

UGRO Capital and Dun & Bradstreet Unveil 4th MSME Sampark Report Showcasing India's MSME Resilience

Despite tariff pressures and slowing exports, India's MSMEs continue to expand credit uptake and strengthen their role in driving economic growth.

Mumbai, January 19, 2026: UGRO Capital Ltd., a leading DataTech NBFC focused on MSME lending, has released the 4th edition of the MSME Sampark Report, prepared in collaboration with Dun & Bradstreet. The report features findings drawn from an analysis of over 73,000 MSMEs across eight key sectors, alongside an exclusive nationwide survey of more than 5,000 MSMEs. It highlights how global trade challenges, including rising US tariffs and slowing exports, are affecting MSME revenues in sectors such as textiles, automotive, chemicals, food processing, and electrical equipment. However, India's MSMEs continue to demonstrate remarkable resilience, expanding their credit footprint and sustaining growth momentum in a shifting global trade landscape.

Mr. Shachindra Nath, Founder & Managing Director - UGRO Capital, said, "Despite global trade challenges and sectoral headwinds, India's MSME ecosystem remains resilient and forward-looking. The UGRO Exclusive Survey on Small Businesses offers deep insights into how credit access, formalisation, and digitalisation are shaping this transformation.

Encouragingly, 83% of MSMEs surveyed reported no difficulty in accessing credit, with NBFCs emerging as their preferred financing partners, further validating our collective efforts to formalize and simplify small business lending. As we look ahead, it is essential for all stakeholders, banks, NBFCs, policymakers, and entrepreneurs to work together in creating a transparent, responsible, and technology-driven credit ecosystem that enables every small business to grow with confidence and purpose."

Dr Arun Singh, Global Chief Economist at Dun & Bradstreet, said, "Dun & Bradstreet's Global Business Optimism Index (GBOI) reflects a moderation in overall business optimism for India's small and medium businesses, as they continue to adjust to a challenging trade environment. Despite this, anticipation for future domestic orders rose amongst Indian MSMEs, signalling strengthened optimism in the domestic economic environment, supported by robust industrial output, and a supportive price environment. Credit disbursement to micro and small enterprises increased in July 2025, underscoring the effectiveness of the government's credit guarantee scheme. Sustained momentum will depend on the extent to which India can insulate its MSME sector from global trade disruptions, including via targeted government interventions, such as strategic upgrades to the Production-Linked Incentive (PLI) scheme while continuing to foster domestic growth."

Key Findings of the 4th MSME Sampark Report:

- MSMEs' contribution to India's GDP has rebounded from post-Covid lows of 27.3% in FY-21 to approximately 30% in FY-25.
- Global supplier risks are rising as firms shift toward localised supply chains, while economic and policy uncertainty dampens sales and export sentiment.
- FY24 revealed a mixed EBITDA performance among micro enterprises, highlighting how varying cost dynamics and operational strengths played out across sectors.

- Credit growth to micro and small enterprises grew 12% YoY, outpacing medium enterprises (14% YoY) and overall credit growth.
- Increased imports of low-cost Chinese goods and weak global demand have affected the revenue margins of micro-enterprises in auto components, electrical equipment and chemical sectors.
- Udyam registrations rose 18% from 58.46 million in January 2025 to 68.85 million in September 2025, signalling stronger formalisation, rising business confidence, and deeper MSME integration into the formal economy.
- MSMEs face rising stress from US tariffs, especially in textiles, gems, auto components, and agri-marine subsectors.

Findings from analysis of MSMEs during FY20-FY24 across 8 sectors

Revenue Trends in Micro Enterprises: Micro enterprises in the manufacturing sector experienced a broad revenue decline in FY24 compared to FY23, driven largely by weaker performance in automotive, chemical, education, electrical equipment, and light engineering segments. The slowdown reflects ongoing trade uncertainties, supply chain disruptions, and the increasing influx of low-cost Chinese imports that have intensified competitive pressures.

Rising Credit Allocation to MSMEs: Credit flow to MSMEs strengthened notably, with the share of secured loans rising from 80% in Q1FY24 to 89% in Q1FY25. At the same time, unsecured lending also gained traction particularly in healthcare (up 43%), electrical equipment (30%), and chemicals (26%) between January-March 2024 and the same period in 2025. This trend indicates improved access to finance, supported by higher risk appetite among banks and the continued impact of government-backed credit guarantee schemes.

Policy support to MSMEs at a global level: In response to the adverse effects of US tariffs, several countries including Thailand, Taiwan, China, and Brazil have rolled out targeted support measures for MSMEs. These range from credit lines and export guarantees to subsidies and digital upskilling programmes, designed to enhance competitiveness and market adaptability. India has also taken proactive steps, such as revising GST slabs, cutting policy rates by a cumulative 100 basis points in 2025 with scope for further easing, and accelerating efforts to diversify export markets.

The report can be downloaded for free from the websites of Dun & Bradstreet India (<http://www.dnb.co.in/>) and UGRO Capital (<http://www.ugrocapital.com/>).

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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 total of 17 Banks and NBFCs and built a sizeable off-balance sheet asset of 42% of its AUM through its Co-lending and Co-originating partners and 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, INR ~258 Cr in 2024 and INR ~1300 in 2025). For more information, please visit: <http://www.ugrocapital.com/>

About D&B India

Dun & Bradstreet, a leading global provider of business decisioning data and analytics, enables companies around the world to improve their business performance. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to accelerate revenue, lower cost, mitigate risk and transform their businesses. Since 1841, companies of every size have relied on Dun & Bradstreet to help them manage risk and reveal opportunity. For more information on Dun & Bradstreet, please visit www.dnb.com.

Dun & Bradstreet Information Services India Private Limited is headquartered in Mumbai and provides clients with data-driven products and technology-driven platforms to help them take faster and more accurate decisions across finance, risk, compliance, information technology and marketing. Working towards Government of India's vision of creating an Atmanirbhar Bharat (Self-Reliant India) by supporting the Make in India initiative, Dun & Bradstreet India has a special focus on helping entrepreneurs enhance their visibility, increase their credibility, expand access to global markets, and identify potential customers & suppliers, while managing risk and opportunity.

India is also the home to Dun & Bradstreet Technology & Corporate Services LLP, which is the Global Capabilities Center (GCC) of Dun & Bradstreet supporting global technology delivery using cutting-edge technology. Located at Hyderabad, the GCC has a highly skilled workforce of over 500 employees, and focuses on enhanced productivity, economies of scale, consistent delivery processes and lower operating expenses.

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