

UGRO CAPITAL AND SIDBI ANNOUNCE STRATEGIC CO-LENDING PARTNERSHIP TO EMPOWER MSMEs

A Collaboration to Enhance Credit Accessibility and Affordability for MSMEs Across India

Mumbai, July 29, 2024: UGRO Capital, a DataTech NBFC and India's largest Co-lender in the MSME segment, today announced its strategic co-lending partnership with the Small Industries Development Bank of India (SIDBI). The partnership is established under the Reserve Bank of India's (RBI) co-lending framework, designed to leverage the strengths of banks and NBFCs to boost priority sector lending.

The co-lending agreement aims to provide faster and more affordable credit to MSMEs, combining UGRO Capital's innovative data & technology and extensive on-ground presence with SIDBI's robust financial resources and strategic vision. This collaboration will facilitate inclusive growth and socio-economic development across the country by enabling MSMEs to access the credit they need to thrive.

Shri Prakash Kumar, DMD, SIDBI commented on the partnership, saying, *"SIDBI is committed to fostering the growth of the MSME sector, which is the backbone of India's economy. NBFCs play a crucial role in our growth strategy due to their ability to reach the bottom-of-the-pyramid businesses, especially in credit-deficient geographies. Their adoption of innovative and agile credit delivery models and deep understanding of the local ecosystem are invaluable. The co-lending framework offers a significant opportunity to channel affordable and timely credit to the smallest MSMEs in partnership with NBFCs. Our collaboration with UGRO Capital aligns perfectly with our mission to extend our reach and impact through strategic partnerships. We are pleased to commence our co-lending arrangement with UGRO Capital, which will help provide affordable business loans to MSMEs."*

Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital, said, *"We are thrilled to join hands with SIDBI in this strategic co-lending partnership. Our combined efforts will not only enhance the reach of credit to MSMEs but also ensure that it is provided swiftly and at a more affordable cost. This collaboration is a testament to our commitment to driving financial inclusion and supporting the growth of MSMEs across the nation."*

UGRO Capital's unique data-driven co-lending approach has already extended bespoke finance solutions to over 78,000 MSMEs in India. With this partnership, UGRO Capital will further expand its impact by enhancing its business footprint and increasing its income through collaborative efforts with SIDBI. The partnership underscores the commitment of both organizations to fulfilling priority sector lending obligations and supporting the MSME sector's growth.

About SIDBI

Small Industries Development Bank of India (SIDBI) was established on April 2, 1990, under an act of the Indian Parliament. SIDBI is mandated to serve as the Principal Financial Institution for executing the triple agenda of promotion, financing and development of the MSME sector and coordination of the functions of the various Institutions engaged in similar activities.

About UGRO Capital Ltd (NSE: UGROCAP | BSE: 511742)

UGRO Capital Limited is a DataTech Lending platform, listed on NSE and BSE, pursuing its mission of "Solving the Unsolved" for the small business credit gap in India, on the back of its formidable distribution reach and its Data-tech approach.

The Company's prowess in Data Analytics and strong Technology architecture allows for customized sourcing platforms for each sourcing channel. GRO Plus module which has uberized intermediated sourcing, GRO Chain, a supply chain financing platform with automated end-to-end approval and flow of invoices, GRO Xstream platform for

co-lending, an upstream and downstream integration with fintechs and liability providers, and GRO X application to deliver embedded financing option to MSMEs.

The credit scoring model GRO Score (3.0) a statistical framework using AI / ML driven statistical model to risk rank customers is revolutionizing the MSME credit by providing on-tap financing like consumer financing in India.

UGRO has executed Co-lending model in India which is prevalent in the West through Co-Lending relationships with 10+ Large Public Sector Banks and large NBFCs and built a sizeable off-balance sheet asset of more than 46% of its AUM through the GRO Xstream platform.

The Company is backed by marquee institutional investors (raised INR 900+ Cr of equity capital in 2018, INR 340 Cr in 2023 and INR 1265 Cr in 2024) and aims to capture 1% market share over the next three years. For more information, please visit: <http://www.ugrocapital.com/>

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