

## PRESS RELEASE

### Klub teams up with U GRO Capital to aid INR 150 crores funding to bridge the MSME credit gap in India

**Bangalore, India, April 17, 2023** – [Klub](#), Asia's leading Revenue Based Financing platform, today announced that it has partnered with [U GRO Capital](#), a leading DataTech NBFC focused on MSME lending, to disburse INR 150 crores aimed at bridging the credit gap for Micro, Small, and Medium Enterprises (MSMEs) in India. This collaboration marks a significant step towards providing fast, founder-friendly, and flexible debt financing solutions to digital businesses nationwide.

Through this partnership, Klub and U GRO Capital will extend credit to support digital SMEs across different growth stages. The allocated fund of INR 150 crores will facilitate lending activities across India, offering scalable debt financing of up to INR 30 crores in a single tranche through Klub's platform. Klub's innovative investment platform combines financial product innovation, deep data-driven analytics, high-frequency collections, and community engagement, providing tailored funding solutions to SMEs and startups.

U GRO Capital, with its Billion Dollar AUM (INR 8,364 Cr) as of December 2023, has established itself as a leader in MSME lending. Leveraging its proprietary underwriting model and innovative product suite, U GRO Capital offers a digital platform, minimal documentation, and expedited approvals, ensuring a seamless borrowing experience for businesses. Their loans, ranging from INR 1 lakh to INR 5 crores, support various needs such as business expansion, working capital, equipment upgrades, and sustainable initiatives like Rooftop Solar installation and EV Financing, with competitive interest rates and flexible repayment terms.

**Sudharsan Venkatkrishnan, Senior Vice President at Klub**, emphasised the importance of addressing the current credit gap in India, stating, *"Given the pivotal role MSMEs play in India's economy and job market, addressing their credit requirement gap is a critical opportunity. Partnering with a digitally savvy lender like U GRO Capital not only amplifies our reach, but also aligns with the value we deliver to SMEs through our product selection and superior customer experience. We look forward to building on the mutual capabilities in the partnership to empower small Indian businesses and founders."*

**Tanya Chadha, Head - Partnership & Alliances at U GRO Capital**, highlighted the significance of the partnership, stating, *"U GRO Capital is deeply committed to serving the credit needs of last-mile MSMEs, and our collaboration with Klub exemplifies this dedication. Together, we aim to provide flexible working capital solutions to SMEs, bolstering their growth. This partnership not only expands our market reach but also enhances our digital offerings, reinforcing our shared commitment to supporting and scaling businesses."*

The MSME sector plays a crucial role in India's economic landscape, contributing to about 30% of the country's GDP. However, accessing credit remains a significant challenge for these enterprises, hindering their growth potential. The partnership between Klub and U GRO Capital aims to address this gap by providing accessible and flexible financing options tailored to the diverse needs of MSMEs.

Founded in 2020, Klub has invested in over 600 businesses and continues to lead the equity-free funding space, helping businesses in diversified sectors including D2C, EV, eCommerce, health tech, cleantech, edtech and more. Meanwhile, UGRO Capital has an AUM of INR 83,638 million as of December 2023. Over the last 5 years, it has raised a total of INR 91,378 million Equity and Debt from diverse institutional sources.

#### **About Klub:**

Klub, Asia's leading Revenue Based Financing platform, provides flexible funding up to Rs. 30 crores to digital businesses and SMEs with recurring revenues. Based across India and the UAE, the company, in partnership with leading NBFCs, HNIs, Financial Institutions, and its own SEBI registered fund, provides growth capital to digital businesses. Klub offers different capital structures for businesses across all stages (early, growth & late) for recurring marketing, inventory, and capex expenses. The company has deployed more than 1600 investment rounds enabling growth for 600+ brands across India to date. Klub raised \$20 million in seed funding from Sequoia Capital India's Surge, US-based Alter Global, Japan-based GMO VenturePartners, and 9Unicorns in 2021. For more information, visit [www.klubworks.com](http://www.klubworks.com)

#### **About UGRO Capital Ltd (NSE: UGROCAP I 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 45% 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 and INR 340 Cr in 2023) and aims to capture 1% market share over the next three years. For more information, please visit: <http://www.ugrocapital.com/>

#### **Contact Details**

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