

PRESS RELEASE

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U GRO Capital expands its network in Gujarat with 5 new branches; aims to support 10,000 small businesses by March 2022

- Adds branches in Baroda, Himatnagar, Mehsana, Nadiad and Odhav
- Intends to scale up its GRO Micro branch network to 100 across India and aims to reach out to 50,000 small businesses, pan India, by March 2022

U GRO Capital, a BSE listed, sector focused small business lending fintech platform, today announced the expansion of its network by adding five new branches in Gujarat state. '**GRO Micro**', the distribution channel will offer loans to the unorganized Micro Businesses based in Baroda, Himatnagar, Mehsana, Nadiad, Odhav and near-by locations.

The Company's internal study highlights that Gujarat state offers immense opportunity for expansion especially in the micro lending segment. Of the overall Gujarat target segment potential, the five identified markets will address approximately 34% of the potential, allowing the company to effectively enhance its reach. There are over 1 million micro borrowers in and around the identified markets. A significant portion of these micro-borrowers face a lack of formal capital infusion due to insufficient databases and unavailability of requisite documents. The company aims to bridge this credit gap for about 10,000 of these small businesses by FY'22 in the state. In Gujarat, U GRO Capital will cater to borrowers such as kirana stores, medical shops, hair salons etc. among other identified target businesses.

Apart from Gujarat, U GRO Capital has expanded its branch presence in four states of Telangana, Karnataka, Rajasthan and Tamil Nadu, with a total of 20 new branches. 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. This will help the MSMEs in meeting their working capital needs to fix broken cash flows and to assist them in the operational sustenance and stability in the post pandemic era. It aims to reach out to 50,000 small businesses across the country by FY'22, while expanding its branch network to 100 locations.

The Company provides its credit offerings to MSMEs in 8 sectors and 38 sub-sectors, shortlisted basis an 18-month process involving extensive study of macro and micro economic parameters carried out in conjunction with market experts like CRISIL. It has a robust and highly capable technology enabled underwriting model, for which it has also filed a patent. Combining it with a deep digital architecture and technological capabilities it offers credit in a quick and convenient manner.

UGRO CAPITAL LIMITED

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Commenting on the expansion, **Mr. Sathiayan Jaichandran, Chief Business Officer, U GRO Capital** said, “By expanding our branch network and the reach of GRO Micro in Gujarat, we have taken a significant step towards realization of our philosophy of solving the unsolved credit gap of the unserved and underserved small businesses. Under this initiative, we aim to provide our customized credit offerings to over 10,000 small businesses in the state. We intend to carry our experience from the 5 identified states and expand our branch 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.

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

- **Range of amount to be lent:** 1L - 25L (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.

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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