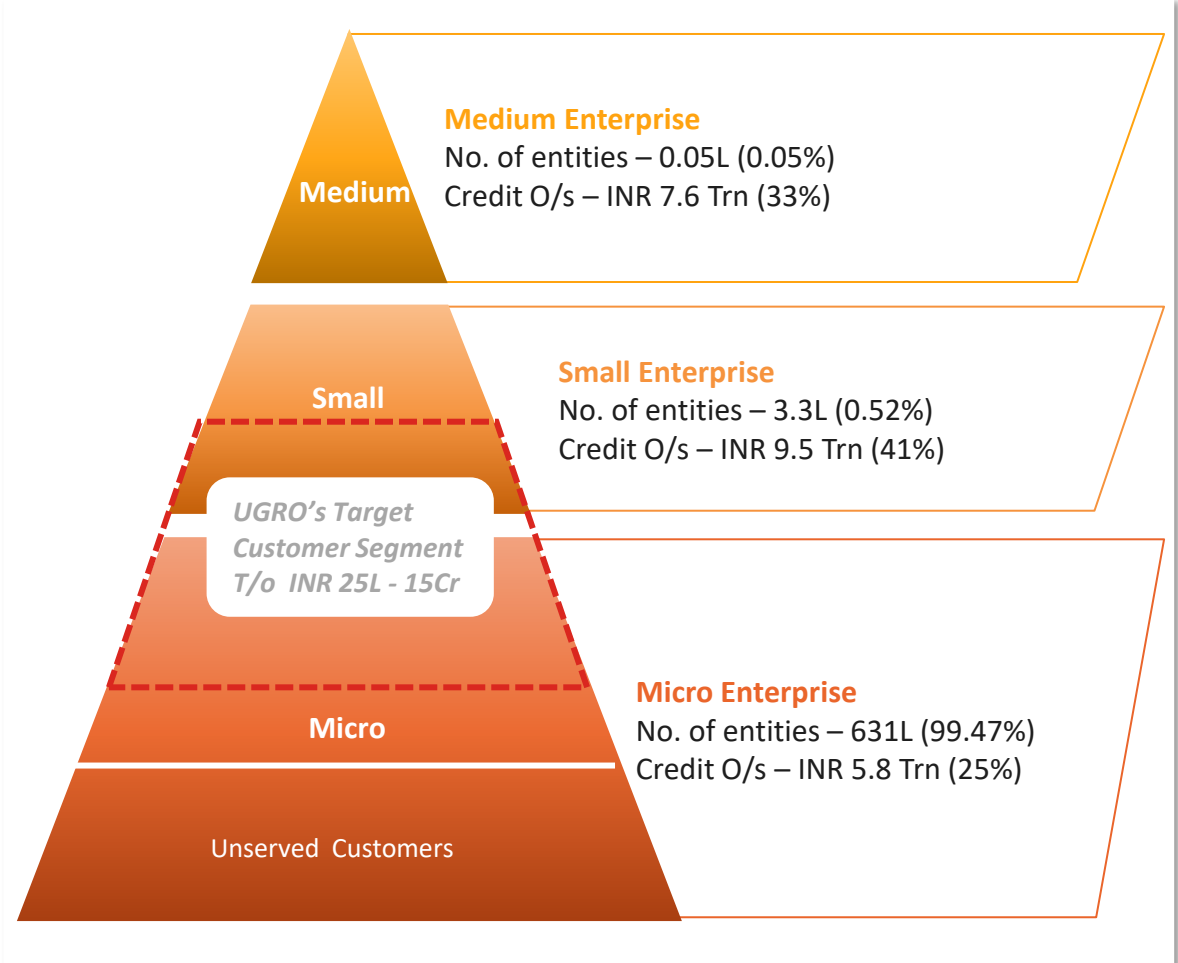
Building a large institution for MSME financing is a real possibility

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

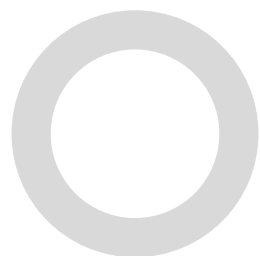
Pioneered "Unique Capital Light Liability Strategy" by co-lending with Banks and large NBFCs and assignment of the PSL book for greater scale

Multi-product Capability

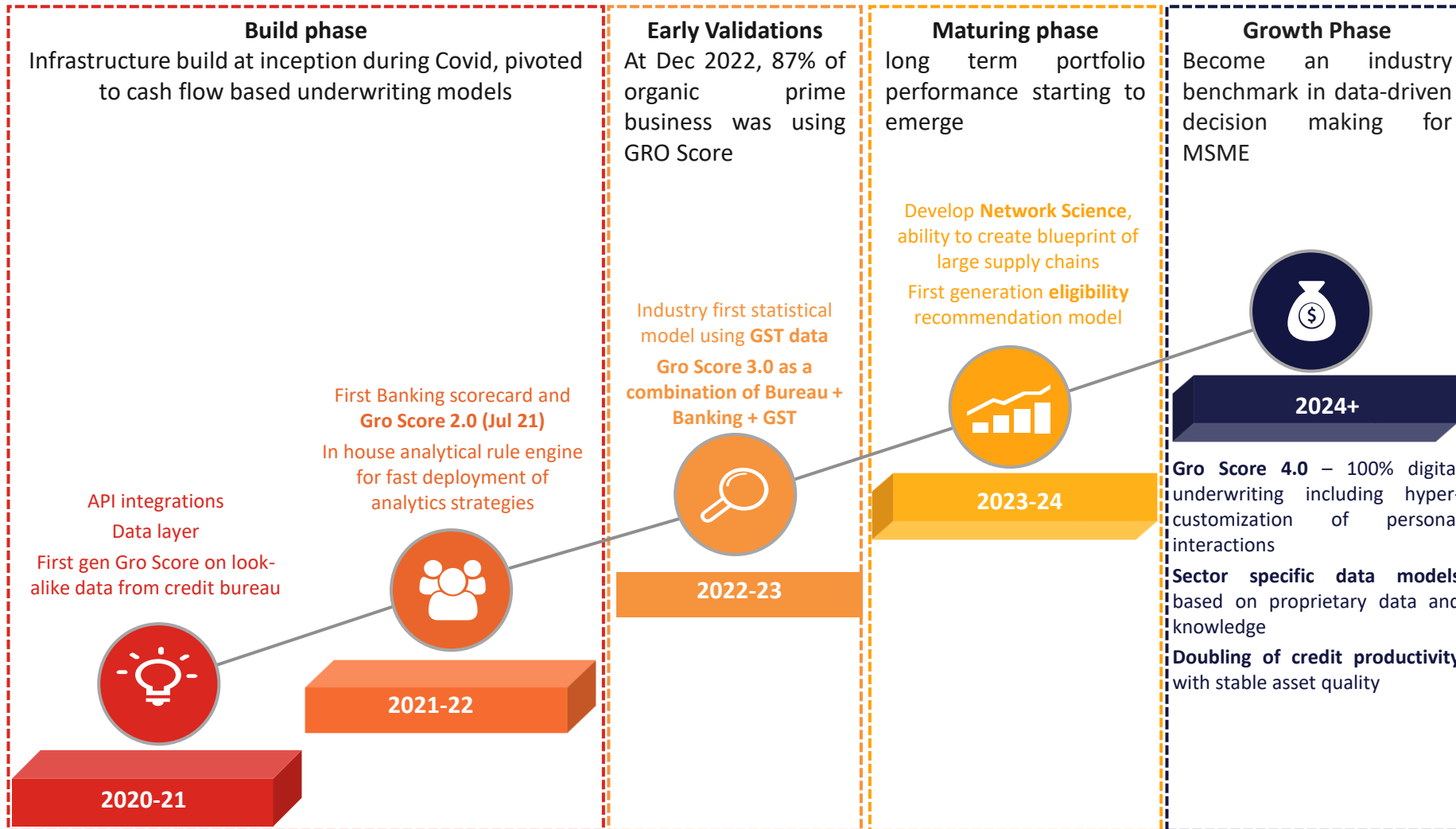
Prime, Micro Secured, Machinery, Roof-top Solar, Partnership & Digital alliances products cater to the entire MSME ecosystem

UGRO's Data & Tech

driven approach



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



Data Repository- Sep'24
5.5L+ Bureau Records analyzed
2.2L+ Bank Statements analyzed
79k+ GST records analyzed
102k+ 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

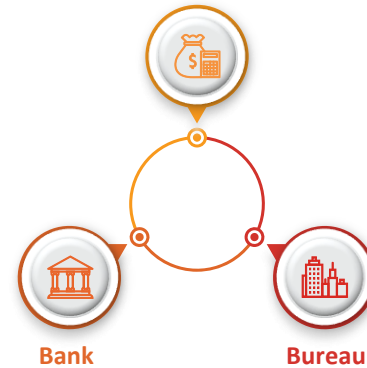
Pace of borrowing

...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

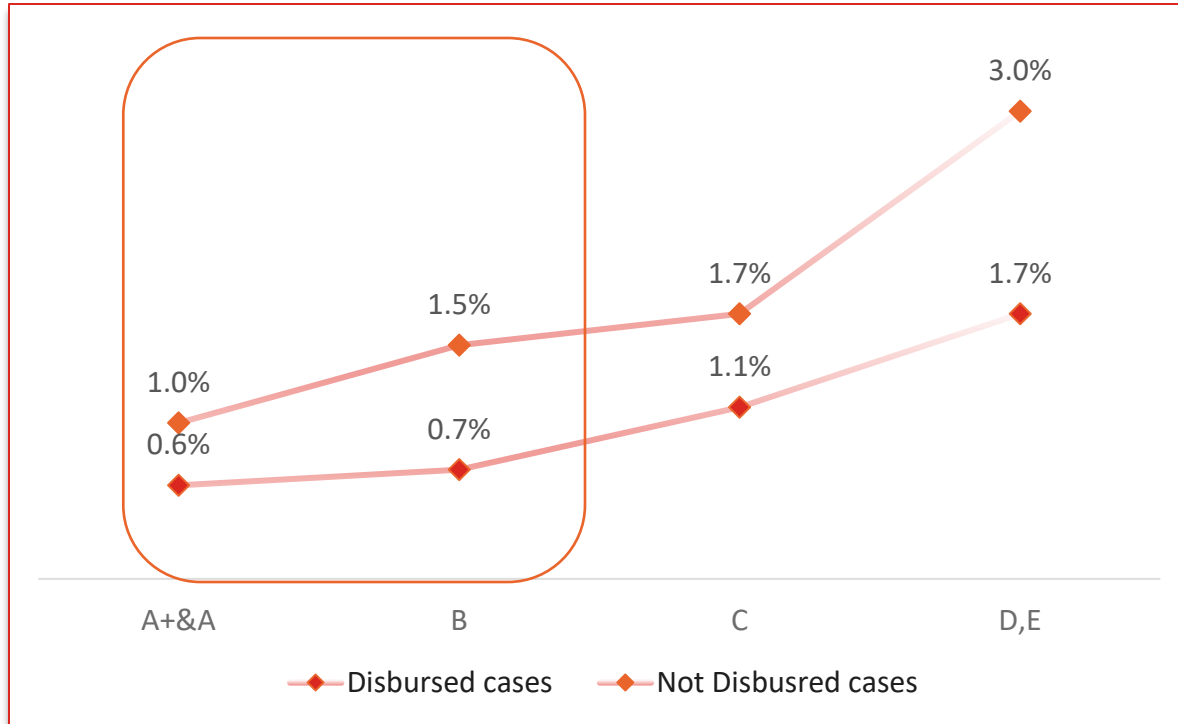
Scoring of each case into one of the five bands of A – E with A being the best and E being the worst



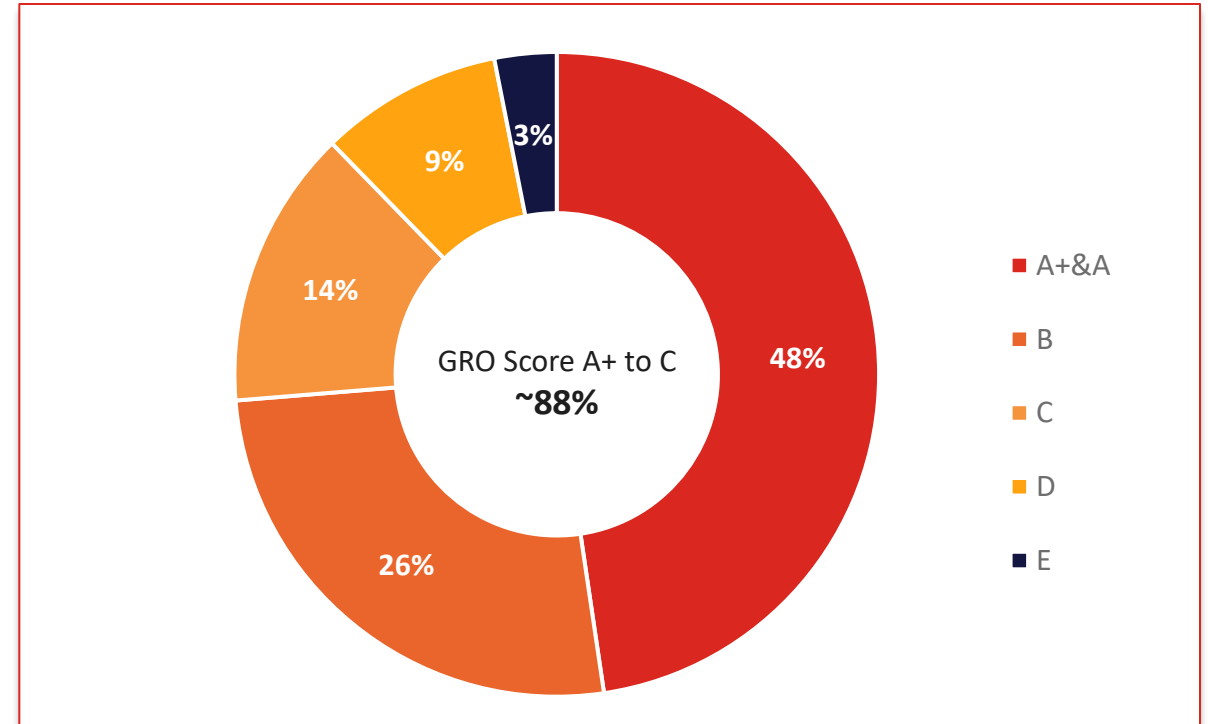
... and decide whether to disburse or not disburse the loan within 60 minutes.

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 (Apr 24 – Sep 24)



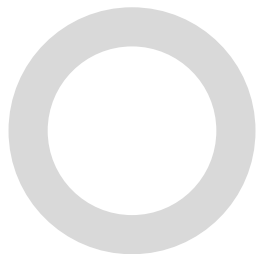
Segments A+,A, B – contributing to majority share of disbursements and lever for calibrated increase of throughput

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 UGRO Capital



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.)
Cashflow: GST, Banking &
Liquid income assessment

Rs 1cr – 15cr
Customer Turnover

Secured Biz. Loan: Rs 72L
Biz. Loan*: Rs 18L
Average ticket size

Yield: Sec/Biz: 14%/19%
Tenure: Sec/Biz: 11/3 yrs

AUM Mix: 60%
Sec/Biz. Loan: 27%/33%

GRC+

**Micro: Tier 2 & beyond
branches**

Collateral: Standard Property
Cashflow: Liquid income
assessment

<Rs 1cr
Customer Turnover

Rs 9L
Average ticket size

Yield: 21%
Tenure: 7 yrs

AUM Mix: 11%

GRC+
GroScore

**Ecosystem Channel &
Green Asset Financing**

Collateral: Prime Machinery
Cashflow: GST & Banking

Rs 1cr – 10cr
Customer Turnover

Rs 35L
Average ticket size

Yield: 15%
Tenure: 4 yrs

AUM Mix: 14%

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
Average ticket size

Yield: 15%
Tenure: 4 yrs

AUM Mix: 12%

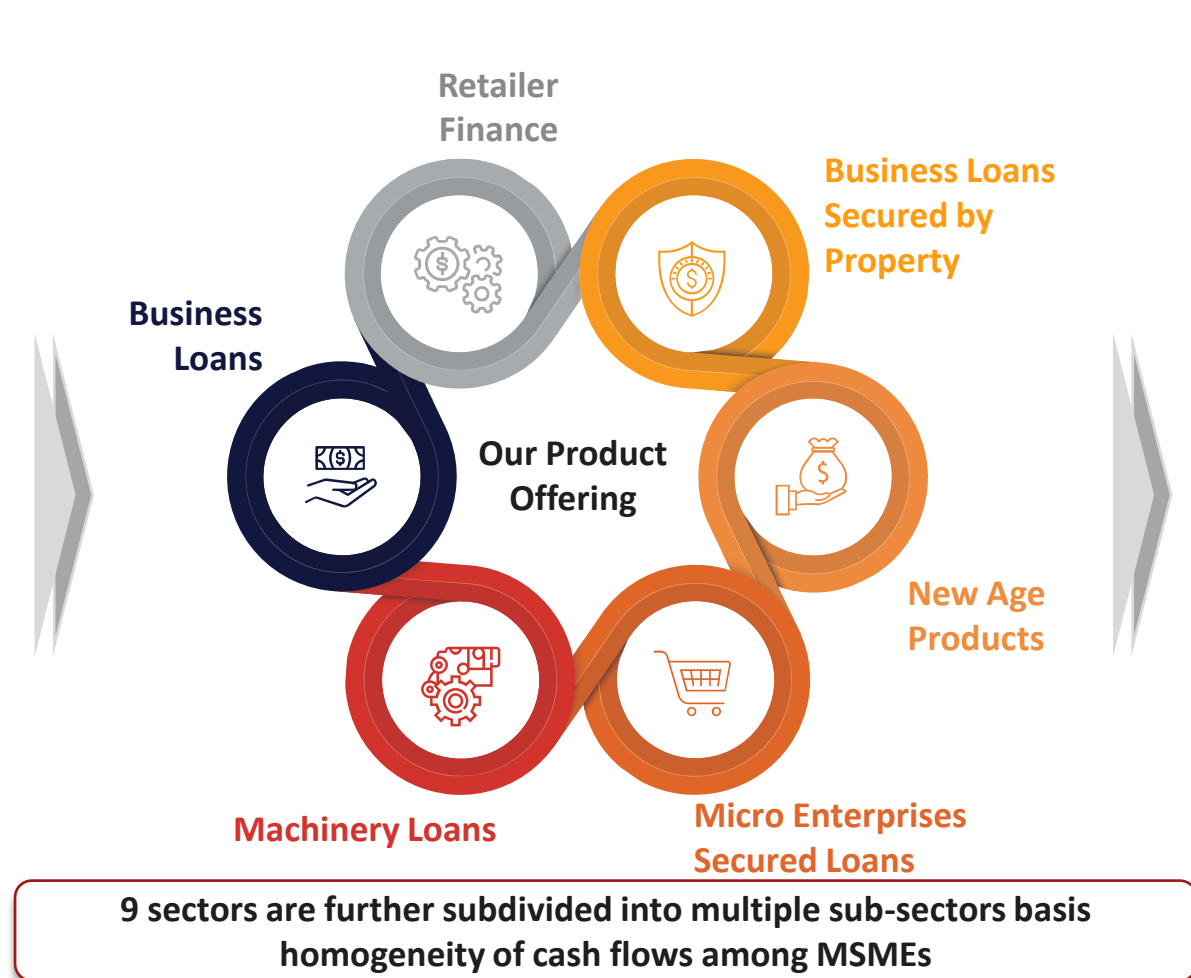
*CGTMSE
backed

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

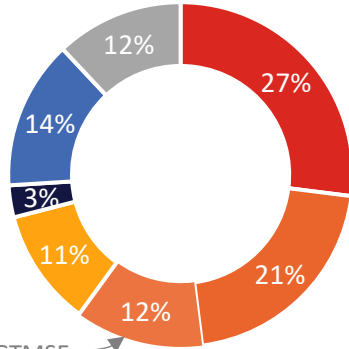
	Micro Enterprises
	Light Engineering
	Auto Components
	Chemicals
	Food Processing
	Education
	Healthcare
	Electrical Equipment & Components
	Hospitality



	23 Prime Branches
	187 Micro Branches
	650+ GRO Partners
	40+ Anchors
	50+ OEMs
	50+ Fintech Partners
	1,750+ Sales Employees

Well diversified, granular and stable portfolio quality

Product Mix (AUM)



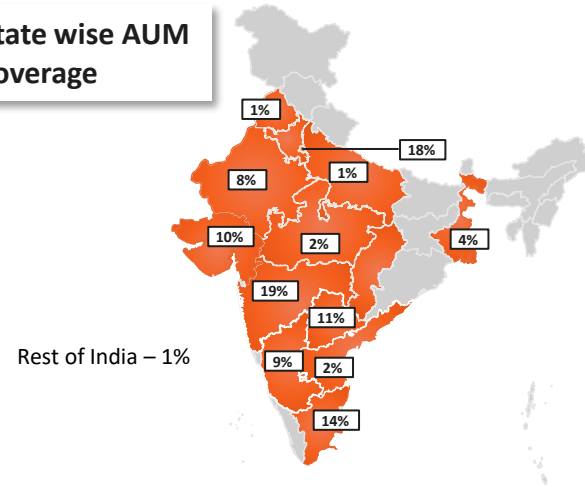
Guaranteed by CGTMSE →

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

Product category	AUM (Cr)	ROI (%)	Ticket size (Lakh)
Secured Business Loans	2,792	14.4%	72
Business Loans	3,331	19.1%	18
Micro Enterprise Loan	1,105	20.8%	9
Supply Chain Financing	355	15.0%	19
Machinery Loan	1,391	14.4%	35
Partnerships & Alliances	1,184	15.1%	4
Grand Total	10,157	16.7%	14

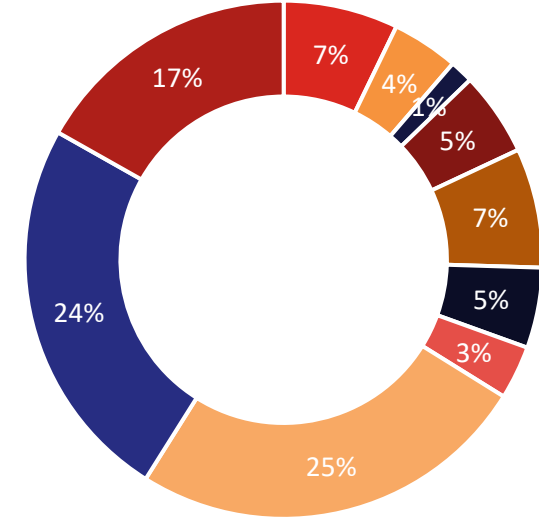
Portfolio Concentration in key geographical areas

State wise AUM coverage



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
Total	187	23	210

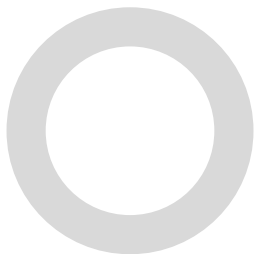
Sector Mix



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

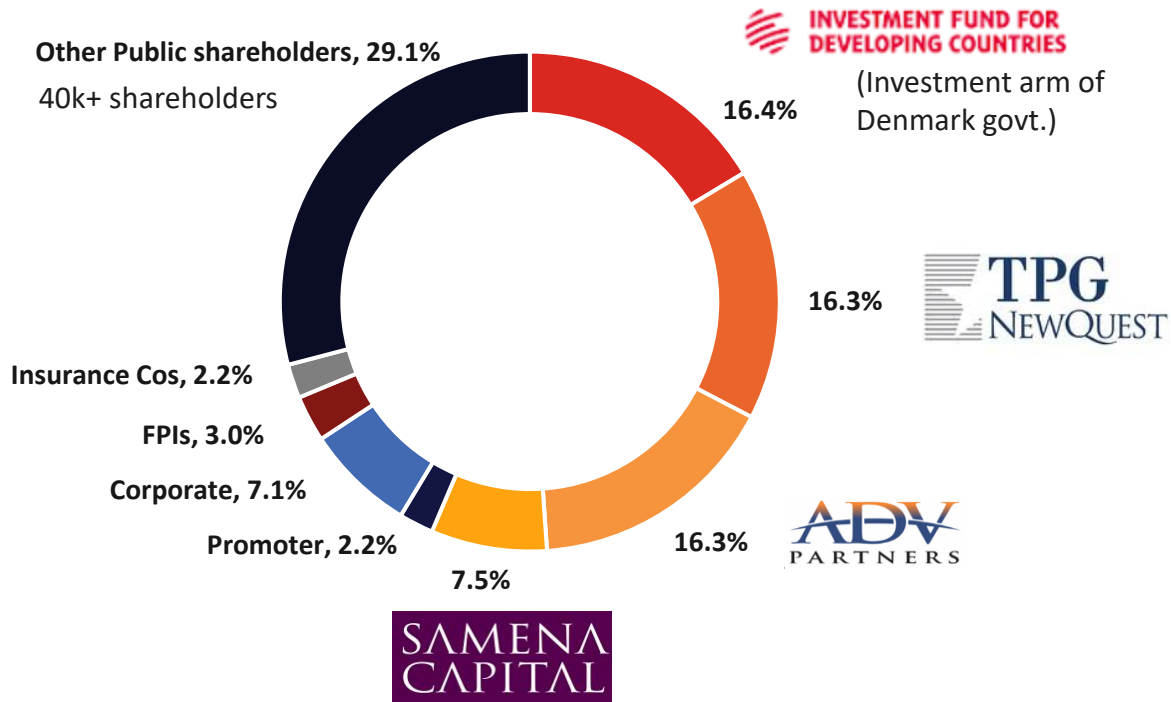


Shareholding, Board, and Management

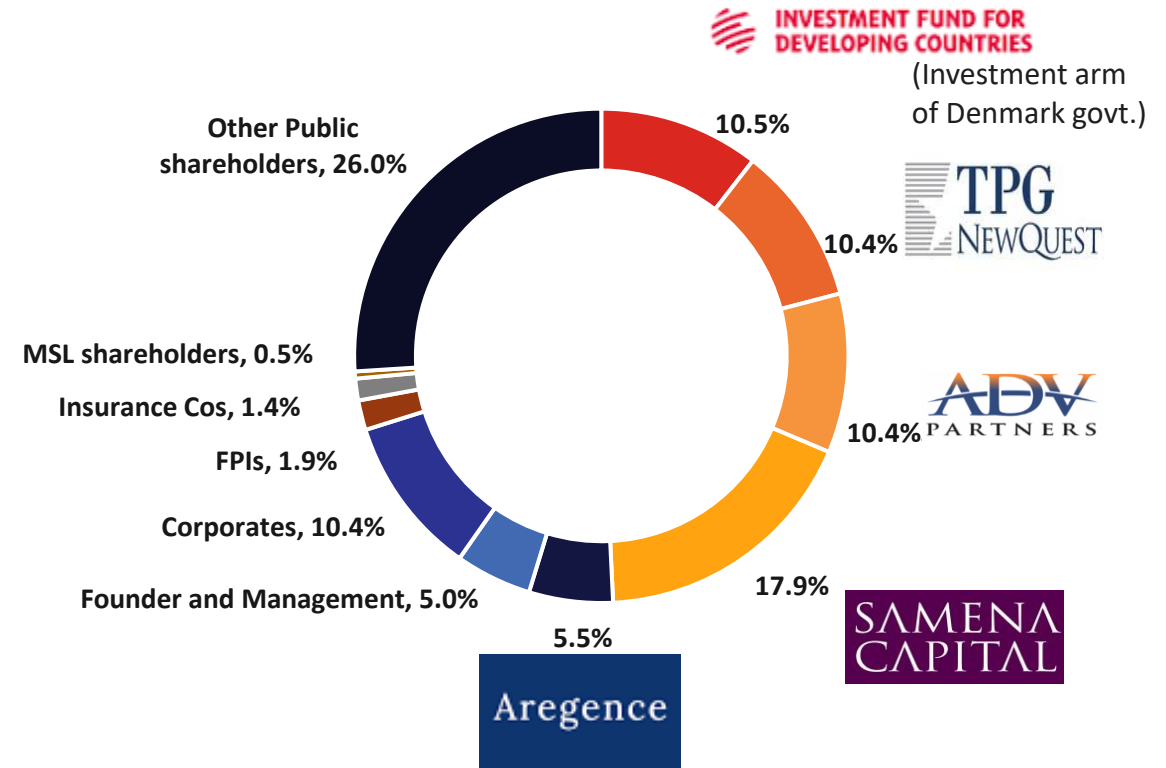


Institutionally Owned: Majority held by Institutional Investors

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



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 **3/4th 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



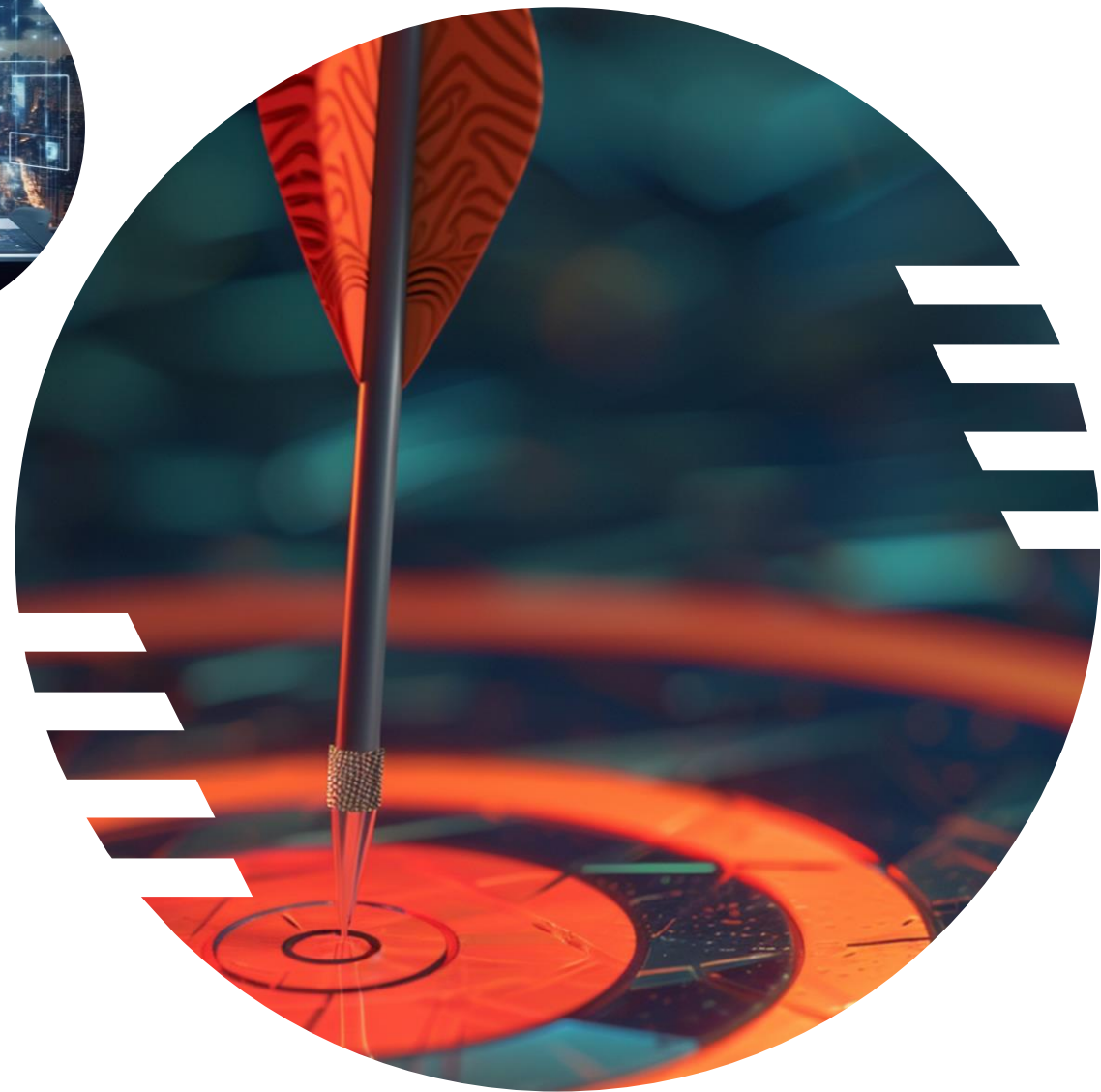
Ankit Chothani
Head - Marketing & Corporate Communications
19+ Years of Experience





Understanding Co-lending

Note: This section is only for learning & illustration purpose

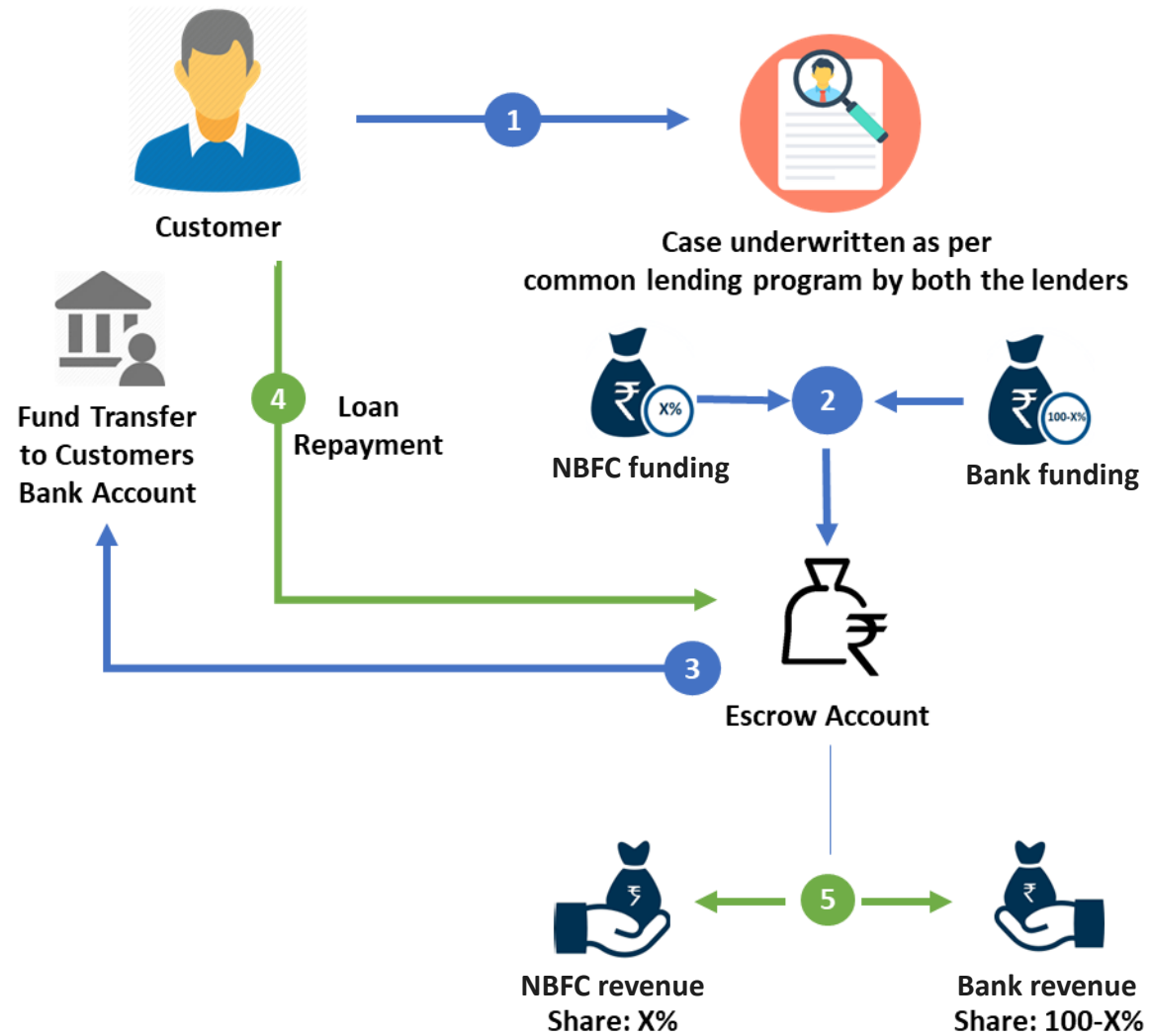


RBI Guidelines on Co-lending

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*

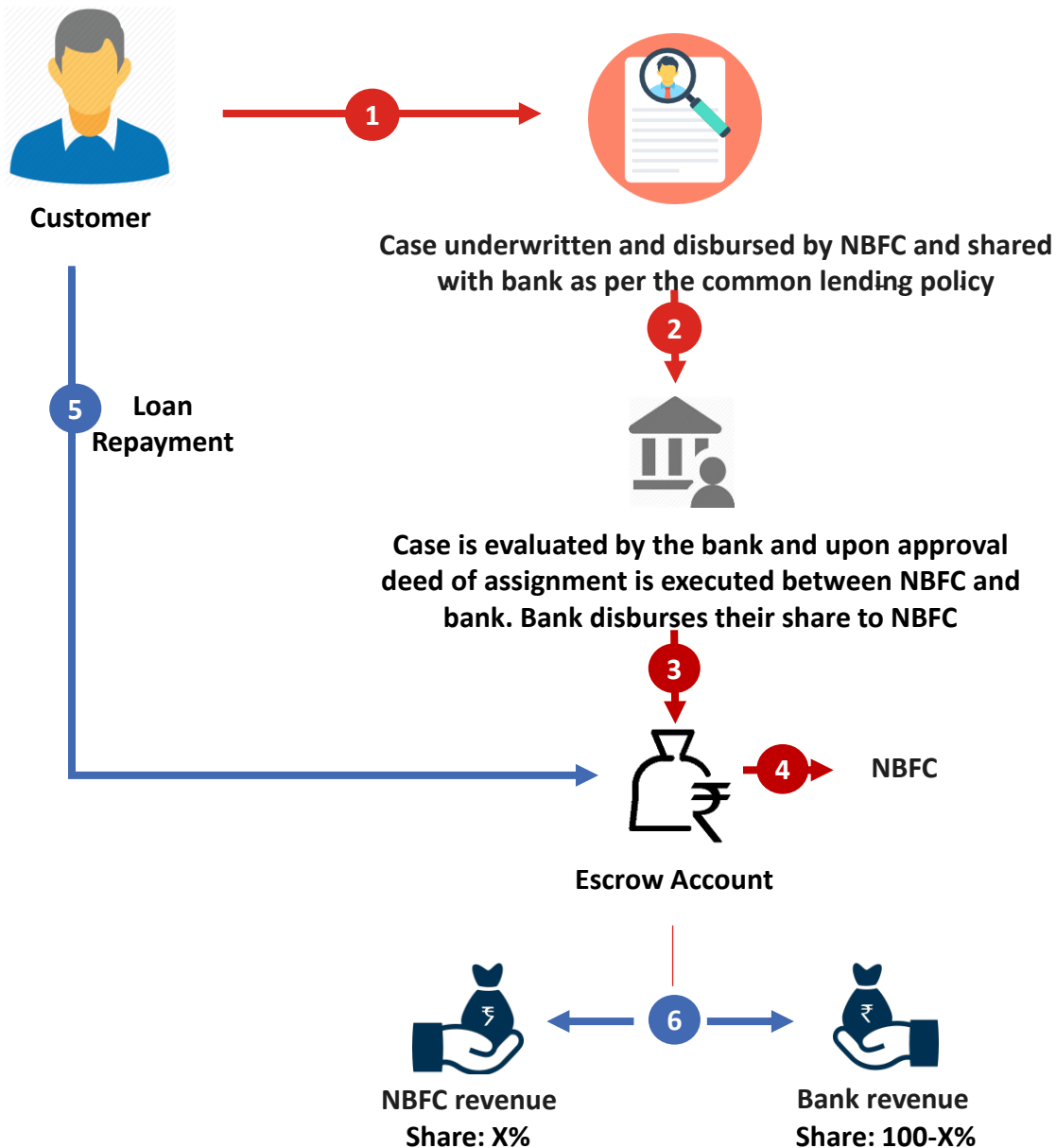
Co-origination Process Framework - CLM 1



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)

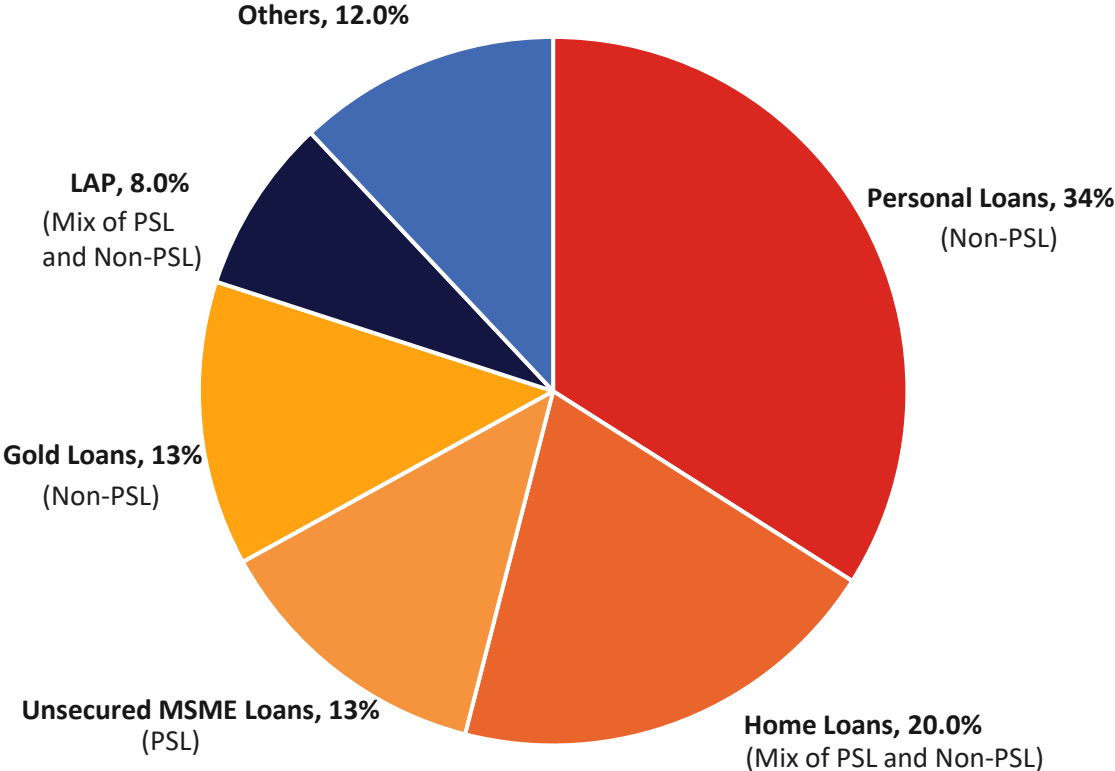


Documentation:

- 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: Current Status and Market Opportunity

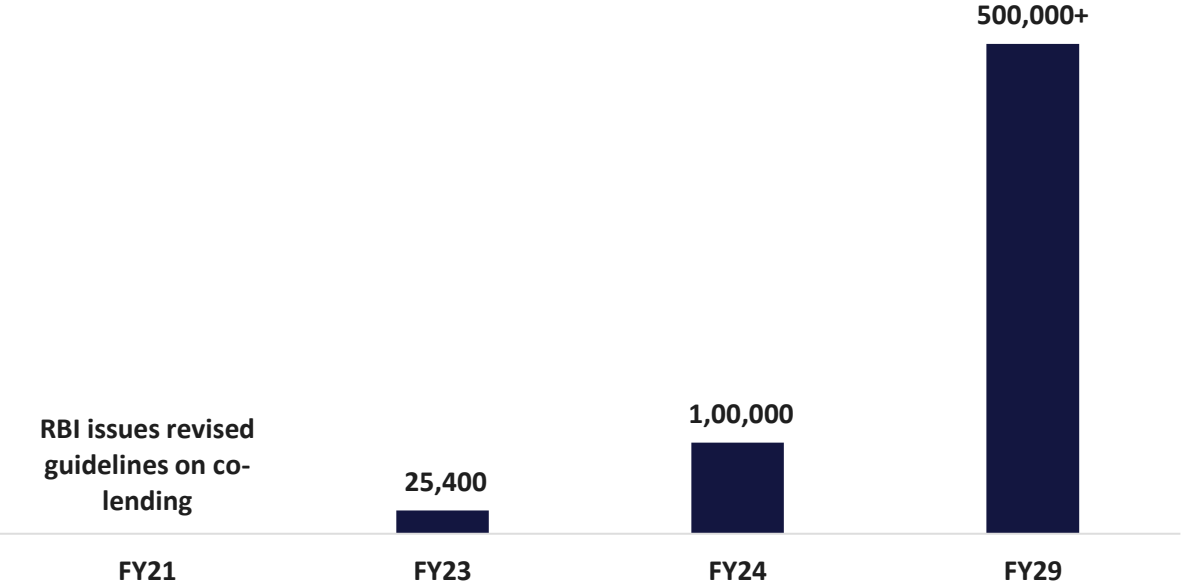
Composition of Co-lending AUM (as of Dec-23)



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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