

## UGRO CAPITAL AND UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC) PARTNER TO INCREASE FINANCE INCLUSION IN INDIA

### PLANS TO RAISE USD 40 MILLION (~INR 3300 MILLION) TO EMPOWER THE LAST-MILE MSMEs

**Mumbai, October 16, 2024:** UGRO Capital, a leading DataTech NBFC focused on MSME lending, today announced a significant milestone in its mission to bridge the credit gap in India's MSME sector. The Company signed a commitment letter with the United States International Development Finance Corporation (DFC) for a USD 40 million (approx. INR 3300 million) loan. The United States Agency for International Development (USAID) is supporting this transaction by committing its staff resources and linking its technical programs to support inclusive and sustainable economic growth. This investment marks a critical step in UGRO Capital's journey to empower small businesses at the grassroots level and deepen financial inclusion across the country.

This financing facility from DFC will mark the third impact deal for UGRO within a year. The Company has already raised ~INR 2,500 million each through Non-Convertible Debentures (NCDs) from the prestigious Asian Development Bank (ADB) in January 2024 and FMO, the Dutch entrepreneurial development bank in December 2023. DFC's support will enable UGRO Capital to bolster its lending efforts to small and medium-sized businesses across India, with a focus on empowering women-owned enterprises. Approximately 70% of the funding will be directed to 2X qualifying businesses (women-owned or led), and at least USD 5 million of the proceeds will support new-to-credit borrowers, with the backing of the CGTMSE Guarantee.

Over the past six years, UGRO Capital has provided credit to over 100,000 MSMEs, playing a pivotal role in enabling financial access for underserved small businesses. This partnership with DFC reinforces the Company's ability to attract international capital and align with impact-driven global financial institutions to serve India's vast MSME sector.

**Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital**, expressed his enthusiasm for the partnership, stating, *"We are honored to receive this endorsement from DFC, an esteemed organization committed to fostering financial inclusion globally. This transaction is a testament to UGRO Capital's ability to forge meaningful partnerships with reputed global DFIs. Our shared vision of financial empowerment and inclusive growth drives us forward, and with DFC's support, we will be able to further our mission of addressing every need of every MSME, especially women-owned businesses and new-to-credit borrowers."*

DFC's commitment reflects its focus on bolstering small businesses in emerging markets. Through this collaboration, UGRO Capital will continue to leverage its technology-driven approach and multi-channel distribution model to serve a broader spectrum of MSMEs.

**Mr. Justin Andrews, DFC's Acting Vice President of Small Business & Financial Services**, highlighted the alignment between the two organizations, stating, *"access to finance for new-to-credit borrowers and MSME finance is a key driver for financial inclusion, and we are thrilled to be working with UGRO Capital to address the credit needs of small businesses aligned with our goal of supporting economic growth and*

*financial access in underserved communities. This partnership will play a crucial role in advancing the growth of MSMEs and promoting gender equality through 2X qualifying businesses.”*

**USAID/India Mission Director Steve Olive said:** *“As the United States and India partner to advance and achieve shared global development goals, USAID is thrilled to partner with UGRO Capital and the U.S. Development Finance Corporation to equip and empower India’s medium, small, and micro enterprises to drive inclusive growth. By leveraging innovative financing solutions, we aim to unlock the full potential of small businesses, driving sustainable and inclusive development.”*

This transaction highlights UGRO Capital's commitment to advancing its impact financing goals and its determination to unlock India’s small business potential by enabling access to credit at the last mile.

#### **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/>

#### **About DFC**

The U.S. International Development Finance Corporation (DFC) is America's development finance institution. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. DFC invests across sectors including energy, healthcare, infrastructure, agriculture, and small business and financial services. DFC investments adhere to high standards and respect the environment, human rights, and workers’ rights.

#### **About USAID:**

USAID is the U.S. Government’s premier international development agency and a catalytic actor driving development results. USAID works to help lift lives, build communities, and advance democracy. USAID’s work advances U.S. national security and economic prosperity; demonstrates American generosity; and helps countries progress along their development journey. In India, USAID is collaborating with the country’s growing human and financial resources through partnerships that catalyze innovation and entrepreneurship to solve critical local and global development challenges. To learn more, visit [www.usaid.gov/india](http://www.usaid.gov/india)

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