

19th February 2021

**To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001**

Subject: Press Release


Dear Sir/ Madam,

Please find enclosed herewith press release titled “U GRO Capital launches ‘GRO Micro’, expands its network by 25 branches; aims to support 50,000 small businesses by FY’22” dated 18th February 2021.

This is for your information and record.

Thanking you,

For UGRO Capital Limited

A handwritten signature in black ink, appearing to read 'Aniket Karandikar', with a horizontal line underneath.

**Aniket Karandikar
Company Secretary**

Encl: as above

UGRO CAPITAL LIMITED

Registered Office Address: Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070
CIN: L67120MH1993PLC070739

Telephone: +91 22 48918686 | **E-mail:** yougrow@ugrocapital.com | **Website:** www.ugrocapital.com

PRESS RELEASE

18th February, 2021
Mumbai, India

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U GRO Capital launches 'GRO Micro', expands its network by 25 branches; aims to support 50,000 small businesses by FY'22

- Expands its branch network in Karnataka, Tamil Nadu, Gujarat, Telangana and Rajasthan
- Intends to expand the reach of GRO Micro branches to 100 by end of FY '22
- The company aims to reach out to 50,000 small businesses during the year

U GRO Capital, a BSE listed, sector focused small business lending fintech platform, today, announced the launch of '**GRO Micro**', a dedicated distribution channel to aid lending services specifically for the unorganized Micro Businesses based in non-metro markets. The Company announced that it has expanded its distribution network by adding 25 branches across 5 states - Karnataka, Tamil Nadu, Gujarat, Telangana, and Rajasthan.

With this geographical expansion under the flagship of 'GRO Micro', the Company aims to offer small ticket loans – secured against property, as well as unsecured loans, to micro businesses, for help them in

1. Sustenance and stability in the post pandemic era,
2. Meeting their Working Capital needs to fix broken cash flows and
3. To cater to their business expansion needs

U GRO Capital started its journey after it shortlisted 8 sectors and 38 sub-sectors, basis an 18-month process involving extensive study of macro and micro economic parameters carried out in conjunction with market experts like CRISIL. The eight sectors shortlisted were Healthcare, Education, Chemicals, Food Processing / FMCG, Hospitality, Electrical Equipment and Components, Auto Components, Light Engineering and Micro Loans. Using its first-hand lending experience and insights drawn from use of advanced data analytics, the Company added Micro Enterprises as an additional sector in itself within the 2nd year of its operations.

Based on its internal research, the Company found that there exists an opportunity to connect with over **5 million** MSMEs in target markets, away from the urban centers. These small businesses in Tier 2 and 3 regions face a lack of formal capital infusion due to insufficient database and unavailability of requisite documents. This sector alone presents a huge market opportunity prompting the Company to launch a dedicated vertical called **GRO Micro** to cater to these businesses.

The company aims to bridge this credit gap effectively, by providing its customized lending services to the MSMEs. U GRO Capital has a robust and highly capable technology enabled underwriting model, for which it has also filed a patent. It plans to combine this model with its deep digital architecture, facilitated by its capabilities in AI/ ML leveraging traditional and alternate data sources, to offer credit in a quick and convenient manner.

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Commenting on the expansion, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, “U GRO Capital is built on the philosophy of ‘solving the unsolved credit gap’ of small businesses. With the launch of ‘GRO Micro’ and expanding our physical network we have taken a significant step in our bid to reach out to the unserved and underserved small businesses. Under this initiative, we aim to reach out to over 5 lakh small businesses across 5 states - Karnataka, Tamil Nadu, Gujarat, Telangana and Rajasthan to begin with. We intend to carry our experience from these locations and expand our network by a further 75 branches by the end of FY ’22. We are confident that this initiative will support the Government’s ‘Atmanirbhar Bharat’ program.”

With GRO Micro, U GRO Capital now has an extensive network of 34 branches and presence in 8 states across India.

GRO Micro caters to a wider spectrum of SME borrowers, with an ever-growing list of business entities. Examples of borrowers would include businesses such as Kirana stores, Pharmacies, Mess/ Restaurants, Hair salons, etc.

Key highlights of loans to be offered via *GRO Micro*:

- **Range of amount to be lent:** 1L-15L (Secured) and 50K-5L (Unsecured)
- **Loan duration:** 12 – 36 months (Unsecured) & 1 – 9 years (Secured)
- **Timeline for disbursal:** 3-4 days (Unsecured); 7-8 days (Secured)

Process to avail the loan: *GRO Micro*

- Small business owner applies for a Business Loan – assisted by a ***GRO Micro*** Sales Executive on its proprietary ***GRO+ App***
- Provides conventional data like GST, ITR, Bank Statements/ Pass-book images as well as alternate data like trade bills (Pucca/ Kaccha), electricity bills etc.
- Receives in-principle approval post credit-appraisal within a day of loan application
- Loan Agreement is signed, and loan is disbursed in the customer’s bank account

About U GRO Capital Ltd.:

U GRO Capital limited is a BSE listed, small business lending fintech platform. The Company is focused on addressing capital needs of small businesses operating in select eight sectors by providing customized loan solutions.

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U GRO Capital's mission is 'Solve the Unsolved' – Small Business Credit Need. U GRO Capital believes that the problem of small businesses can be solved by building deep expertise around core sectors of SMEs in India coupled with a data centric, technology-enabled approach.

The Company has raised ~INR 920 crore of capital from a diversified set of private equity funds like institutional investors and well-known family offices.

The Company strives to build a strong SME financing platform based on sectoral understanding supplemented by a fully integrated technology and analytics platform.

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