04th November 2026

To

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	**Exchange Plaza, 5th Floor, Plot No. C/1, G**
Dalal Street	**Block Bandra, Kurla Complex, Bandra**
Mumbai 400001	**(East) Mumbai 400051**
Scrip Code – 511742	**Symbol – UGROCAP**

Subject: Press Release – "UGRO Capital's Social Impact Study: Building an inclusive credit ecosystem for India's MSMEs"

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Press Release issued by the Company dated 04th November 2026, titled *"UGRO Capital's Social Impact Study: Building an inclusive credit ecosystem for India's MSMEs"*

This is for your information and records.

The aforesaid information is being made available on the Company's website at www.ugrocapital.com

Thanking You,

For UGRO Capital Limited

SHILPA BHATTER
Digitally signed by SHILPA BHATTER
Date: 2026.11.04 17:16:34 +05'30'

Shilpa Bhatter
Chief Financial Officer
Encl: a/a

PRESS RELEASE

UGRO CAPITAL'S SOCIAL IMPACT STUDY: BUILDING AN INCLUSIVE CREDIT ECOSYSTEM FOR INDIA'S MSMEs

70% of borrowers are first-generation entrepreneurs, while 83% of women accessed formal credit for the first time through UGRO. Its Value Creation Model, benchmarked against OECD Guidelines and IRIS+, sets the foundation for enhanced impact measurement.

INDEPENDENT STUDY WITH IMPACTREE AFFIRMS UGRO'S ROLE IN DEEPENING FINANCIAL INCLUSION ACROSS INDIA'S MSMEs

Key Highlights

- Inclusion: 70% of borrowers are first-generation entrepreneurs; 42% had little or no prior access to formal credit
- Women's Access: 83% of women borrowers accessed formal credit for the first time, vs 39% of men
- Business Impact: 58% of borrowers reported revenue growth post loan; only 3% reported a decline
- Reach: 3,21,000+ borrowers served through 317 branches across 13 states (Mar'26)
- Employment: 16% of businesses hired additional employees after their loan

Mumbai, 4th November, 2026: UGRO Capital Limited ("UGRO"), a DataTech NBFC focused on MSME lending, today released its Social Impact Study for FY2025-26, an independent assessment conducted with Impactree, covering more than 63,000 borrowers through portfolio data and over 300 through structured surveys. The study finds that UGRO's credit creates measurable value well beyond the balance sheet: every INR 1 invested generates approximately INR 2.17 in social and economic value, as measured through the Company's Social Return on Investment (SROI) framework.

Widening Financial Inclusion

- **70% of surveyed borrowers** are first-generation entrepreneurs, with no family history of formal enterprise
- **42%** had little or no prior access to institutional credit before their UGRO loan
- **83% of women borrowers** accessed formal credit for the first time through UGRO, against 39% of men, with 71% reporting greater financial independence
- **317 branches across 13 states:** UGRO's Emerging Market network extends formal finance deep into Tier 2 and Tier 3 towns historically outside the reach of institutional lenders

Positive Business and Community Outcomes

- **58% of borrowers** reported a revenue increase after their UGRO loan, with only 3% reporting a decline
- **87% of borrowers** who used their loan to acquire a business asset reported revenue growth
- **16% of businesses** hired additional employees following their loan

- **Across sectors**, borrowers reported meaningful gains in formalisation and digital adoption

Management Commentary

Commenting on the release of the study, **Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital**, said, *"This Impact Study confirms what we have believed since UGRO's founding: that credit, designed around a business's real needs, can change its trajectory and the lives of those who depend on it. Nearly 70% of our borrowers are building their first formal enterprise, and for most of our women borrowers, a UGRO loan was their first relationship with a regulated financial institution. That is inclusion in its truest sense, and an SROI of 2.17 tells us we are creating more than double that in social and economic value for every rupee deployed, reinforcing our mission to Solve the Unsolved."*

Looking Ahead: Deepening the Impact Journey

This study marks the first phase of a broader, multi-year impact measurement journey for UGRO. Methodologically, the assessment draws on UGRO's own portfolio data alongside borrower surveys, interviews and focus group discussions, and its SROI and SDG frameworks are benchmarked against the OECD Guidelines for Responsible Business Conduct and IRIS+, the Global Impact Investing Network's catalogue of standardised impact metrics, lending the findings an independent, internationally recognised frame of reference rather than a self-reported scorecard.

Building on this foundation, UGRO plans to widen its borrower survey base in FY2026-27, introduce a stakeholder-wise impact framework spanning MSME borrowers, women entrepreneurs and underserved-geography borrowers, and move from an annual assessment toward a continuous impact dashboard. The Company's stated priority for the year ahead is to deepen its existing reach, strengthening relationships within its current Emerging Market branches and GROx partnerships, before expanding into new geographies, so that the depth of impact keeps pace with the breadth of its footprint. Taken together, the findings reaffirm UGRO's underlying conviction, that formal, well-designed credit does not merely fund a transaction; it gives an entrepreneur the confidence and the means to build something lasting.

The full Social Impact Study, covering sector-wise findings, state-wise outcomes and UGRO's alignment with the UN Sustainable Development Goals, was prepared in partnership with Impactree and is available at www.ugrocapital.com.

About UGRO Capital Ltd (NSE: UGROCAP | BSE: 511742)

UGRO Capital is India's MSME DataTech lending platform, listed in July 2018 as India's first listed NBFC startup. The Company addresses the ₹30 lakh crore MSME credit gap through 317 Emerging Market branches across 13 states, the GROx embedded merchant finance platform and GRO Score 3.0 AI/ML underwriting. GROx delivers credit to MSMEs at the point of business need through partnerships with PhonePe, Paytm, BharatPe and other platforms. UGRO is backed by marquee institutional investors, with over ₹2,400 crore raised since inception. www.ugrocapital.com

Contact Details

UGRO Capital
Ritu Prakash Singh
E: ritu.singh@ugrocapital.com
M: +91 9818669651

UGRO CAPITAL | IMPACTREE

SOCIAL IMPACT REPORT

2025-26 | September 2026



INCLUSIVE FINANCE
FOR A STRONGER
TOMORROW.

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MESSAGE FROM FOUNDER AND MANAGING DIRECTOR

UGRO SOCIAL IMPACT FY25-26



Shachindra Nath

Founder and Managing Director,
UGRO Capital Limited

Credit is meaningful only when it creates the possibility of something better.

For an MSME, a loan is rarely just a financial transaction. It can mean a machine added to a production line, inventory purchased ahead of a busy season, a new employee brought on board, a business surviving a difficult quarter, or an entrepreneur finding the confidence to take the next step.

At UGRO Capital, this understanding has been central to how we think about MSME lending. Our conviction that MSME Accha Hai and our mission to Solve the Unsolved are rooted in a simple belief: small businesses deserve to be understood on their own terms and supported with credit that is relevant to their needs.

Over the years, we have invested in building a DataTech lending platform that combines data, technology, sector expertise and local presence to understand MSMEs more deeply and serve them better. As of March 2026, that platform stood behind more than 3,21,000 borrowers, served through 317 Emerging Market branches across 13 states and a consolidated AUM of ₹15,334 crore. But as we have grown, we have also recognised the need to look beyond the scale of our lending and ask a more fundamental question:

What difference does our credit actually make?

This Impact Study is an effort to answer that question. Undertaken in partnership with Impactree, the study brings together the voices and experiences of more than 300 UGRO borrowers across key sectors, alongside portfolio data from over 63,000 customers and evidence from our wider customer base. It looks beyond traditional lending metrics to understand changes in business performance, income, resilience, employment and financial confidence.

The findings are telling 58% of surveyed borrowers reported an increase in revenue after taking a UGRO loan. 70% of our borrowers are first-generation entrepreneurs, and 42% told us they had little or no prior access to formal institutional credit before coming to us.

For women borrowers, the difference is starker still: 83% accessed formal credit for the first time through UGRO, against just 39% of men. Measured through our Social Return on Investment (SROI) framework, every ₹1 we invest today generates approximately ₹2.17 of social and economic value - a return no balance sheet alone can capture.

The findings remind us that the impact of MSME credit is often visible in ways that conventional financial metrics cannot fully capture. A business that expands creates opportunities beyond its own balance sheet. A working-capital facility that helps an entrepreneur navigate a challenging period can protect livelihoods. An investment in capacity can create jobs, strengthen local supply chains and build greater confidence for future growth.

This is why impact measurement matters to us. It is not simply an exercise in reporting outcomes; it is a way of holding ourselves accountable to the purpose behind our lending. The Social Impact and Social Return on Investment (SROI) assessment provides us with a structured lens to understand the economic and social value associated with the credit we provide.

It also helps us identify where we can do better as a lender, as a DataTech platform and as a partner to India's small businesses. India's MSMEs are at an important point in their journey. As access to formal finance becomes more data-driven and the credit ecosystem evolves, the opportunity is not merely to lend more, but to understand better, serve better and create greater impact.

At UGRO, we see every loan as the beginning of a journey, not the end of a transaction.
Behind every disbursement is an entrepreneur with an ambition, a business with a role in its community and people whose livelihoods depend on its success.

Our responsibility is to make that credit count.

This report is a reflection of our journey so far and a commitment to keep measuring, learning and improving the difference we make. At UGRO, we see our role as more than providing capital. We want to be a partner to the businesses that are building India from the ground up. Because India's growth will not come only from its largest enterprises.

It will come from millions of MSMEs, making a difference every day-in their businesses, in their communities and in the lives of the people who depend on them.
This is India by MSME and this is the difference we want to make.

About UGRO Capital

ORGANIZATION OVERVIEW

1.1 | UGRO at a Glance

India's MSMEs are vital to economic growth, employment and entrepreneurship. Yet, many viable businesses continue to face limited access to formal credit.

Traditional lending models can create barriers by relying heavily on collateral and lengthy financial histories, potentially overlooking businesses with strong fundamentals but limited documented credit records.

UGRO'S RESPONSE

Measure the business, not just the history.

UGRO was established to bridge this gap through a data-driven underwriting approach that brings together multiple signals of business performance and behaviour.



UGRO'S CREDIT VIEW

- Transactional behaviour
- GST filings
- Banking history
- Bureau records
- Cash-flow patterns

Together, these signals help UGRO build a more complete and timely view of MSME credit risk, enabling faster and more informed lending decisions.

MSME risk is often inadequately measured, rather than inherently higher.

EXTENDING FORMAL FINANCE TO EMERGING MARKETS

UGRO has also expanded its reach through its Emerging Market branch network, extending formal finance to entrepreneurs across Tier 3 towns and beyond. During the assessment period, outstanding credit in these markets increased from approximately ₹445 crore to over ₹3,581 crore. The AUM as on 31st March, 2026 was ₹15,334 crore, marking a 28% growth.

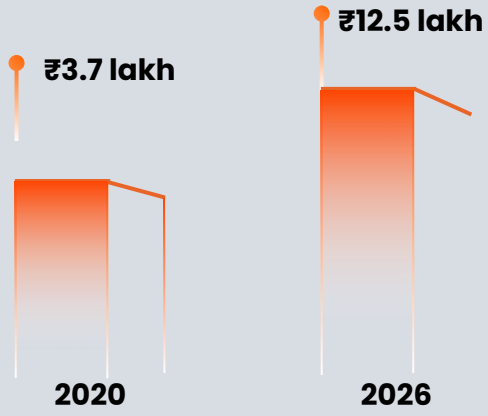
OUTSTANDING CREDIT

4.7X

Growth in Outstanding Credit

From Approx **₹445 crore** → To **₹3,581 crore**

AVERAGE SECURED LOAN TICKET



These trends point to deeper financial inclusion and growing borrower confidence as more entrepreneurs gain access to formal credit.

At its core, UGRO's philosophy is simple: measure businesses to serve them better. The chapters that follow examine how this lending approach translates into measurable business, economic, and social outcomes across India's MSME ecosystem.

1.2 Company Background & Evolution

For millions of India's MSMEs, the challenge in accessing finance is not necessarily a lack of viable businesses or ambition to grow. Rather, conventional lending systems can struggle to recognise that potential when businesses have limited collateral, incomplete financial documentation or limited formal borrowing histories.

This information gap remains central to the MSME financing challenge. UGRO's own borrower experience illustrates this clearly:

42% of surveyed borrowers had limited or no prior access to formal institutional credit, or relied primarily on informal sources of finance.

This highlights a fundamental challenge:

Access to finance depends not only on the availability of capital, but also on whether a business can be accurately understood and assessed.

It was in response to this challenge that UGRO Capital was founded. Guided by **"MSME Accha Hai"** and its mission of **"Solving the Unsolved,"** UGRO set out to look beyond conventional indicators such as collateral, audited financial statements and long-standing banking relationships.

Under the leadership of Founder & Managing Director Shachindra Nath, this conviction has evolved into a DataTech lending model that combines:

DATA + TECHNOLOGY + EXTENDED GEOGRAPHY to transform previously underutilised business information into a pathway towards formal credit access.

The opportunity is not to find more entrepreneurs. It is to understand the potential of the entrepreneurs already building India's economy.



From Information to Access

UNDERSERVED MSME

Limited collateral • Limited formal credit history • Uneven documentation

BUSINESS DATA AND SECTOR UNDERSTANDING

Banking behaviour • GST information • Bureau data • Branch Network ability to assess cash flow on the ground

TECHNOLOGY-ENABLED CREDIT ASSESSMENT

GRO SCORE

AI/ML-driven assessment of business creditworthiness

MULTIPLE PATHWAYS TO FINANCE

GRO CHAIN

Supply chain financing

GRO XSTREAM

Lending and co-lending partnerships

BRANCH ACCESS

Physical access closer to underserved businesses

ACCESS TO FORMAL FINANCE

Financing aligned with business requirements, operating cycles and repayment capacity

The model has evolved alongside UGRO's understanding of how MSMEs can be reached. What began with the effort to demonstrate that data could enable the assessment of businesses beyond conventional lending parameters gradually expanded across products, partnerships and distribution channels. More recently, this evolution has moved towards bringing formal credit physically closer to businesses operating in underserved markets.



UGRO AT SCALE 31 MARCH 2026

₹15,334 Cr

Assets Under Management



3,21,000

Active Borrowers



Alongside this scale, the social impact assessment looks deeper into what happens after credit reaches an enterprise.

THE EVIDENCE BASE

63,000+

Active borrowers within the assessment scope



300+

Respondents to the Impactree borrower survey



Together, portfolio-level data and primary borrower evidence provide a basis to understand not just where finance reached, but what changed because of it.



1. 3 Sector of Operation: MSME Lending

A Large Economic Engine : With a Significant Credit Gap

MSMEs are a cornerstone of India's economy, contributing 31.1% of GDP and 48.5%+ of exports, while serving as the country's second-largest source of employment after agriculture.

MSMEs AT A GLANCE

31.1%

of India's GDP



48.5%+

of India's exports



#2

source of employment after agriculture





The Question is no longer just "How Much?"

The enterprise ecosystem is becoming increasingly integrated with formal institutional systems.



7.83 Cr+

Enterprises registered through Udyam Registration Portal (URP) & Udyam Assist Platform (UAP)

As of 28 February 2026

Yet, formalisation has not eliminated the financing challenge.

₹30 Lakh Cr

Estimated addressable MSME credit gap



SIDBI estimate

At the same time, the formal MSME credit ecosystem has expanded significantly:

₹35.2 Lakh Cr

MSME commercial credit portfolio

March 2025

₹65.8 Lakh Cr

Outstanding commercial balances across commercial entities and business-oriented individual borrowing

March 2026



Where NBFCs Fit In

This financing gap has created an important role for Non-Banking Financial Companies (NBFCs), which complement the traditional banking ecosystem by extending formal credit to businesses that may remain underserved by conventional lending models. Through technology enabled underwriting, specialised sector expertise and flexible distribution models, NBFCs are increasingly contributing to the expansion of formal credit access among MSMEs

It is within this landscape that UGRO Capital operates. Positioned as a DataTech NBFC, the company combines sector expertise with technology-led underwriting to assess businesses based on their operational performance and data footprint. Through its proprietary GRO Score framework, lending decisions draw on a comprehensive data ecosystem, including banking transactions, GST records and bureau information, enabling a more informed assessment of creditworthiness and potentially expanding access to formal finance for businesses that may otherwise remain underserved

Rather than viewing the MSME credit gap solely as a financing challenge, UGRO Capital approaches it fundamentally as an information challenge-one that can be addressed through better data, stronger risk assessment and deeper sector understanding. This philosophy underpins the company's business model and provides the foundation for the social and economic impact explored throughout this report.



1.4 Business Model & Product Portfolio

The Right Capital. At the Right Stage.

MSMEs do not have one common financing need. A manufacturer investing in machinery, a retailer managing seasonal inventory, a supplier awaiting invoice payments, and a digital merchant managing daily transactions all require different forms of capital, different repayment structures and different speeds of access.

UGRO's business model is built around this principle: match the financing solution to the way a business actually operates and grows.

THREE PILLARS OF THE UGRO MODEL

SPECIALISED PRODUCTS

Financing solutions are structured around industry, business size and stage of growth, enabling MSMEs to access capital that is more relevant to their operating needs.

PROPRIETARY TECHNOLOGY

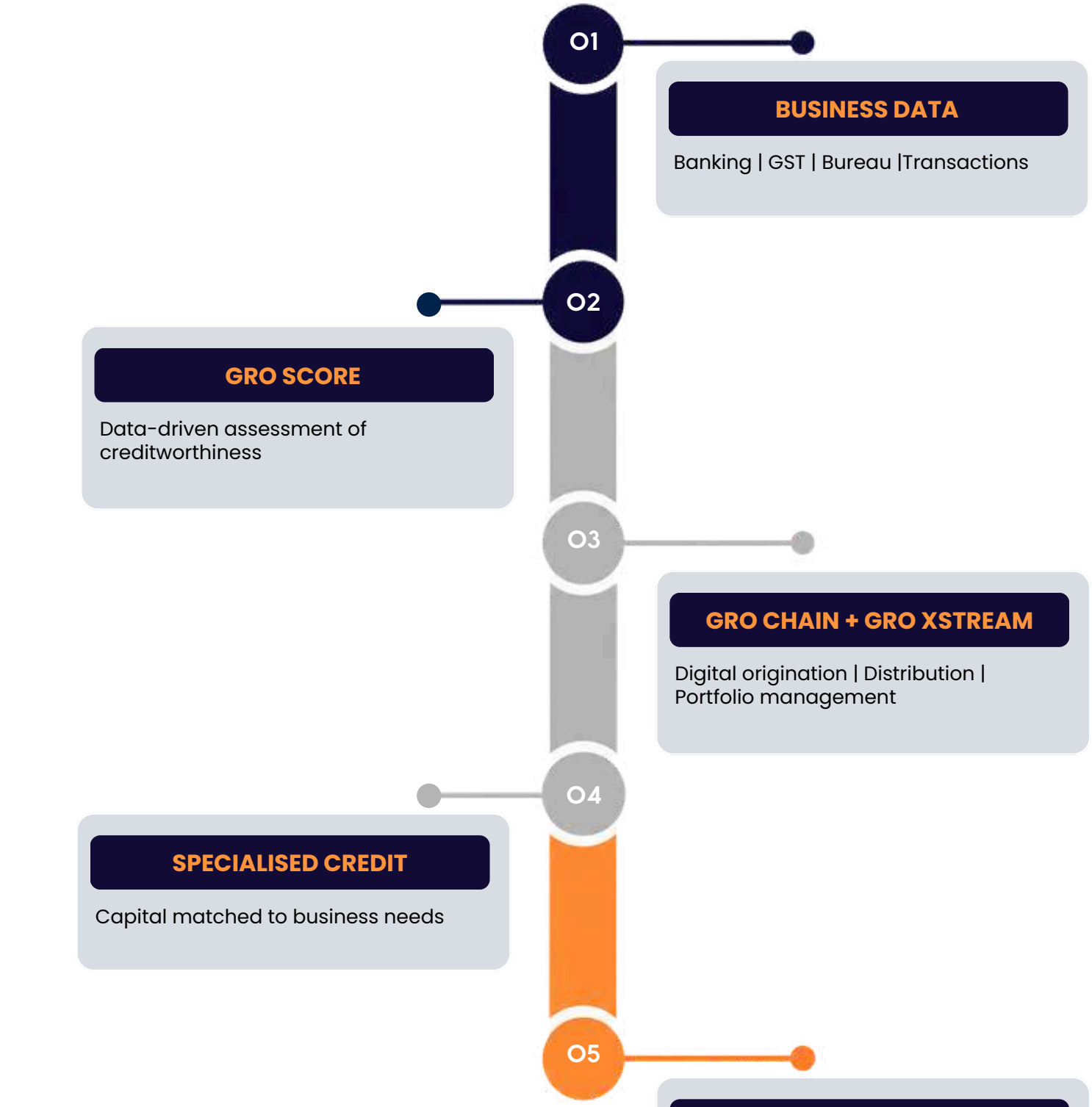
UGRO's technology ecosystem brings together GRO Score, GRO Chain and GRO Xstream to support faster credit assessment, digital loan origination, partnership-led distribution and scalable portfolio management.

STRATEGIC PARTNERSHIPS

UGRO works with banks, NBFCs, fintechs, OEMs and digital commerce platforms, combining its underwriting and sector expertise with partner networks and capital strength to extend reach.



HOW THE UGRO ECOSYSTEM WORKS



FROM TECHNOLOGY TO ACCESS

UGRO's technology platforms are not standalone tools. Together, they create an integrated lending ecosystem designed to improve underwriting accuracy, reduce turnaround time, enhance customer experience and expand access to formal credit across sectors and geographies.

Its partnership-led model further extends this reach by placing credit closer to where businesses operate whether through financial institutions, supply chains, manufacturers or digital platforms.

Together, specialised lending products, proprietary technology and strategic partnerships form the foundation of UGRO's business model. By tailoring finance to different industries, business sizes and growth stages, UGRO aims to support enterprise growth, productivity, financial resilience and long-term economic development.

The goal is not simply to lend more — but to make credit more relevant to the businesses that need it.

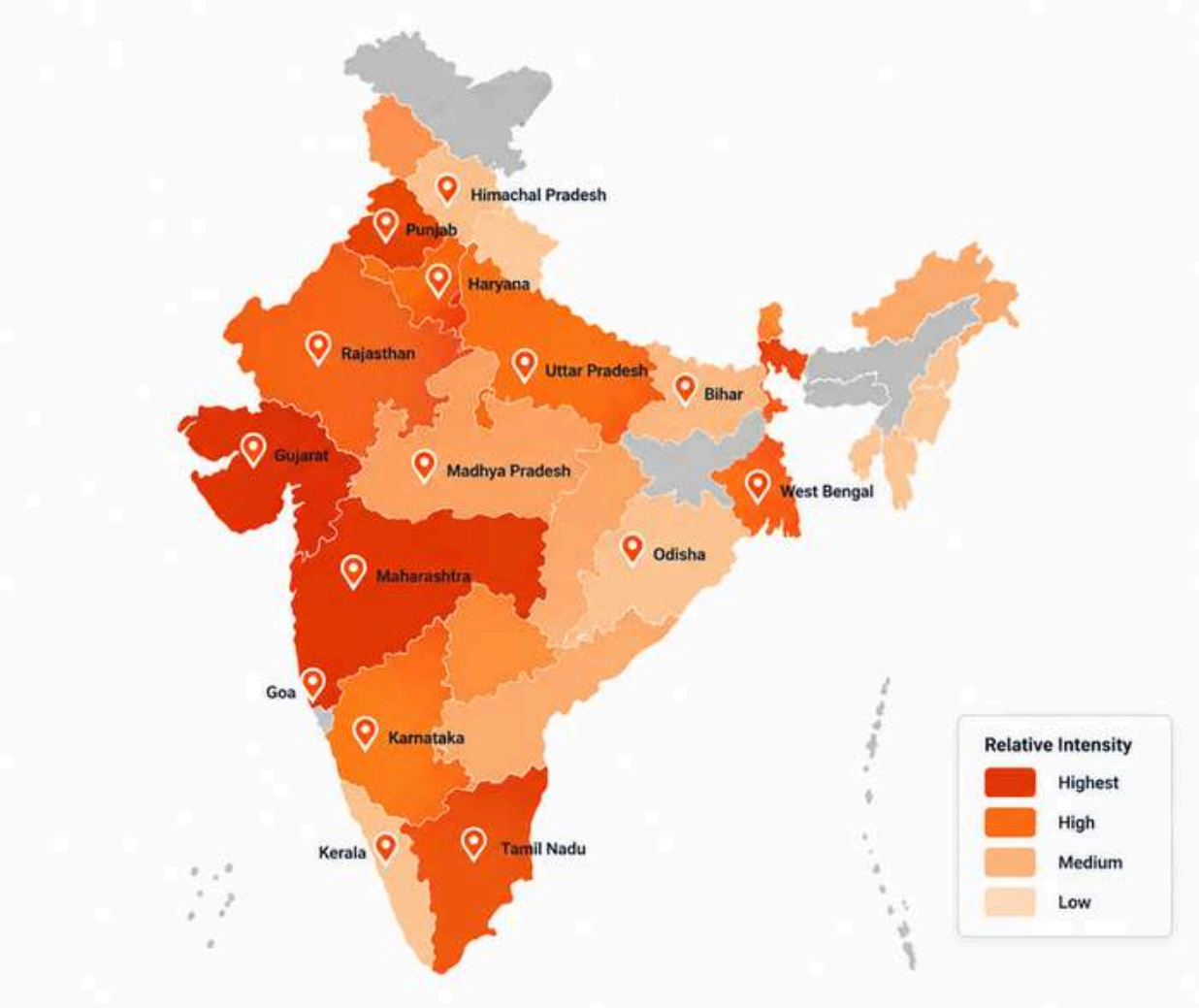
Product	Business Need Addressed	Potential Social & Business Impact
Secured Business Loan	Growth Capital	Business expansion, asset creation, long-term investment
Embedded Finance	Instant Credit Access	Financial inclusion, digital adoption
Machinery & Equipment Finance	Capacity Expansion	Higher productivity, technology adoption, employment generation
Co-lending	Wider Credit Access	Greater outreach to underserved MSMEs

1.5 Geographic Presence & Customer Segments

UGRO's distribution strategy is built on the belief that meaningful financial inclusion requires both physical proximity and a deep understanding of local business ecosystems. Its two-tier branch model combines Prime branches in major commercial centres with Emerging Market (EM) branches across Tier 3 towns and beyond, where access to formal credit has historically been more limited and businesses may operate with thinner documentation and more seasonal cash flows.

This network reflects a deliberate focus on strengthening presence in underserved geographies, rather than simply expanding its urban footprint. By combining local market relationships with technology-enabled underwriting, UGRO can extend institutional credit to entrepreneurs who may otherwise remain outside conventional lending models.

UGRO's reach is anchored by an Emerging Market network designed to serve entrepreneurs in Tier 2 towns and beyond, where access to institutional finance has historically been limited.



1.6 Reach & Scale of Impact

UGRO's Reach Across India's MSME Ecosystem

UGRO Capital's impact is reflected not only in the amount of finance it provides, but also in the breadth of entrepreneurs and enterprises it reaches across the country. By combining technology-led underwriting with an extensive distribution network, the company has steadily expanded access to formal finance for businesses that have traditionally remained underserved by conventional lending institutions.

FY 2025–26

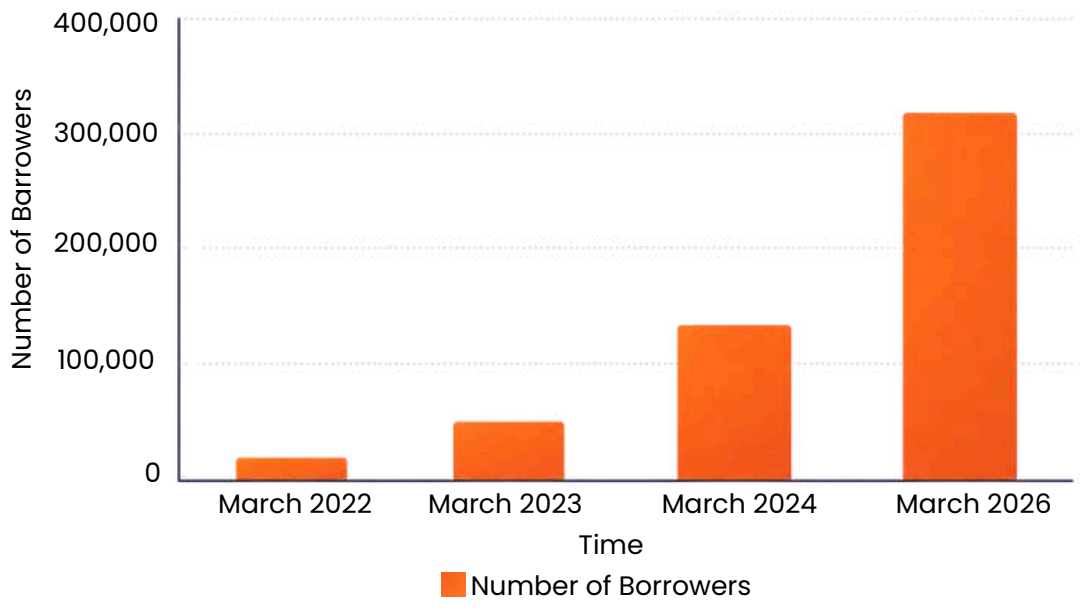
3,21,000+

Borrowers supported



UGRO's reach is anchored by a purpose-built Emerging Market network, designed to serve entrepreneurs in Tier 2 towns and beyond, where access to institutional finance has historically been limited.

Number of Borrowers over Time



A PURPOSE : BUILT EMERGING MARKET NETWORK

317

Emerging Market branches

FY 2025–26



13

States

FY 2025–26



The branches are supported by local teams with a deep understanding of regional business ecosystems. This combination of local relationships and technology-enabled credit assessment allows lending decisions to better reflect the operating realities of MSMEs.

Beyond its physical presence, UGRO extends its reach through digital platforms, embedded finance partnerships and co-lending arrangements, collectively serving customers across:

28 States + 8 Union Territories this integrated distribution model enables UGRO to reach businesses through multiple channels while maintaining a consistent, data-led approach to credit assessment and customer engagement.

The diversity of UGRO's borrower base is equally significant, spanning manufacturing, trade, healthcare, education, hospitality, food processing and other priority sectors, while expanding access to finance for women entrepreneurs, first-generation business owners and businesses operating in underserved geographies.

Every business financed represents the potential for enterprise growth, employment generation, stronger household incomes and greater financial resilience.



Project Overview & Impact Assessment Framework

2.1 | Purpose of the Social Impact Assessment

From Credit Disbursement to Meaningful Outcomes

UGRO Capital's Social Impact Assessment goes beyond measuring the scale of credit deployed. It examines what access to finance enables for borrowers the changes experienced by their businesses, livelihoods and the communities they serve.

At the outset, UGRO Capital and Impactree established a structured assessment framework to define the study scope, align reporting expectations and identify consistent indicators for measuring social and economic impact across the lending portfolio.

A Representative View of UGRO's Lending Ecosystem

The assessment draws from UGRO's active borrower base, using a structured sampling approach across states and product categories. This stratification is designed to reflect the diversity of UGRO's lending ecosystem and capture borrower experiences across different sectors, geographies and enterprise profiles.



What the Assessment Looks At

The study covers key impact themes across:

- MSME borrowers
- Women entrepreneurs
- Underserved & low-income regions
- Community & economic development
- Sector-specific financing outcomes

Specialised financing categories including clean energy and machinery, water conservation, healthcare and education are also assessed to understand how different lending solutions contribute to wider social and economic development.

Building a Repeatable Impact Measurement System

The engagement is designed not only to report impact, but to create a consistent and scalable measurement framework for future reporting cycles. This includes:

SDG Alignment

Building a credible evidence base for transparent communication with investors and other stakeholders.

Standardised Measurement

Developing consistent data-collection templates and reporting structures.

Continuous Monitoring

Creating an interactive impact dashboard to strengthen ongoing impact tracking.

Evidence-Based Reporting

Building a credible evidence base for transparent communication with investors and other stakeholders.

The Impact Lens

The assessment therefore shifts the focus from "How much was lent?" to "What did that finance enable?"

Access to Finance

↓

Business Growth

↓

Employment Generation

↓

Financial Inclusion

↓

Wider Socio-Economic Outcomes

The resulting framework provides a foundation to evaluate both the reach of UGRO's lending model and the longer-term value it creates for entrepreneurs, their enterprises and the communities in which they operate.



2.2 | Scope & Objectives of the Project

Defining the Scope. Measuring What Matters.

The Social Impact Assessment began by establishing a clear scope, objectives and measurement framework before fieldwork commenced. This foundation ensured that the study remained aligned with UGRO Capital's business model, impact priorities and long term sustainability commitments, while creating a structured basis for evaluating social and economic outcomes.

From Credit Disbursement to Meaningful Outcomes

The assessment covers UGRO Capital's active borrower portfolio across geographies, sectors and lending products, reflecting the breadth of its MSME ecosystem.



The study examines outcomes across key impact areas:

- MSME borrowers
- Women entrepreneurs
- Underserved geographies
- Community & economic development
- Healthcare & education
- machinery finance

This broad scope allows the assessment to look beyond direct borrower outcomes and consider the wider value created for businesses, households and local economies.

From Impact Themes to Measurable Evidence

The project objectives were defined around priority impact areas and aligned with the relevant United Nations Sustainable Development Goals (SDGs):



For each impact theme, the assessment established baseline measurements and developed measurable Key Performance Indicators (KPIs) to track UGRO Capital's contribution and changes over time.

The evidence base combines multiple sources:

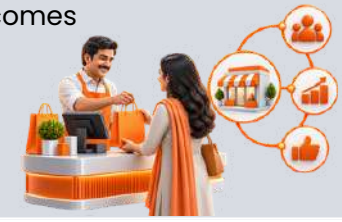
Internal Records

Portfolio and business data



RETAIL

Direct evidence of borrower experiences and outcomes



Stakeholder Interactions

Qualitative perspectives and contextual insights



Secondary Sources

Supporting external evidence and benchmarks



Together, these four stages provide a comprehensive framework for understanding how financial capital is transformed into measurable economic progress and long-term social impact. The subsequent section describes the methodology adopted to evaluate each stage of this framework using financial data analysis, borrower surveys, and supporting secondary research.

2.3 | Impact Assessment Framework

From Capital to Lasting Impact

Impact is not measured as a single number. It is understood as a connected pathway through which capital enables enterprises to invest and grow, generating economic activity that can ultimately translate into social outcomes for entrepreneurs, their households and the communities they serve.

The Four-Stage Impact Pathway

CAPITAL DEPLOYED

Financial resources and lending solutions extended to MSMEs through UGRO's diversified product portfolio.

ENTERPRISES SUPPORTED

The businesses reached across sectors, geographies and borrower segments through UGRO's lending ecosystem.

ECONOMIC ACTIVITY

Business outcomes enabled by access to finance, including revenue growth, employment, productivity, expansion, formalisation and asset creation.

SOCIAL OUTCOMES

The wider value created through lending, including improved livelihoods, women's economic empowerment, financial inclusion, community development and MSME resilience.

HOW THE PATHWAY CREATES IMPACT

The framework is grounded in the principle that timely and appropriate finance can act as a catalyst for sustainable business and social development.

Capital deployed enables MSMEs to invest in working capital, capacity expansion, technology, infrastructure and other growth-oriented activities. These investments support enterprises across different sectors, geographies and borrower segments, creating measurable changes in business performance and economic activity.

Those economic changes form the bridge to broader social impact, strengthening livelihoods, creating employment, supporting women's economic participation, improving financial inclusion and building greater resilience among MSMEs and their communities.

Capital → Enterprise Growth → Economic Progress → Social Impact

Together, the four stages provide a structured way to understand how **financial capital is transformed into measurable economic progress and longer-term social value.**

The next section outlines the methodology used to evaluate each stage through financial data analysis, borrower surveys and supporting secondary research.



2.4 | Methodology & Research Design

Combining Data with Lived Experience

To build a robust and evidence-based assessment of UGRO Capital's social impact, the study adopted a mixed-method research approach combining portfolio-level financial analysis with direct engagement with borrowers. This approach brings together objective business performance data and borrower experiences, enabling a more comprehensive assessment of economic and social outcomes.

Two Complementary Evidence Streams

Portfolio-Level Financial Analysis | Primary Borrower Engagement

The assessment analysed data from **63,000+** borrowers, using business records including:

Bank statements



GST filings



Revenue data



This enabled changes in business performance, financial formalisation and enterprise growth to be evaluated using verifiable financial information, rather than relying solely on self-reported responses.

Portfolio-Level Financial Analysis | **Primary Borrower Engagement**

A **300+** borrower telephonic survey was conducted using a structured sampling approach based on state and product category.

The survey captured both quantitative indicators and qualitative insights across borrowers' financing journeys, including:

- **Business Expansion**
- **Employment Generation**
- **Financial Inclusion**
- **Access to Formal Credit**

Strengthening the Evidence Base

Primary findings were complemented by UGRO Capital's annual reports, investor presentations, official website and other publicly available company disclosures. These sources provided additional context on the company's business model, product portfolio, geographic expansion and operational performance.

Fieldwork

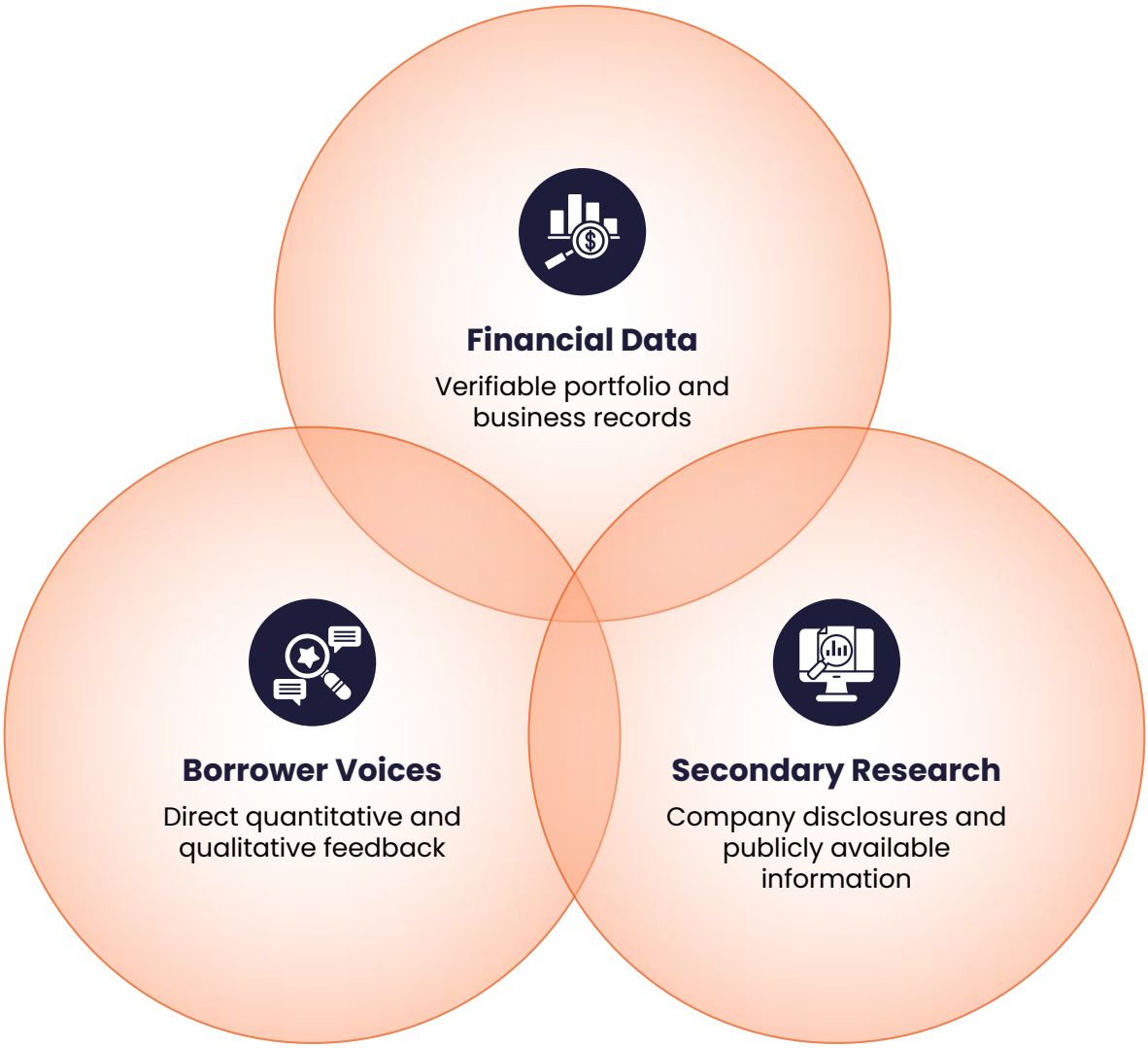
June–August 2026

Borrower survey fieldwork conducted using a structured questionnaire aligned with the impact dimensions defined in the assessment framework.



A Triangulated Approach to Impact

The methodology brings together three complementary evidence sources:



Financial Evidence + Borrower Experience + Contextual Evidence → Comprehensive Impact Assessment

Together, these sources provide a balanced basis for evaluating how UGRO Capital's lending activities translate into measurable business, economic and social outcomes.

2.5 | Sampling Framework & Customer Selection Criteria

A Representative Sample of UGRO's Borrower Base

To ensure that the findings reflected the diversity of UGRO Capital's borrower portfolio, the assessment adopted a stratified sampling approach. Borrowers were selected from the active portfolio and stratified across states and product categories, ensuring representation of UGRO's geographic presence, sectoral diversity and product mix rather than relying on convenience-based selection.

This approach enabled the study to capture borrower experiences across different regions, industries and stages of business growth, providing a broader view of outcomes across the lending ecosystem.

Broad Quantitative Coverage, Deeper Qualitative Insights

The primary data collection included 300+ structured telephonic interviews with borrowers across multiple states. These interviews generated both quantitative and qualitative evidence covering:

- Business Performance
- Financial Inclusion
- Enterprise Growth
- Employment Generation
- Borrower Experience

To complement the survey findings, the assessment also incorporated in-person interviews and focused group discussions (FGDs) with borrowers in Tamil Nadu, Maharashtra, Gujarat and Madhya Pradesh. These interactions provided deeper contextual understanding of borrower experiences and helped surface perspectives that may not be captured through structured survey responses alone.

300+

Structured telephonic interviews



4 States

In-person interviews & FGDs



Stratified across

States + Product Categories



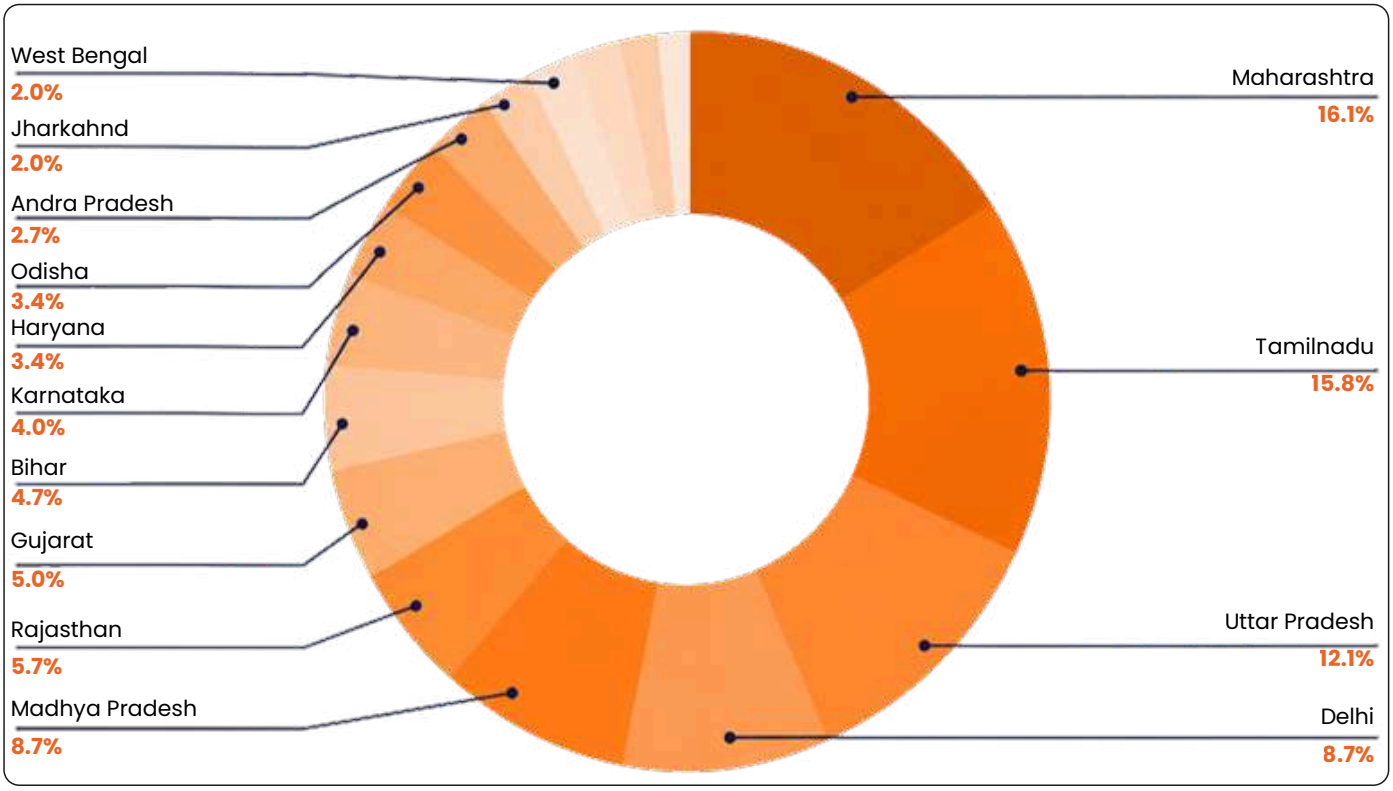
Together, the sampling design combines broad quantitative coverage with detailed qualitative insights, strengthening the reliability and depth of the assessment findings.



2.6 | Customer Base Covered

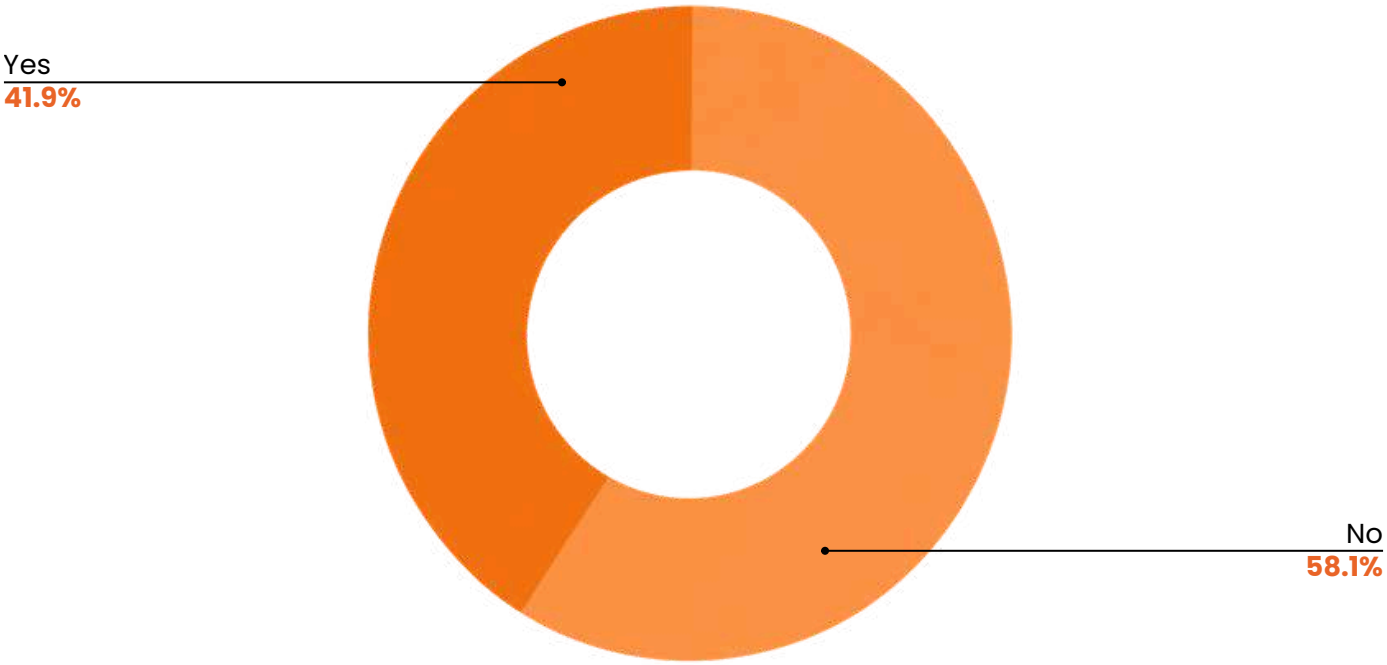
To ensure a comprehensive and representative assessment, the study adopted a mixed-method research approach combining structured telephonic interviews with secondary data analysis. The primary research was conducted through 300 telephonic interviews with borrowers selected from UGRO Capital's active loan portfolio using a stratified sampling approach based on state and product category. This ensured that the sample reflected UGRO's geographic presence and product mix, providing a balanced representation of borrowers across different regions and business segments.

Count VS State



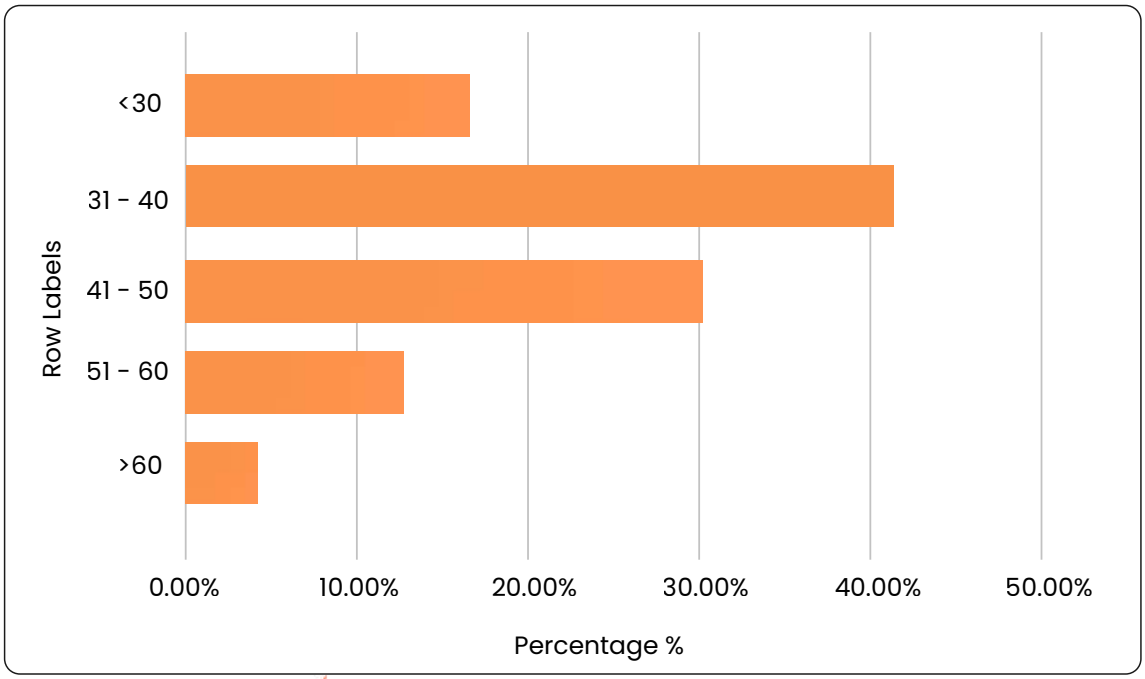
The state wise distribution of the telephonic interviews was designed to capture the diversity of UGRO's borrower base across its key operating geographies. This approach strengthened the reliability of the assessment by incorporating perspectives from enterprises operating in different economic, industrial, and regional contexts.

Was this your First ever formal loan from a Bank or NBFC

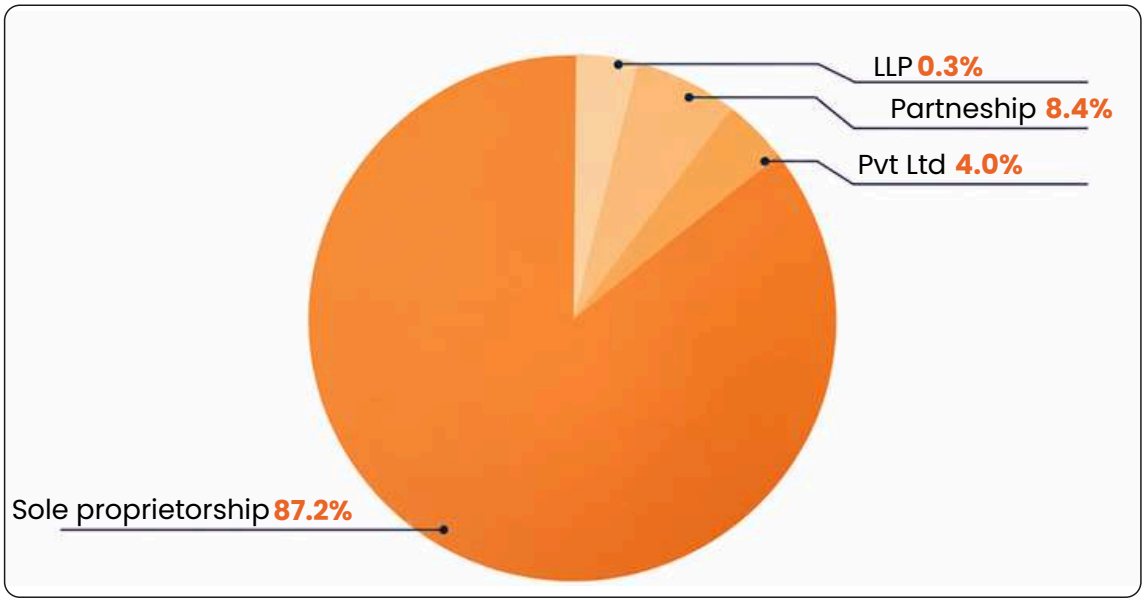


To complement the primary research, multiple secondary sources including UGRO Capital's annual reports, investor presentations, official website, and other publicly available company disclosures were reviewed to provide additional context on the company's business model, operational footprint, and lending portfolio.

Age Distribution



Was this your First ever formal loan from a Bank or NBFC



2.7 | Parameters Considered for Impact Measurement

Mar 2022 – Mar 2025	Mar 2024 – Mar 2026
MSME Borrowers	Revenue increase; Liquidity Score; new units added; business assets added
Employment Generation	Jobs created per financed enterprise
First-Generation Entrepreneurs	Share of first-generation borrowers; First Formal Loan
Women Entrepreneurs	Number of women borrowers; AUM share; financial independence
Underserved Geographies	Branches/AUM in Tier 3+ states; credit penetration

Household & Social Resilience	Improved living conditions; livelihood independent of family; reduced dependence on informal credit
Digital Adoption	Online transactions (50%+)
Sector Specific	Facility expansion; patients/students served; renewable capacity; water saved

2.8 | Data Sources, Assumptions & Limitations

This report draws on three distinct bodies of evidence: a primary borrower survey of 300 UGRO customers across Manufacturing, Retail & Trading, and Other Sector, which forms the core of the report's outcome-level findings and should not be generalised beyond these respondents; broader portfolio-level evidence from UGRO's MSME Sampark dataset, spanning a larger base across eight sectors, used for directional context and reported separately rather than combined with survey findings; and borrower case studies, included as illustrative narratives rather than statistically representative evidence, with any sector mismatches disclosed explicitly. Financial performance metrics such as AUM, income, PBT, ROA and GNPA fall outside the report's scope except where tied to a specific impact theme, and estimates involving economic value addition including the Social Return on Investment (SROI) ratio rely on financial proxy assumptions developed with UGRO, with methodology disclosed where used.

2.9 | SDG Mapping & Impact Measurement Lens

MSME Financing as a Pathway to Sustainable Development

UGRO Capital's lending to MSMEs extends beyond providing access to finance. By enabling enterprises operating in essential and high impact sectors to access timely credit, the financing supports both the growth of individual businesses and the wider social and economic outcomes associated with their activities.

Core Impact SDGs: Supporting Essential Sectors

A significant component of UGRO Capital's financing reaches MSMEs operating in sectors that have a direct connection with critical Sustainable Development Goals (SDGs):

Core SDG	Contribution to sustainable development
	Financing enables healthcare enterprises to expand capacity, invest in equipment and infrastructure, improve service delivery and increase access to healthcare services.
	Credit supports educational institutions and service providers in strengthening infrastructure, technology, facilities and their ability to serve students.
	Financing can enable enterprises working in water related services and infrastructure to invest in capacity, equipment and service delivery, contributing to improved access to water and sanitation solutions.
	Financing supports enterprises contributing to the clean energy ecosystem, enabling investments that expand access to cleaner and more sustainable energy solutions.

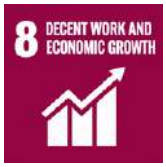
These sectors represent the core impact SDGs within UGRO Capital's lending portfolio because the businesses financed operate in areas directly linked to fundamental development needs such as health, education, water and energy.

From Enterprise Finance to Broader Development Outcomes

The impact of MSME lending, however, extends beyond the sector in which a business operates. Access to appropriate and timely credit can strengthen the enterprise itself, enabling business owners to invest in working capital, equipment, technology, infrastructure and expansion. These changes can generate a wider set of social and economic outcomes.



Access to formal business finance can strengthen the economic agency of women entrepreneurs and women-led enterprises. Where financing enables women-owned businesses to expand, invest or formalise their operations, it can contribute to greater participation of women in economic activity and decision-making.



MSMEs are important contributors to local employment and economic activity. Financing can support business expansion, working capital requirements and investment in productive assets, helping enterprises sustain existing livelihoods and potentially create additional employment opportunities. Stronger MSMEs can therefore contribute to more resilient local economies and inclusive economic growth



Credit can enable MSMEs to invest in machinery, technology, infrastructure and business processes. Such investments can improve productivity, operational efficiency and competitiveness, while enabling enterprises to adopt new technologies and expand their capabilities.



Access to formal finance can help address financing constraints faced by smaller enterprises that may otherwise have limited access to institutional credit. By improving access to capital for underserved or smaller businesses, MSME lending can contribute to more inclusive participation in economic growth and reduce disparities in access to financial opportunities.



The Impact Pathway

The relationship can therefore be viewed as a cascading impact pathway:



At the sector level, this pathway contributes directly to **SDGs 3, 4, 6 and 7** through financing enterprises in healthcare, education, water and clean energy. At the enterprise and livelihood level, it contributes to **SDGs 5, 8, 9 and 10** through greater economic participation, employment generation, enterprise development, innovation and more inclusive access to finance.

This framework demonstrates that **MSME lending is not only a financial intervention; it can act as an enabler of sustainable development by strengthening the businesses that deliver essential services, create livelihoods and contribute to local economic resilience.**

Value Creation Model

How UGRO Capital's capital, reach and data translate into measurable MSME resilience

UGRO Capital's social impact is not incidental to its lending business; it is produced by design. Every rupee deployed moves through a defined chain, from capital and physical or digital reach, through underwriting and origination, into loans disbursed, and finally into changes in the borrower's income, formalisation and resilience. The Value Creation Model below sets out this chain in four stages: Inputs, Processes, Outputs and Outcomes, aligned to the OECD and output/impact indicator frameworks referenced throughout this report.

INPUTS ARE THE RESOURCES UGRO COMMITS

Its two active lending verticals (Emerging Market LAP and Embedded Finance), branch and partner reach, capital deployed toward underserved MSME segments.

PROCESSES DESCRIBE HOW THOSE RESOURCES ARE DEPLOYED

cash-flow based underwriting for borrowers without formal financial history, sector specific credit assessment, doorstep and digital origination, and continuous data collection.

OUTPUTS ARE THE IMMEDIATE, COUNTABLE RESULTS OF THAT ACTIVITY

MSMEs financed, first time formal borrowers, women-led enterprises financed, and loans disbursed across UGRO's product lines.

CATALYSTS

Enablers and accelerators such as proprietary technology, automated analytics, and strategic partnerships that increase the speed, efficiency, and scale at which inputs turn into outputs.

OUTCOMES CAPTURE THE CHANGE THIS CREATES FOR BORROWERS AND THE WIDER MSME ECOSYSTEM

Its two active lending verticals (Emerging Market LAP and Embedded Finance), branch and partner reach, capital deployed toward underserved MSME segments.

IMPACT

The long term, systemic value generated for the broader ecosystem, including local job creation, financial inclusion, and overall economic resilience.

Reading the report through this pathway keeps each chapter's evidence in its proper place. Portfolio level figures describe Inputs and Outputs at the scale of UGRO's full active book. The borrower survey that anchors this report speaks to Outcomes at the level of a defined, statistically designed sample, and the case studies that follow illustrate individual instances of that same outcome pathway. None of the three is a substitute for the others, and this report does not present survey findings as representative of the complete borrower base.

Unlocking MSME Potential, Creating Lasting Value

Data and Technology
Proprietary data analytics, digital platform

Sector Expertise
Sector specific credit models

INPUTS

Financial Capital
- 2 Active lending verticals (Emerging Market LAP & Embedded Finance / GroX)
- Capital pool for underserved MSMEs

Data & Technology
- Proprietary data analytics
- Digital lending platform
- Continuous data collection

Human & Relationship Capital
- Branch network & partner reach
- Local field officers
- Sector expertise & ecosystem partners

VALUE CREATION ENGINE (PROCESSES)

Understand
- Customer & sector insights
- Data-driven assessment

Assess
- Cash-flow-based underwriting
- Sector-specific credit assessment

Originate
- Doorstep & digital origination
- Convert allocated capital into actionable loans

Finance
- Automated LOS/LMS
- GST/bank statement analysis
- Flexible loan sizing and repayment

Support
- Tailored repayment schedules
- Hybrid onboarding
- Financial literacy and capacity building

TURNING CAPITAL INTO OPPORTUNITIES

INCLUSIVE FINANCE FOR



Speed & Flexibility
Quick turnaround and tailored solutions

Local Connect
Branch network and field officer touchpoints

OUTPUTS

- Total MSMEs financed
- Total loan volume disbursed
- First-time formal borrowers onboarded
- Women-led enterprises financed
- Greater reach to previously underserved MSMEs



OUTCOMES

- Borrower income & revenue growth
- Business formalisation
- Reduced reliance on informal / predatory credit
- Employment generation in local economies
- Improved operational resilience and access to growth



LONG-TERM IMPACT

STRONGER MSMEs
Greater Financial Inclusion
Sustainable Enterprise Growth
Local Economic Development





STRONGER TOMORROW

Executive Summary & Key Highlights

3.1 | Executive Summary

This report presents an evidence based assessment of the social and economic outcomes created through UGRO Capital's lending activities during FY 2025–26. It examines how its technology led, sector-focused lending model supports MSME growth, employment generation, financial inclusion, and broader socio-economic development.
As of March 2026, UGRO Capital operated 317 Emerging Market branches across 13 states, with a diversified lending ecosystem spanning banks, NBFCs, fintechs, OEMs, and other partners. The company reported a consolidated AUM of ₹15,334 crore.

The assessment combines portfolio level analysis of more than 63,000 borrowers with a structured survey of 300 borrowers, supported by interviews, focus group discussions, internal records, and secondary research. The findings highlight the role of formal finance in enabling business growth, employment, financial inclusion, women's entrepreneurship, and enterprise resilience. The report also examines UGRO Capital's approach to sustainable finance and alignment with the UN Sustainable Development Goals (SDGs). Beyond measuring outcomes, the assessment provides insights to strengthen its products, policies, and lending practices and support more inclusive and sustainable MSME development.

3.2 | Key Findings

A snapshot of this years impact performance

300+

Business financed, cumulative



58%

Borrowers reporting revenue increase



70%

First Generation Entrepreneurs



6%

AUM share to women ledenterprises



3.3 | Social Impact Highlights Across MSME Segments

1.Key Highlights from the Social Impact Study

Key Highlights

How UGRO Capital's capital, reach and data translate into measurable MSME resilience

Total MSMEs financed	USAGE	BUSINESS IMPACT	CUSTOMER EXPERIENCE
86% Cited ease of documentation in the loan process	**74%** Have digital payments at >50% of daily transactions	**58%** Borrowers reported increased revenue post-loan (only 3% reported a decrease)	**4.15 / 5** Average recommend score across all borrowers
48% Of borrowers acquired a business asset they didn't already have	**61%** Reported improved monthly liquidity	**87%** Revenue increased when the loan funded a business asset (equipment, vehicle, or premises)	**61%** Would recommend UGRO (rated 4–5 out of 5)

REAL PROGRESS.
STRONGER COMMUNITIES.



A strong financial-inclusion & first generation growth story

42%

First-time formal credit borrowers overall:28% reduced dependence on informal credit

70%

Business owners are first-generation entrepreneurs

42%

Borrowers had a female co-applicant Data analysed for products other than Embedded Finance

16%

Businesses hired more people after their UGRO loan

GENDER INCLUSION

83%

Of women borrowers were first-time formal borrowers.

Vs. 39% of men, a strong financial-inclusion signal.



PRODUCT WISE % OF BUSINESSES ACHIEVING REVENUE GROWTH

94%

Machinery loans : Highest revenue growth.

81%

Secured loans Next highest.

STATE WISE % OF BUSINESSES ACHIEVING REVENUE GROWTH

Gujarat **86%** • Delhi **83%**

Chhattisgarh, Madhya Pradesh, Maharashtra **70–75%**





ENABLING INCLUSIVE ENTERPRISE GROWTH

UGRO's financing is expanding access to formal credit and enabling broader participation in entrepreneurship and the formal financial ecosystem.

SUPPORTING BUSINESS GROWTH AND EMPLOYMENT

Access to timely finance is supporting productive investment, business growth and employment creation.

STRENGTHENING HOUSEHOLD AND FINANCIAL RESILIENCE

The impact of financing extends beyond the enterprise, contributing to greater financial stability and household resilience.

MAKING FORMAL FINANCE MORE ACCESSIBLE

A simplified and accessible borrowing experience is helping MSMEs participate more actively in formal and digital financial systems.

OVERALL STRATEGIC TAKEAWAY

Together, the findings demonstrate a pathway from accessible finance → enterprise growth → financial inclusion and broader economic resilience.

2.Manufacturing: Financing Productive Growth

Manufacturing businesses in the surveyed portfolio report a broad-based pattern of business transformation following access to finance. The weighted analysis indicates an approximate 6.0% increase in average annual revenue and a similar 6.4% increase in employee count. Productive investment is evident, with 70% reporting acquisition of a significant business asset, while 38% report expansion into new units, branches or locations.

The transformation extends into formalisation, digitalisation and enterprise upgrading: 96% report at least one formal compliance,

74% conduct more than half of daily transactions digitally, 60% are certified or pursuing certification, and 53.1% of applicable respondents are supplying or in discussion with larger corporates, OEMs or export markets.

Borrower experience is also positive: 76% rate their likelihood of recommending UGRO at 4 or 5 out of 5, with an average score of 3.76/5. Taken together, the evidence points to a pathway from access to finance through productive investment, business growth, employment and enterprise upgrading.

~6.0%
Revenue
Weighted increase

~6.4%
Employment
Weighted increase

70%
Productive assets
Acquired significant asset

96%
Formalisation
At least one compliance

74%
Digitalisation
>50% digital transactions

60%
Quality
Certified / pursuing

53.1%
Market access
Supplier / discussion

76%
Recommendation
Rated 4 or 5

3.76/5
Experience
Average recommendation



ACCESS

34%

First formal loan

↓

INVEST

70%

Significant asset

↓

REVENUE

~6.4%

Weighted increase

↓

JOBS

~6.4%

Weighted increase

↓

FORMAL

96%

≥1 compliance

↓

UPGRADE

60%

Certified / pursuing



3. Retail &Trading Impact at a Glance

Retail & Trading is UGRO's largest surveyed borrower group by far, spanning 225 of the 298 respondents across retail, trading, food processing, and hospitality businesses. The weighted analysis indicates an approximate 6.5% increase in average annual revenue and a larger 15.7% weighted increase in aggregate employee count across the sample. Productive investment is more modest than in Manufacturing: 45.8% report acquiring a significant business asset, while 20.0% report expansion into new units, branches or locations.

Formalisation and digitalisation are both meaningful but less complete than in Manufacturing: 80% report at least one formal compliance and 75.1% conduct more than half of daily transactions digitally. Within the Food Processing/Hospitality/Retail sub-group (n=34), 61.8% report expanding from a local to a wider geographic customer base, and 27.3% have obtained ISO, BIS or FSSAI certification post-loan.

Borrower experience is strongly positive: 76.4% rate their likelihood of recommending UGRO at 4 or 5 out of 5, with an average score of 3.86/5 - the highest of the three sector groups. Taken together, the evidence points to a pathway from access to finance through modest productive investment, revenue growth, informal-to-formal transition and a strongly positive borrower experience, concentrated among a large, diverse and mostly sole-proprietor borrower base.

~6.5% Revenue *Weighted increase*	**~15.7%** Employment *Weighted increase*	**45.8%** Productive assets *Acquired significant asset*	**80%** Formalisation *At least one compliance*	**75.1%** Digitalisation *>50% digital transactions*
27.3% Quality *ISO/BIS/FSSAI certified (n=34)*	**61.8%** Market access *Geographic expansion (n=34)*	**76.4%** Recommendation *Rated 4 or 5*	**3.86/5** Experience *Average recommendation*	

ACCESS

40.9%

First formal loan

INVEST

45.8%

Significant asset

REVENUE

~6.5%

Weighted increase

JOBS

~15.7%

Weighted increase

FORMAL

80%

≥1 compliance

UPGRADE

61.8%

Geographic expansion

4. Other Sector Impact at a Glance

The Other Sector group is the smallest of the three report groups, combining 23 respondents across Healthcare (10), Agriculture (9), Education (2) and Clean Energy/EV/Water Sanitation (2). Given these small base sizes, findings in this report should be treated as illustrative rather than statistically representative, and sub-sector splits below n=10 should not be generalised. The weighted analysis indicates an approximate 7.3% increase in average annual revenue and a 7.8% weighted increase in aggregate employee count across the sample. Productive investment is the strongest of the three sector groups: 60.9% report acquiring a significant business asset.

Formalisation is high at 87.0% holding at least one formal compliance, while digital-transaction adoption is the lowest of the three groups at 56.5%. Within Healthcare (n=10), 60% report some degree of facility expansion following the loan - new beds, equipment or services. First-time formal borrowers are the highest share of any sector group at 69.6%, indicating this group includes UGRO's most credit-underserved borrowers.

Borrower experience is positive though the most moderate of the three groups: 65.2% rate their likelihood of recommending UGRO at 4 or 5 out of 5, with an average score of 3.74/5. Taken together, the evidence points to a pathway from access to finance - often a borrower's first formal loan - through productive investment and facility/service expansion in Healthcare, Education and other niche sectors, albeit on a base too small to generalise with confidence.

~7.3%
Revenue
Weighted increase

~7.8%
Employment
Weighted increase

60.9%
Productive assets
Acquired significant asset

87%
Formalisation
At least one compliance

56.5%
Digitalisation
50% digital transactions

60%
Healthcare expansion
Facility expanded, n=10

43.5%
Reduced informal credit
Somewhat/ significantly

65.2%
Recommendation
Rated 4 or 5

3.74/5
Experience
Average recommendation

ACCESS

69.6%

First formal loan

INVEST

60.9%

Significant asset

REVENUE

~7.3%

Weighted increase

JOBS

~7.8%

Weighted increase

FORMAL

87%

≥1 compliance

UPGRADE

60%

Facility expanded (Healthcare)

Impact Themes, Product Innovation & Sector Excellence

PART A: IMPACT THEMES

4.1 MSMEs: Catalysing Growth & Inclusion

Access to timely and appropriate finance remains one of the strongest enablers of MSME growth. For many entrepreneurs, institutional finance represents more than access to capital it marks their first formal relationship with the financial system, creating opportunities to strengthen liquidity, expand operations, and build a credit history for future growth.

Key Findings

Indicator	Result
Borrowers reporting revenue growth	58%
Borrowers reporting improved liquidity	61%
First-time formal borrowers	42%

Formal Credit as a Growth Enabler

Following access to finance, borrowers reported positive improvements in business performance, with liquidity emerging as one of the earliest outcomes. Only 3% of respondents reported a decline in revenue, indicating that for the vast majority, access to finance either stabilised or strengthened business performance.



Nearly 70% of surveyed borrowers were first-generation entrepreneurs, operating without an existing family business or formal credit history. For these entrepreneurs, institutional finance represented more than a loan it

marked their entry into the formal financial ecosystem. This transition was supported by a simplified application process, with 86% of borrowers citing ease of documentation as a key factor in accessing finance.

Purpose of Finance Matters

The assessment also highlights that business outcomes depend not only on access to finance but also on how the capital is utilised.

Loan Utilisation	Revenue Increased
Purchase of business assets	87%
Other business purposes	67%
Establishment of a new business unit	88%



4.2 Women Entrepreneurs: Pathways to Independence

Access to formal finance plays a vital role in strengthening women's economic participation. Beyond supporting business growth, institutional credit can enhance financial independence, improve decision making, and create greater opportunities for women-led enterprises.

Women Entrepreneurship Dashboard

Indicator	Result
Women borrowers accessing formal credit for the first time	83%
Men borrowers accessing formal credit for the first time	39%
Reported greater financial independence	71%
Loans with a female co-applicant	42%*

* Excluding Embedded Finance borrowers, for whom the option to add a co-applicant is not available.

Formal Credit Driving Financial Inclusion

One of the strongest findings from this year's assessment is the difference in first-time formal borrowing. 83.3% of women borrowers accessed institutional finance for the first time, compared with 39.3% of men. For many women, the UGRO loan represented not only access to finance but also their first relationship with a regulated financial institution-an important step towards greater financial inclusion and long-term economic participation.

4.3 State-wise Observations: Revenue Impact

Revenue growth varied across states, with Gujarat (86%) and Delhi (83%) recording the highest proportion of borrowers reporting increased revenue. Madhya Pradesh, Maharashtra, and Chhattisgarh also demonstrated strong outcomes, with 70–75% of borrowers reporting revenue growth. Bihar reported a lower rate (23%); however, this result is based on a small sample size (n<10) and has therefore been excluded from comparative state wise analysis.

4.4 Community & Economic Development

The impact of MSME financing extends beyond individual enterprises. As businesses grow, they generate employment, expand operations, strengthen local supply chains, and contribute to broader economic development within their communities.

Indicator	Result
Businesses that hired additional employees	16%
Businesses that added a new unit, branch, or location	23%



Business Expansion

Business expansion emerged as one of the clearest indicators of enterprise growth. Nearly 23% of borrowers established a new unit, branch, or business location after receiving finance, reflecting increased capacity, market expansion, and business confidence.

Employment Generation

The assessment also found that 16% of businesses hired additional employees following their UGRO loan. While reported by a smaller share of borrowers, these new jobs represent a wider economic impact, extending the benefits of enterprise growth to households and local communities.

Key Insight

Together, these findings suggest that access to finance enables more than business continuity. Investments directed towards business expansion and productive assets create a multiplier effect supporting enterprise growth, generating employment, and strengthening local economic development.

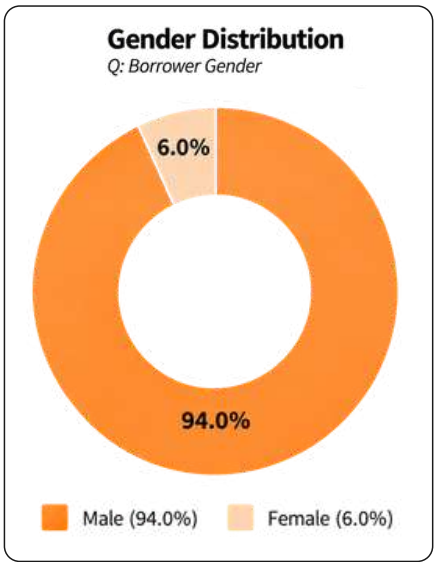


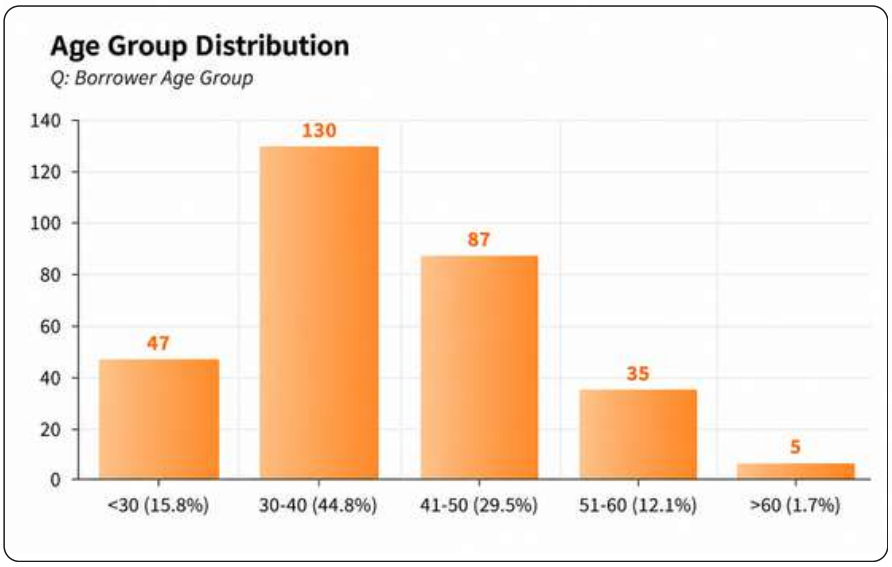
Analytics & Data Insights

5.1 Demographics of Business/Owner

Borrower Demographics

UGRO recognises that financing requirements vary significantly across industries. Its sector specialised approach uses dedicated underwriting frameworks that assess businesses against their sector specific operating and cash-flow characteristics.



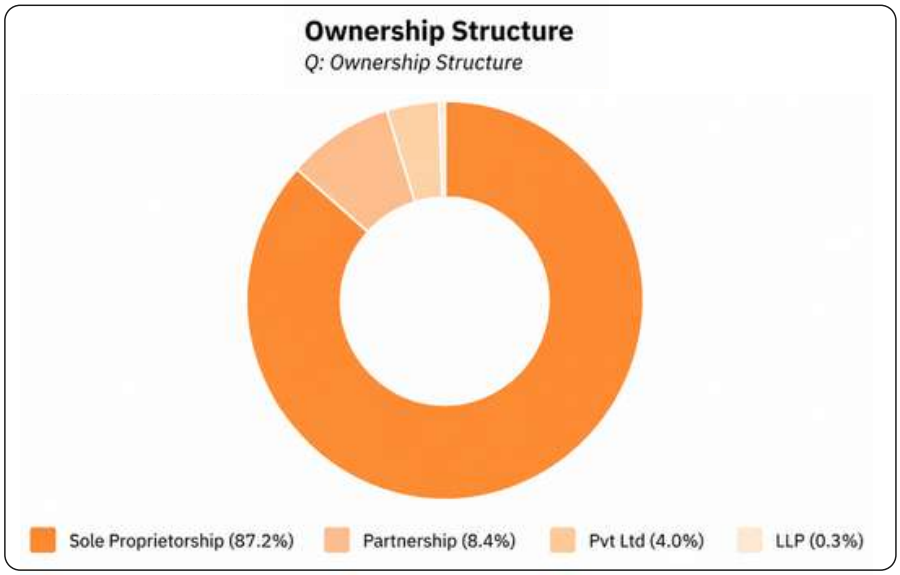


The borrower base skews toward established, mid-career entrepreneurs: 41% are aged 31–40 and 30% are aged 41–50, together accounting for over 70% of respondents

16% are under 30, signalling meaningful reach into younger, first-generation entrepreneurship

On education, 37% are graduates and 7% hold professional qualifications, while 23% have less than a high school education evidence that UGROs credit reaches borrowers across the education spectrum, not just the formally educated.

Business Structure

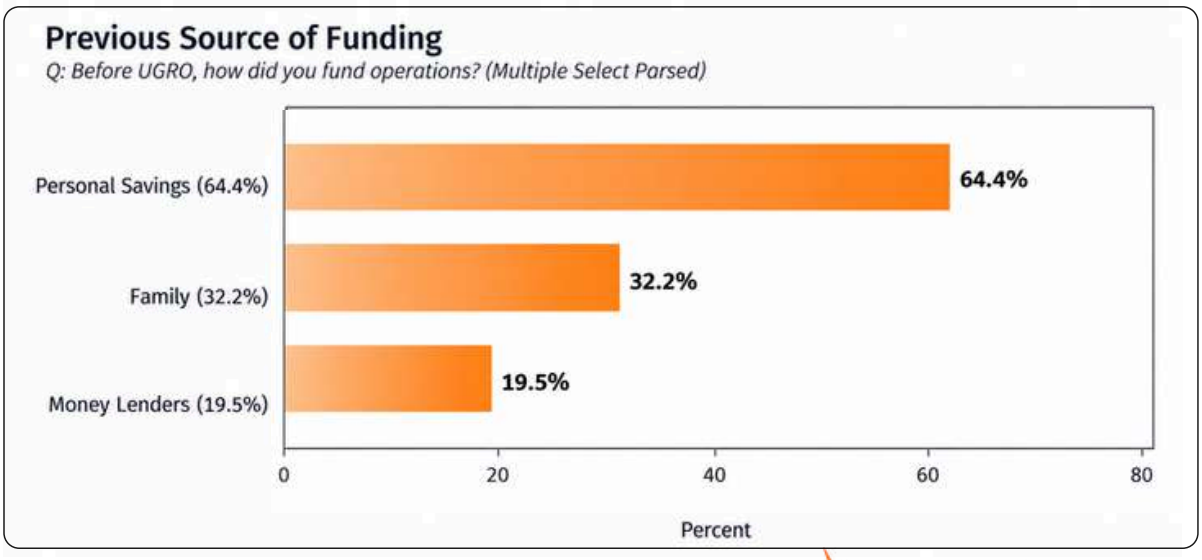


87% of borrowers operate as sole proprietorships - the dominant MSME structure across UGROs book.

8% are partnerships, 4% are private limited companies, and less than 1% are LLPs

This concentration in sole proprietorships underscores UGROs core role in formalising Indias smallest, most informally structured businesses

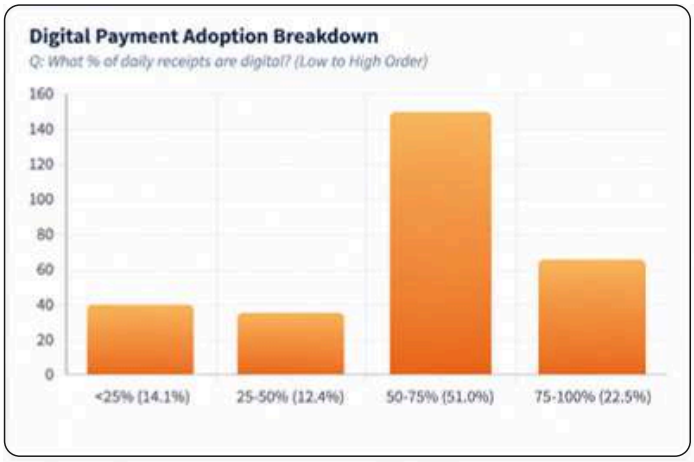
The Financing Journey Before UGRO



64% of borrowers relied on personal savings to fund their business before approaching UGRO with 20% dependent on moneylenders.

- 32% drew on family support to fund operations
- Respondents span 14+ states, led by Maharashtra (16%), Tamil Nadu (16%), Uttar Pradesh (12%), Delhi (9%), and Madhya Pradesh (9%) reach that extends well beyond UGRO's traditional metro base into Tier ⅔ geographies
- By product, borrowers were financed primarily through Embedded Finance (44%) and Secured lending (42%), with Machinery Finance (9%) and Co-lending (5%) rounding out the mix

Count VS State





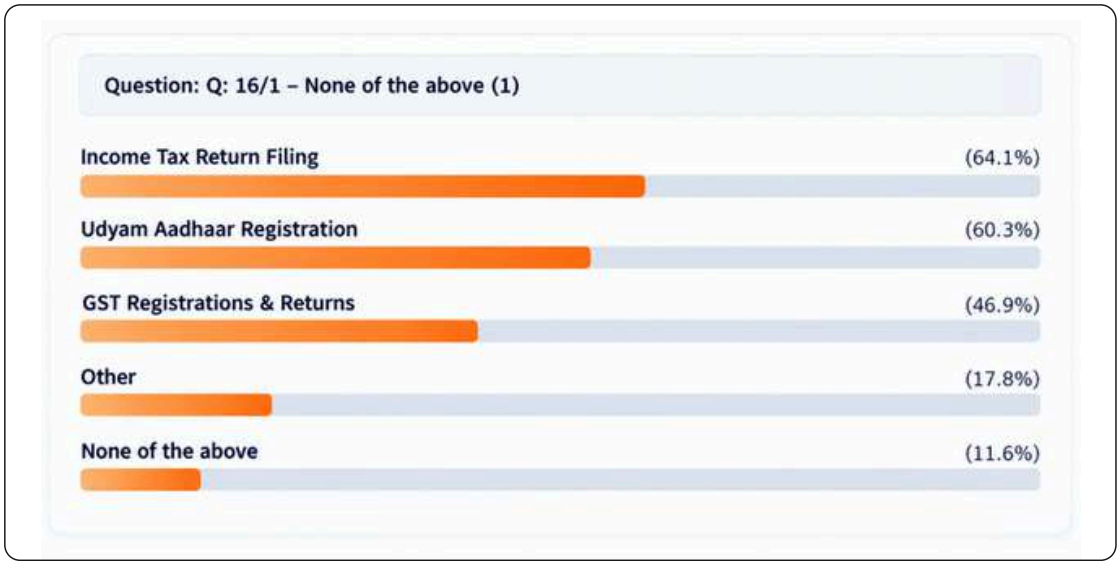
74% of borrowers now conduct more than half of their daily payments digitally - with 51% in the 50–75% band alone.

- Only 14% remain below 25% digital transaction share, pointing to broad based digital adoption across the portfolio
- On liquidity, 61% of borrowers rate their improvement as "Significant" or "Substantial " (ratings 4–5 on a 1–5 scale), against just 5% reporting minimal or slight improvement (ratings 1–2) - a clear majority experiencing meaningful cash-flow relief post-loan

Formalisation, Assets & Financial Resilience

Beyond digital adoption and liquidity, the survey captures how UGRO financing translates into formal sector integration, asset ownership, and reduced dependence on informal credit core markers of graduation from informal to formal MSME status.

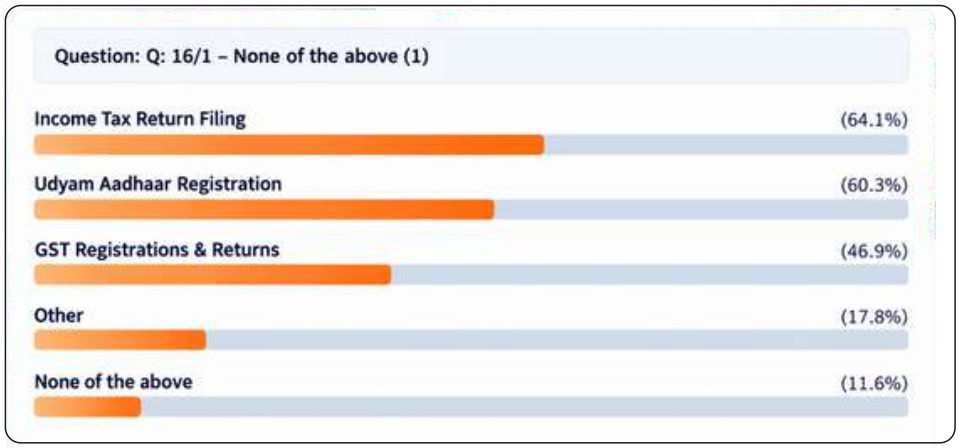
Formal Compliance



83% of borrowers hold at least one formal compliance registration - GST, Udyam, or Income Tax since taking a UGRO loan.

- 54% have filed Income Tax Returns, 49% hold Udyam Aadhar registration, and 44% have GST registrations and returns in place
- 18% report other compliance types
- 17% report none of the above a formalisation gap worth tracking as a forward-looking indicator

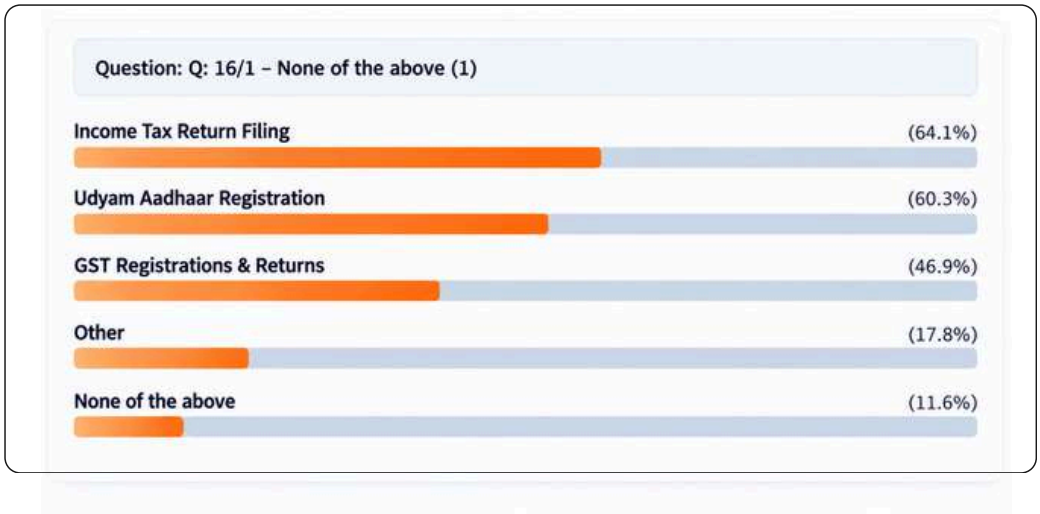
Asset Creation



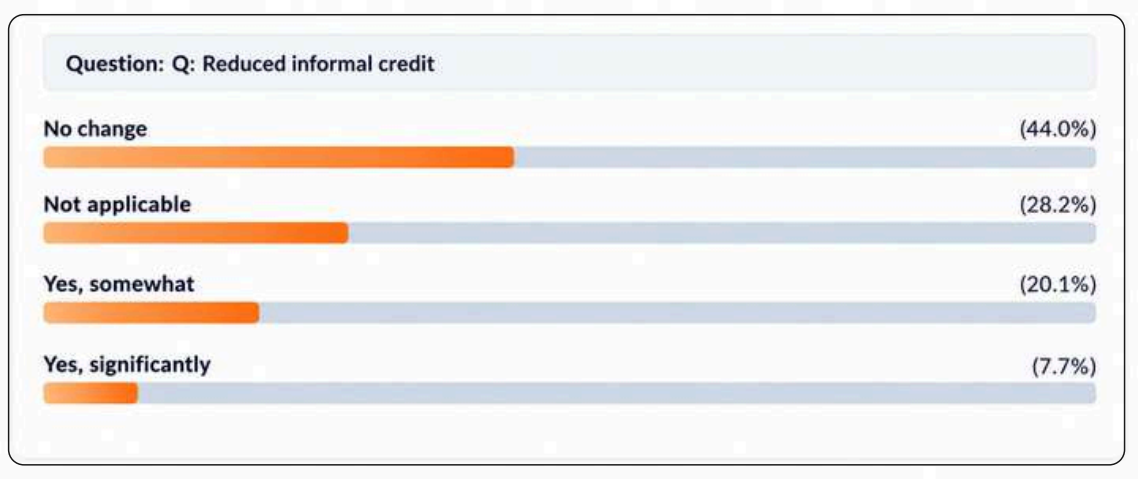
63% of borrowers have acquired a significant business asset equipment, a vehicle, or business premises through the loan, or already owned one.

- 51% acquired a new asset directly through UGRO financing
- 13% already had assets prior to the loan
- 36% report no asset acquisition to date

Asset Creation



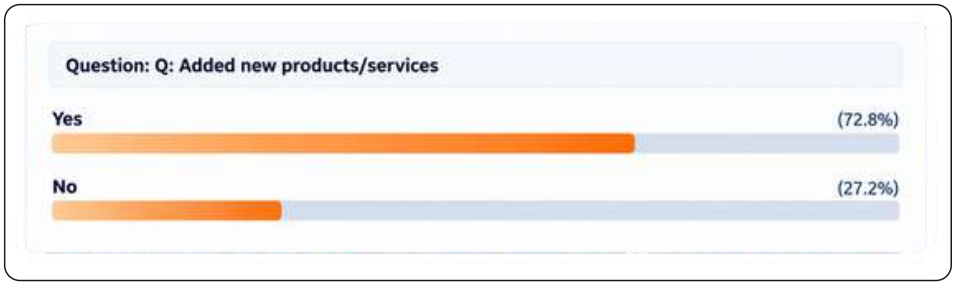
Reduced Dependence on Informal Credit



28% of borrowers report a reduction in dependence on informal credit sources - moneylenders or family borrowing - since taking a UGRO loan.

- 20% report somewhat reduced dependence, and 8% report a significant reduction
- 44% report no change, and 28% say the question is not applicable - typically borrowers who had no prior informal-credit exposure to reduce

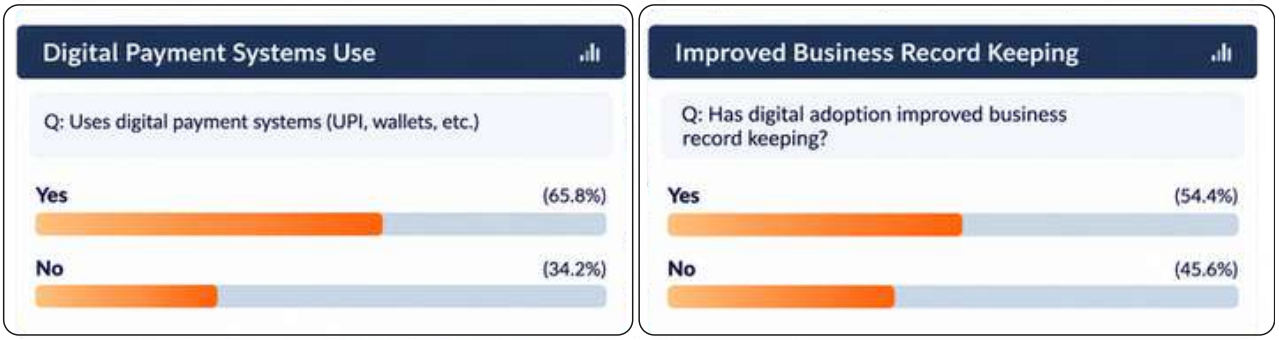
Business Expansion



23% of borrowers have added new units, branches, or locations since taking the loan.

- The majority (76%) have not yet expanded physically consistent with a borrower base weighted toward working capital and asset-upgrade use cases rather than footprint expansion.

Livelihood Independence & First-Generation Entrepreneurship



69% of borrowers are first generation entrepreneurs no immediate family member owned a business before them.

- 43% say the loan has helped them build a livelihood independent of family support; 56% say it has not a reminder that for a majority of borrowers, the loan strengthens an existing family enterprise rather than establishing new independence
- Read together with the first generation figure, this suggests two distinct borrower journeys: entrepreneurs building something new, and a larger group reinforcing an existing family livelihood



Success Stories and Testimonials

CASE STUDY 01 | PHOTO & DIGITAL IMAGING

From Near Shutdown to a Full Digital Lab

How a loan that arrived on time turned a closing studio into a digital lab



The Business owner took over his fathers photo studio at a time when phone cameras and instant-print kiosks were steadily eating into the business he had grown up around. Wedding albums, studio portraits and passport photos, once dependable income, slowed to a trickle. He came close to shutting the studio for good, unable to see how a small setup like his could compete with cameras that every customer now carried in their pocket.

Instead, he decided to meet the shift rather than wait it out. A UGRO Capital loan, sanctioned faster than he had expected, gave him the capital to buy new digital lab equipment rather than keep patching up the analogue machines he had been running. The paperwork moved quickly, and unlike his earlier experience with lenders, the field team stayed in touch through disbursal and after.

Four new machines later, his studio has become a full digital lab offering printing, framing and event photography that his old setup could never have supported. Monthly revenue now runs at roughly six to seven lakh rupees, and he employs seven to eight people, including one woman who now manages client walk-ins.

> *There was a time when I had almost decided to close my business because I couldn't see a way forward. UGROs timely support gave me the confidence to invest in new technology instead of giving up. Today, my photo shop has grown into a digital lab, my business is doing well, and I am able to provide employment to others.*

- Business owner – Digital Photo Lab



Sector

Photo & Digital Imaging



Monthly Revenue

₹6–7 lakh



New Machines

4



Jobs Created

7-8



Women Employed

1



Business Status

Revived



Loan Turnaround

Fast



Model

Studio to Digital Lab



CASE STUDY 02 | MICRO-RETAIL EXPANSION

From Supplier Credit to a Second Store

How paying suppliers in cash, instead of on credit, funded a second store





This entrepreneur's mobile phone shop had steady footfall but almost no cash on hand to buy stock outright. Like many small retailers, he leaned on supplier credit carrying an interest cost of four to five percent, which quietly ate into every sale. Expanding into a second line, home appliances, was something he had wanted to do for years, but it needed capital he did not have.

A UGRO Capital business loan let him pay suppliers in cash for the first time, unlocking discounts he had never been able to negotiate before. He used the freed up margin to bring in home appliances alongside mobile phones, widening the range of customers walking into his shop and lifting his average bill size.

The improvement in margins gave him room to plan a second store, which he is opening now to cover a wider stretch of the local market. His team of seven includes six women, most of whom handle sales and after sales support, and steadier monthly income means he no longer worries about paying his children's school fees on time.

> *Earlier, most of my earnings went towards paying interest on supplier credit. The UGRO loan changed that. I can now buy stock with cash, earn better margins, expand my business, and open a second shop. The biggest satisfaction is that my business is growing and I can comfortably support my family's needs.*

- Business owner – Retail Shop



Sector

Retail (Mobiled & Appliances)



Monthly revenue

₹4–5 lakh



New store

2nd outlet



WorkForce

7 employees (6 women)



Interest saved

4-5%



Category Added

Home Appliances



Procurement Shift

Credit to cash



Household Impact

School fees, on time



CASE STUDY 03 | CNC PRECISION MANUFACTURING

From Legacy Workshop to High-Precision Manufacturer

How working capital smoothed out a business built around two seasons



The founder has run More Grinding, a CNC precision components workshop, as his only business since 2004. Two decades in one craft gave him a five-person team that knew CNC grinding inside out, but the machine they depended on was ageing, and orders were beginning to demand a level of precision it could no longer reliably hold.

He weighed a refurbished machine, cheaper upfront, against a brand-new one, which UGRO Capital's financing made possible. He chose new, reasoning that a second hand machine would likely cost him more over its life in maintenance and lost precision. The loan needed his GST and income tax records, which he had ready, and he describes the process simply as smooth from start to finish.

The new machine has since pushed annual revenue to about 1.2 crore rupees, with the same five-person team now producing at a scale that works out to roughly 24 lakh rupees of revenue per employee well above what a shop this size typically manages. His only complaint was the interest rate, which he raised candidly rather than staying quiet about it, and he was, in his own words, already recommending UGRO to others before anyone asked him to.

> *"The processes at UGRO are very smooth and transparent; so much so that I've already recommended UGRO Capital to friends and family."*
>
> *- Business owner – Manufacturing Company*



Sector

CNC Precision Manufacturing



Founded

2005



Annual Revenue

₹1.2 crore



WorkForce

5



Revenue / Employee

~₹24 lakh



Assest Financed

New CNC machine



Feedback

Rate; otherwise smooth



Advocacy

Already recommending



CASE STUDY 04 | WATERSUPPLY&UTILITIES

Seasonal farming to steady enterprise growth

Building an asset base loan by loan



The founder of this water supply business spent the earlier part of his working life in farming, where income arrived in bursts around the harvest and little else. About twelve years ago he moved into supplying drinking water, a business with steadier, more predictable demand, and built it up loan by loan through formal lenders, starting with chola finance and Keeping a clean repayment record throughout.

That track record gave him room to grow. Institutional credit, including financing from URGO capital, helped him acquire three properties and expand his water plant"s capacity. He now runs two units, servicing customers through a fleet of 12 vechicles, all managed with s lean team of four employees, and monthly revenue has settled at a consistent eight to ten lakh rupees.

Confident in the base he has built, he has started diversifying a swimming pool, clubhouse and convention centre are planned as a five to six crore investment into hospitality, alongside funds he has already put toward renovating a local school's facilities. He has since recommended UGRO Capital to roughly ten other prospective borrowers in his network.

Their thorough inquiry and search process is a sign of a good company.

- Proprietor – Water supply business



Sector

water supply&utilites



Business vintage

-12 years



Monthly revenue

₹8–10 lakh



Properties Acguired

3



Fleet

12 Vechicles



Work force

4



Diversification

Hospitality (₹5–6 cr)



community impact

School renovation funded



CASE STUDY 05 | FMCG AGRI-PRODUCTS-FLOUR MILLING

A Second Plant in Narela, a 35% Jump in Revenue

The process was standard and professional



This growing agri-product company manufactures flour, maida and suji for the FMCG agri-products segment, an industry where thin per-unit margins make scale the primary lever for profitability. The company & original plant in Bawana had reached the ceiling of what its existing line could produce, leaving it facing a familiar constraint for small manufacturers: the demand was there, but the machinery to meet it was not.

A term loan from UGRO Capital was structured specifically for capacity expansion, giving the company the capital to acquire new machinery and stand up a second manufacturing unit in Narela , rather than trying to stretch the Bawana site further. The owner, who went through the process directly, described it as standard and professional - the kind of unremarkable efficiency that , inlending, is itself a mark of a smooth experience. The results are visible within a single financial year.The new machinery has been operational for 10 to 12 months,

Growth aside, one operational friction point remains unresolved: the auto nach facility that would let repayments happen automatically has not activated despite the owner raising it multiple times over three to four months a gap worth flagging for UGRO servicing team even as the underlying has clearly paid off for the business.

> The process was standard and professional.
>
> *- Founder – Agri Product Company*



Sector

FMCG
Agri Products



Plant footprint

2 Units



Revenue growth

₹1.31 cr → ₹1.78 cr



Growth rate

35%



Revenue As of

March 2026



machinery uptime

10–12 months



Profit Margin

Improved with turnover



Financing Type

Term loan



CASE STUDY 06 | TRADING & DISTRIBUTION

Trading Up From Informal Loans to Institutional Capital

How working capital freed a business from informal borrowing



This proprietary trading and distribution business run solely by its 53-year-old owner, a graduate entrepreneur working in a segment where working capital largely determines how much stock can be turned over at any given time. Before UGRO Capital, that capital came from informal sources, loans from family and neighbours that carry social as well as financial cost.

Financing from UGRO Capital let her expand the business area of operation and scale up trading volumes, without falling back on those informal arrangements each time cash flow tightened a shift from reactive borrowing to planned, institutional capital. Revenue has grown steadily off a pre-loan base of ₹40–50 lakh. Beyond the balance sheet, the owner reports concrete household impact: improved living conditions and, notably, the ability to support her family independently rather than depending on others.

Her account of the process is also a data point on access itself. She praised UGRO fast service, and specifically noted she was treated with the same respect shown to male applicants, facing no gender specific friction at any stage a marker of the kind of parity that always assumed in small business lending.



Sector
Trading& Distribution



Owner ship
Sole proprietorship woman-led



Owner profile
53, graduate entrepreneur



Loan use
Business area expansion



Prior Revenue Base
₹40–50 lakh



Revenue Trend
Steady growth



informal borrowing
Dependency reduced



Household impact
Improved living, independent support



CASE STUDY 07 | E-COMMERCE RETAIL

Taking an Online First Business Offline

How faster paperwork funded an offline push



This e-commerce enterprise retails through its own website and through marketplaces including Amazon, Flipkart and Myntra a channel mix where fulfilment, packaging and inventory financing all have to move in step with demand spikes across multiple platforms at once. The company used its UGRO Capital loan to expand its offline B2B reach, diversifying beyond pure online marketplaces and invested heavily in factory infrastructure and machinery to support that channel.

An employee at the company noted that the documentation process was far more efficient than with traditional banks, which often demand repeated OTPs and constant re-verification. That contrast infriction , more than any single feature, shaped how the company experienced the lending relationship.

Annual revenue has grown from ₹8–9 crore to approximately ₹15 crore, and the company &workforce, now 60 to 100 strong, includes 30–40% women which is a meaningful share for a business trading e-commerce and factory-floor operations.



Sector
E-commerce Retail



Channels
Website, Amazon, Flipkart, Myntra



Revenue growth
₹8–9 cr → ~₹15 cr



Expansion Focus
OfflineB2B reach



Workforce
60–100



women employed
30–40%



Investment
Factory infrastructure & machinery



Channel Mix
Online+Offline B2B



CASE STUDY 08 | MANUFACTURING : MEDICAL / IMAGING

Holding Steady Through a Downturn, One Flexible Loan at a Time

When a loan sanctioned a week faster meant a production slot did not slip



Manufacturing business led by a B.Tech (Electronics) graduate, The business operates in manufacturing of medical equipments and devices.operating in a segment where staying current with equipment and maintaining reach through digital sourcing platforms both matter directly for growth.

Financing from UGRO Capital supported the company's expansion, including an upgrade to new office space, while the owner leverages digital tools like IndiaMART to reach customers and suppliers a combination of physical and digital investment that shows up directly in the numbers.

Revenue more than doubled within a year, climbing from ₹2 crore to ₹5 crore, while the business has maintained a stable team of 20 permanent employees growth achieved without a corresponding surge in headcount, pointing to gains in efficiency alongside scale.

The owner expressed satisfaction with the speed of loan sanctioning and the overall professional experience, and confirmed he would recommend UGRO to others unprompted advocacy that, across this set of businesses, tends to track closely with how fast and how clearly a loan was processed.

> *The owner was satisfied with the speed of sanctioning and the overall professional experience, and said he would recommend UGRO to others.*

- Proprietor



Sector

Manufacturing (Medical / Imaging)



Leadership

B.Tech (Electronics) graduate



Revenue Growth

₹2 cr → ₹5 cr



Growth Rate

More than doubled in 1 year



Workforce

20 permanent (stable)



New Infrastructure

Upgraded office space



Digital Tools

IndiaMART



Loan Turnaround

Fast sanctioning

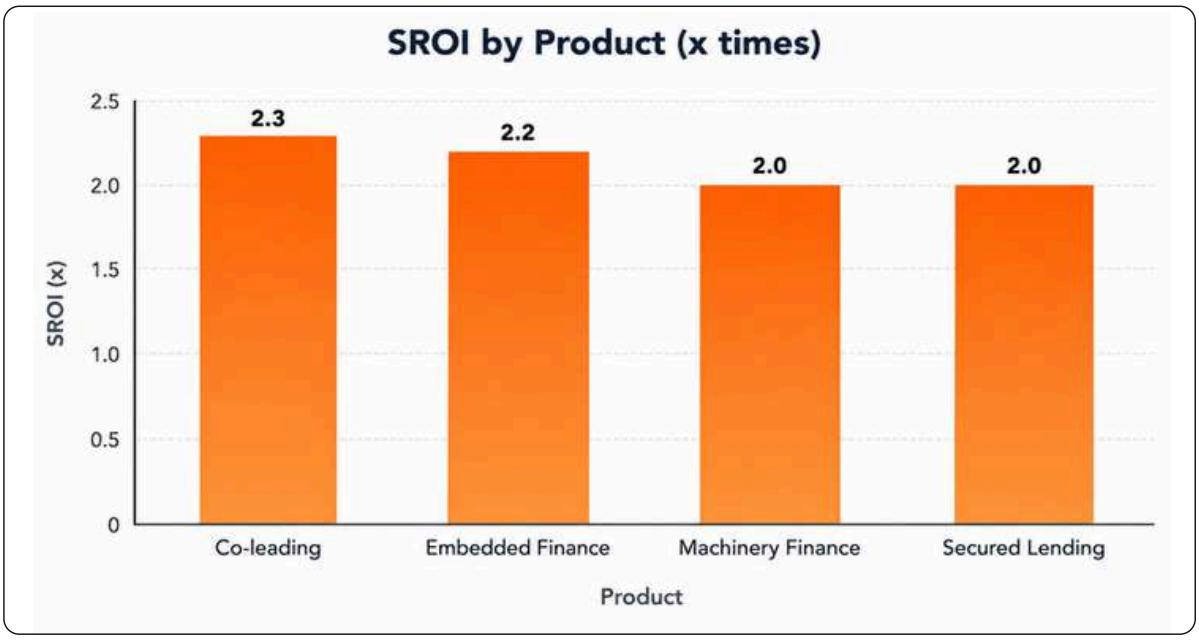


Social Return on Investment (SROI)

7.1 | SROI Calculation and Analysis



With an **SROI of 2.17**, every INR 1 invested through the respective lending product generates approximately INR 2.17 of social and economic value over the assessment period.



7.2 | SROI Computation Methodology

Social Return on Investment (SROI) is a framework used to measure the broader social and economic value created through an organisation's activities. It goes beyond financial returns by assessing outcomes experienced by stakeholders as a result of the intervention.

For UGRO, SROI was assessed across key lending products, including **Co-lending, Embedded Finance, Machinery Finance and Secured Lending.**

The assessment compares the total social and economic value created through each lending product with the **investment attributable to UGRO.**

SROI Formula

Social Return on Investment = Total Value Created ÷ Total Investment

1. Investment

The investment includes the capital and other relevant costs attributable to UGRO's lending interventions.

2. Value Creation

For UGRO, SROI was assessed separately across its key lending products based on the specific use of finance and the outcomes generated by borrowers. The assessment considers not only the immediate financial benefit of access to credit but also the wider economic and social value created through business growth and expansion.

Depending on the product and purpose of the loan, the value created may include:

- Increase in business revenue and borrower income resulting from improved working capital and business growth.
- Revenue generated through business expansion, such as the addition of a new branch, business unit or service offering.
- Incremental revenue from new equipment or machinery, where financing enables businesses to increase production capacity or operational efficiency.
- Employment generation, including the additional workers or employees hired as a result of business expansion, such as operators, technicians, nurses and other staff.
- Social benefits for end users, such as reduced fees or improved affordability in education and other relevant sectors.
- Other product-specific outcomes resulting from improved access to formal and timely finance.

These outcomes are assessed over the average loan period or the relevant impact period for each lending product. This enables the assessment to capture the value generated not only at the time of disbursement but throughout the period during which the loan-supported investment continues to create benefits.

The value generated is then adjusted using relevant SROI principles, including deadweight, attribution, displacement and drop-off, to estimate the value reasonably attributable to UGRO's lending intervention.

SROI is subsequently calculated for each product by comparing the adjusted social and economic value created with the investment attributable to UGRO.

The product-wise approach recognises that different types of financing create value through different pathways-for example, machinery financing may support increased production, while financing for healthcare or education businesses may additionally generate employment and wider benefits for end users.

Product-wise SROI

SROI was calculated separately for each lending product based on its respective investment, impact pathways and duration of outcomes.

Product	Assessment Period
Co-lending	7 Years
Embedded Finance	1 Year
Machinery Finance	10 Years
Secured Lending	10 Years

The assessment period is the length of time each product has been in the market. Social value for each product was measured across this full period, so the SROI reflects the outcomes generated since the product's launch rather than a single financial year. Because the products were launched at different times, their SROI ratios capture different durations of impact and should be read with this in mind when compared.

7.3 | Required Inputs, Assumptions & Data Requirements

The SROI assessment uses a combination of UGRO's loan portfolio data and findings from the borrower quantitative survey. UGRO provided information on loan disbursement, product type and UGRO's share of financing. The survey captured borrower and business-level information, including loan utilisation, whether it was the borrower's first formal loan, business sector, gender, business expansion, new employment generated and dependence on formal credit

7.4 | Limitations and Assumptions

Where direct outcome data was not available, assumptions and proxy values were applied based on secondary research, published studies and sector-specific evidence from India. These include assumptions related to informal borrowing costs, revenue growth resulting from business expansion or the addition of new equipment, and broader MSME growth trends. The assumptions were applied consistently to estimate the value of outcomes over the relevant loan or impact period.



Impact Quantification & Framework Alignment

8.1 | SDG Goals Achieved

UN SDG Target	Impact Measurement	FY2024-25	FY2025-26
10.Reduced Inequality	AUM of portfolio pertaining to emerging market	2,073 Cr	3,581 Cr
9.Industry, Innovation and Infrastructure	Total number of Customers	1,35,000+	3,21,000+
3.Good Health and well - being	AUM in Healthcare Industry	430 Cr	511 Cr
8. Quality Education	AUM in Education Industry	102 Cr	152 Cr



8.2 | Social Impact Measurement Frameworks



UGRO's social impact measurement approach is aligned with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (RBC) - the leading international framework for responsible lending, due diligence, and stakeholder impact assessment. IRIS+, the Global Impact Investing Network's (GIIN) catalogue of standardised metrics for social, environmental and financial performance, is referenced alongside the OECD RBC Guidelines to anchor UGRO's impact indicators in globally comparable standards. Full IRIS+ metric mapping is planned as part of UGRO's FY 2026–27 impact measurement roadmap, building on this year's SDG and OECD alignment.

Areas of Alignment

Due diligence in lending

UGRO's borrower onboarding incorporates ESG screening consistent with OECD RBC due diligence expectations identifying, preventing, and mitigating adverse impacts across the lending value chain

Stakeholder engagement

This report's methodology borrower surveys, sector wise stakeholder interviews, and structured feedback loops reflects the OECD's emphasis on meaningful engagement with affected stakeholders, not disclosure alone

Transparency and disclosure

Sector wise reporting, sample size disclosure, and methodology annexures in this report are structured to meet OECD expectations of transparent, verifiable impact communication

Evaluation rigor

Where applicable, borrower outcomes are assessed using the OECD DAC criteria to evaluate the long term impact of financing beyond disbursement volumes.

Future Outlook : 2026-27 & Beyond

9.1 | New Product Innovations

- **Embedded Finance, powered by MSL, continues to deepen - not diversify**. Consistent with UGRO's product architecture, MSL powered Embedded Finance remains the single embedded lending offering not a portfolio of separate products which built on contextual lending formats (EDI, EWI, credit lines) tailored to how merchants actually transact within digital ecosystems
- **Faster, fairer credit decisions**. The Embedded Finance platform's fully automated underwriting engine combining transaction data, bureau data, and behavioural signals is designed to bring loan approval down to minutes, directly targeting the process speed and access themes borrowers raised this year
- **Emerging Finance sharpens its relationship-led model.** Alongside Embedded Finance, the Emerging Finance vertical (branch-led, secured lending) continues to anchor UGRO's higher touch, relationship driven MSME reach, the two verticals now form the core of new product focus
- **Winding down legacy intermediated products.** Business Loans, Machinery Finance under the old Prime channel, and supplychain financing (GRO Chain) continue to be run off in favour of the two focus verticals. This report's product coverage reflects that shift, concentrating on Emerging Finance and MSL powered Embedded Finance going forward

9.2 | Expanded Geographic Reach

Deepening before widening.

The stated priority for FY 2026–27 is strengthening productivity and borrower relationships in existing Emerging Market branches spread across 13+ states, before adding new locations, ensuring depth of impact keeps pace with footprint

Tier 2/3 focus remains central.

This year's survey already reflects meaningful non-metro reach that over 40% of respondents came from outside the top-5 states and continued EM LAP expansion is expected to extend this further into underserved geographies



GroX's inherently border-less reach.

Because Embedded Merchant Finance operates through digital partner platforms rather than physical branches, its reach naturally extends into geographies where UGRO has no branch presence - a structurally different, and complementary, growth path to EM LAP's branch-led model

9.3 | Enhanced Impact Measurement

This report marks the completion of Phase 1 of a two-phase impact measurement journey. Phase 2 is scoped to move UGRO from annual impact reporting toward embedded, continuous impact management:

- **A larger, more representative borrower survey,** targeting 350–400 respondents, explicitly designed to close this year's Healthcare, Education, and Clean Energy sample gaps.
- **A stakeholder-wise Log Framework,** mapping output, outcome, and impact indicators separately for each stakeholder group (MSME borrowers, women entrepreneurs, underserved-geography borrowers, and sector-specific groups).
- **A custom Impact Dashboard,** moving impact tracking from an annual survey exercise to an ongoing, real time capability.
- **Completion of SROI methodology inputs,** the social value quantification currently flagged as an open item in this year's report.
- **Formal SDG and OECD alignment,** building on the framework groundwork laid in Chapter 8, with actual benchmarking data populated once Phase 2 collection is complete.



Conclusion & Call to Action

10.1 | UGRO's Commitment to MSMEs

UGRO Capital was built on a single mission: **solving the unsolved** closing India's small business credit gap through data, technology, and on ground reach. This year's report is evidence of that mission in motion, not just in statement.

Across 300 borrowers surveyed this year, the numbers tell a consistent story: 83% now hold at least one formal compliance registration, 74% conduct the majority of their transactions digitally, and 69% are first generation entrepreneurs building something that didn't exist in their family before them. These aren't abstract indicators - they represent small businesses moving from informal, cash constrained operations toward resilient, formal-sector participation, one loan at a time.

This year also asked UGRO to look honestly at itself. Borrowers told us, clearly and repeatedly, that the cost of credit remains their biggest concern - a finding that echoes what MSMEs across India are asking of the entire lending ecosystem. In response, UGRO restructured around two focused, relationship led verticals, Emerging Finance and Embedded Finance (MSL) deliberately choosing depth of borrower relationship over breadth of intermediated volume. That is not a strategy shift made for its own sake; it is a direct response to what borrowers said they needed.



What UGRO commits to, going into FY 2026–27:

- **Deepening reach before widening it** - strengthening existing Emerging Finance branches and Embedded Finance (MSL) partnerships so that impact compounds within communities already served, not just expands into new ones
- **Closing measurement gaps honestly** - this year's report was transparent about where sample sizes were too small to draw conclusions (Healthcare, Education, Clean Energy); FY 2026–27's expanded survey is built specifically to close those gaps
- **Listening as a discipline, not a one-time exercise** - borrower feedback shaped this year's product and process priorities directly, and the Log Framework and Impact Dashboard being built for Phase 2 are designed to make that listening continuous rather than annual
- **Measuring value beyond disbursement** - completing EVA/SROI methodology and aligning with SDG, OECD, and IRIS+ standards so that UGRO's impact can be verified, benchmarked, and held accountable, not just described

This report's impact measurement is grounded in a structured methodology combining EVA (Economic Value Added) based SROI calculation with alignment to internationally recognised standards, including the UN Sustainable Development Goals (SDGs) and OECD impact measurement principles. This framework underpins both the quantitative findings and the qualitative case evidence presented in the report.

A Call to Action

This report is not a closing statement it's a working document, built to be questioned, benchmarked, and improved on. UGRO invites its stakeholders to hold it to that standard:



TO BORROWERS

your feedback shaped this year's priorities, and we're asking for more of it; every survey response, every branch conversation, and every "what should we improve" answer directly informs what UGRO builds next

TO CO-LENDING PARTNERS AND FINANCIAL INSTITUTIONS

the case for MSME lending that is both commercially sound and socially meaningful is made, year after year, in the numbers in this report; we invite deeper collaboration in extending that reach

TO POLICYMAKERS

MSMEs have told us clearly what they need: easier access to affordable credit, simpler compliance, and support to adopt new technology; UGRO's model is one part of that answer, and we welcome continued partnership with the policy ecosystem that shapes the rest

TO INVESTORS AND ANALYSTS

this report sits alongside UGRO's financial disclosures as evidence that earnings quality and impact quality are not separate goals; a lending model built on genuine borrower relationships is, by design, a more durable one

TO TEAM UGRO

the outcomes in this report exist because of work done in branches, on calls, and in underwriting decisions across the country; this commitment is only as real as the people carrying it out each day

Solving the unsolved is not a single achievement it's a standard UGRO returns to every year. This report is this year's account of that return.

10.2 | About Impactree

Impactree Data Technologies is a sustainability data intelligence company focused on redefining how organizations navigate risk, performance, and social impact. By integrating advanced AI, custom analytics, and domain expertise, Impactree enables corporates, non-profits, and social enterprises to transform operational, financial, and sustainability data into measurable value.

Impactree was founded on the principle that sustainability should drive long-term business growth and resilience either by optimizing costs, opening new revenue streams, or unlocking capital, with a mission to democratize enterprise-grade sustainability management by helping organizations embed environmental, social, and
governance (ESG) goals directly into their core business strategy.

Impactree simplifies the impact value chain, transitioning organizations away from traditional qualitative field studies to standardized, data-driven platforms.

What Impactree Does

Sustainability Intelligence (Rubicr Platform): Delivers a unified AI-powered platform (Rubicr) that collects, analyzes, and benchmarks ESG metrics across operational, physical, and financial risk profiles.

On-Field Social Impact Measurement: Deploys mobile based data collection frameworks and KPI banks to track real-time, verified impact metrics directly from grass root beneficiaries.

Universal Reporting & Compliance: Helps enterprises align seamlessly with global regulatory standards, frameworks, and sustainability disclosure requirements.

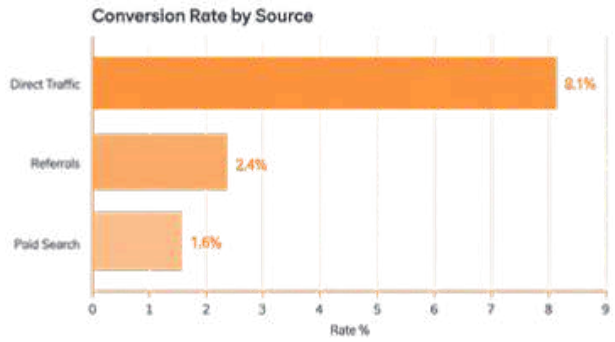
Supply Chain & Operational Resilience: Works across diverse industries such as manufacturing, logistics, BFSI, real estate, and consumer goods to optimize operational performance and supply chain traceability.

SECTOR-SPECIFIC EXCELLENCE

1. Manufacturing: Financing Productive Growth

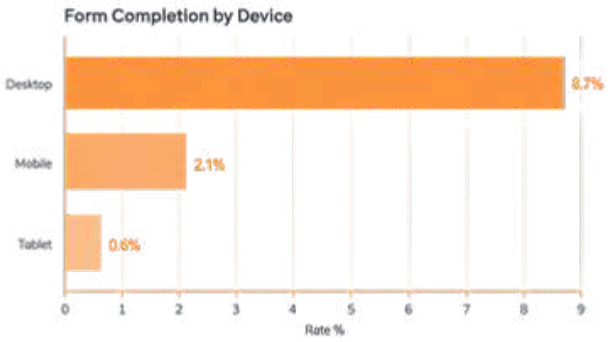
01 Who Are the Manufacturing Borrowers?

Portfolio composition and respondent context



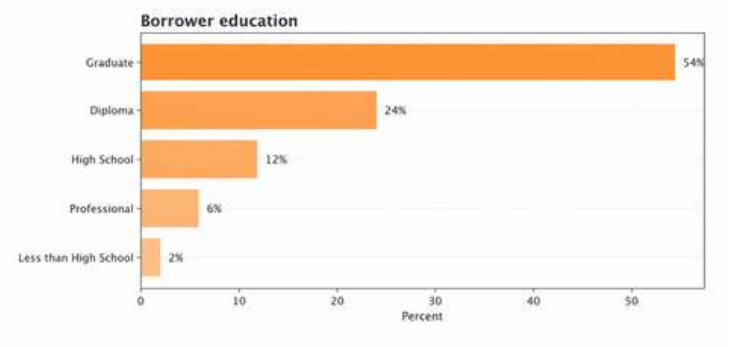
Question: "What is the ownership structure of your business?" | N=50

Two-thirds of surveyed businesses are sole proprietorships, making owner-led enterprises the dominant structure.



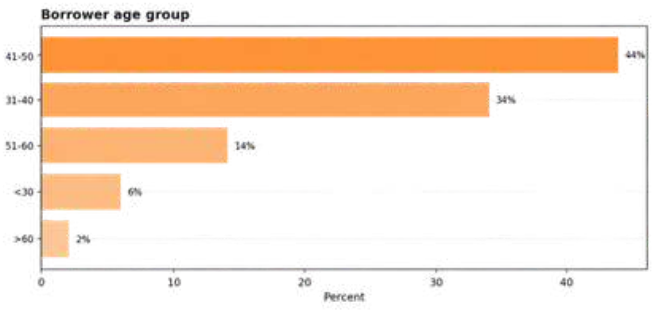
Question: "What is your role in the business?" | N=50

The survey largely captures people directly responsible for running the enterprise: 80% are primary owners.



Question: "What is your highest level of education?" | N=50

80% hold either graduate or diploma qualifications, providing context on the formal educational profile of the borrower base.

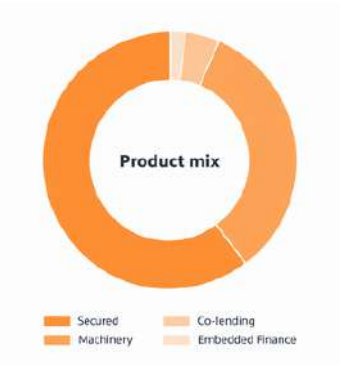


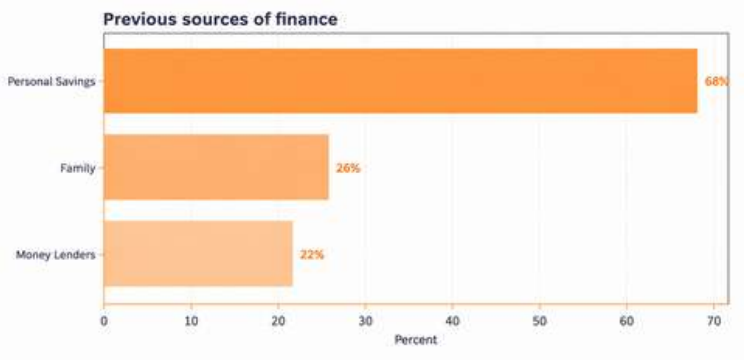
Question: "What is your age group?" | N=50

The sample is concentrated among established working-age entrepreneurs, with 78% between 31 and 50.

02 Access to Finance and Financing Additionality

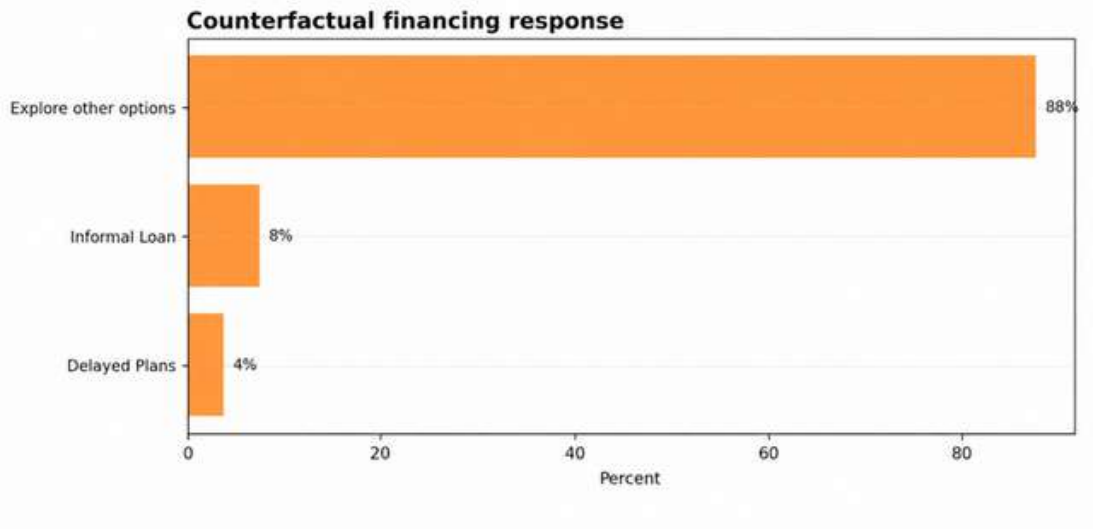
The financing relationship reaches both new-to-formal-credit borrowers and businesses with prior informal funding histories





Question: "UGRO Product Type" | N=50

Insight: Secured lending is the largest product category, while machinery finance represents a meaningful 34% of the sample.



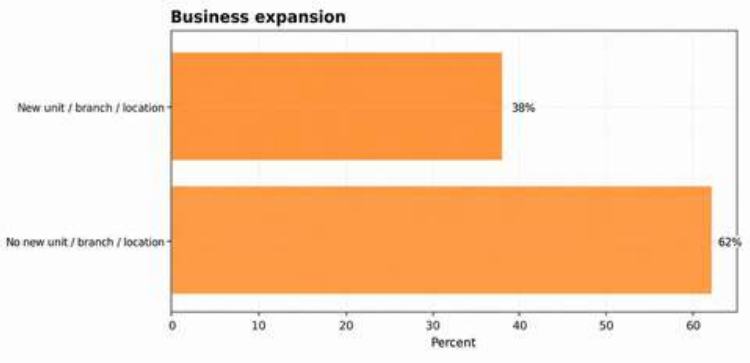
Question: "If UGRO had not funded you, what would you have done? (multi-select)" | N=50

Insight 88% would have explored alternative options, while 8% would have considered informal borrowing and 4% would have delayed plans.

03 From Finance to Productive Investment

The clearest immediate use of finance is investment in the operating enterprise



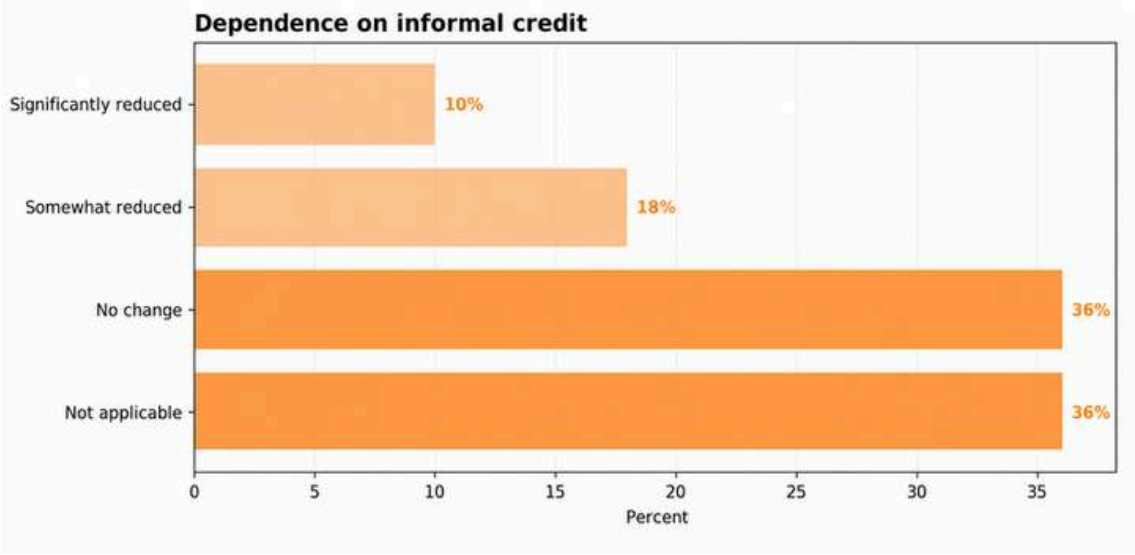


Question: "Has the loan helped you acquire a significant business asset?" | N=50

Insight Seven in ten businesses report that the loan helped them acquire a significant business asset, indicating that financing reached the productive core of the enterprise.

Question: "Have you added new units, branches, or locations?" | N=50

Insight More than one third report expansion into new units, branches or locations, indicating movement beyond maintaining existing operations.

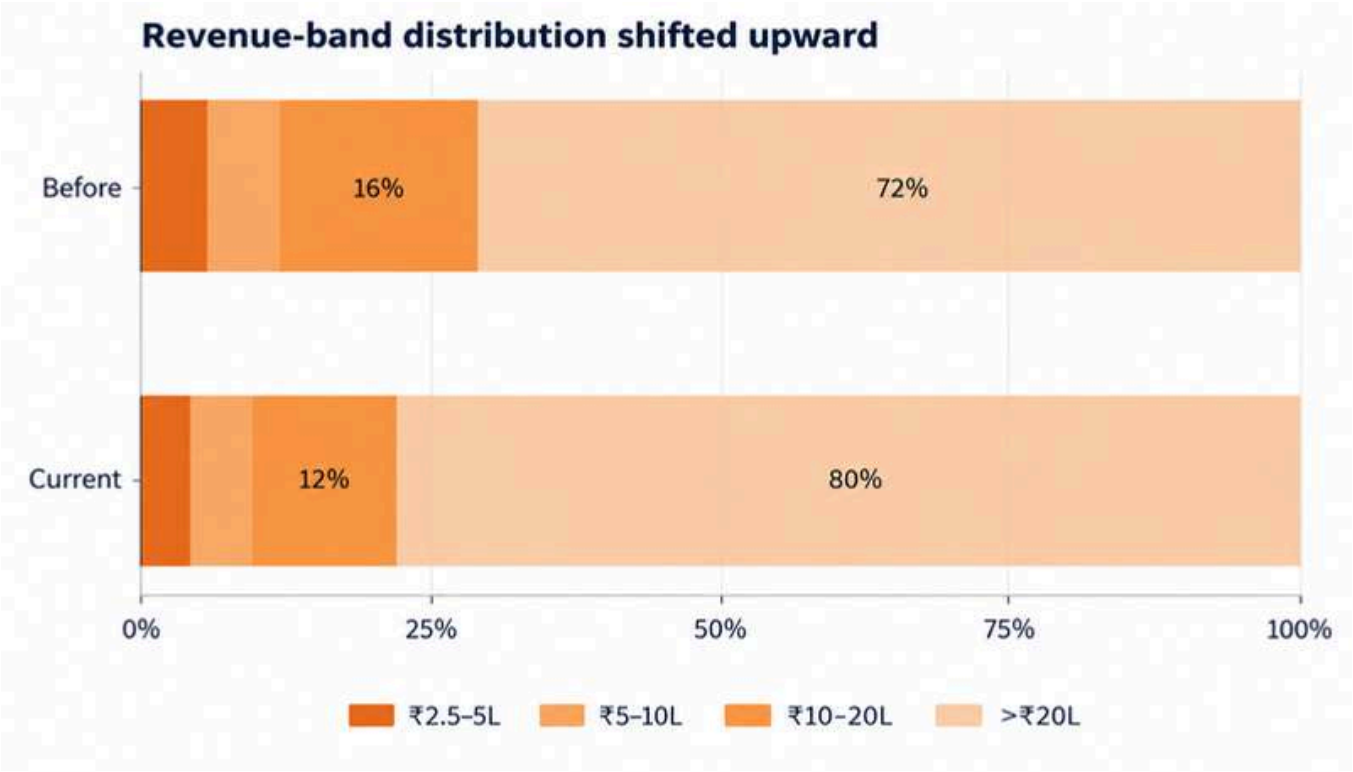


Question: "Have you reduced dependence on informal sources of credit?" | N=50

Insight 28% report some reduction in informal credit dependence, while 36% report no change and 36% consider the question not applicable.

04 Business Growth Revenue





Question: "What was your approximate annual revenue before taking the loan? / What is your approximate current annual revenue?" | N=50

Insight The workbook's income band weightages indicate an approximate 6.4% increase in average annual revenue following the loan. Because the estimate is constructed from revenue bands and representative weights, it should be described as an approximate weighted change rather than exact realised revenue.

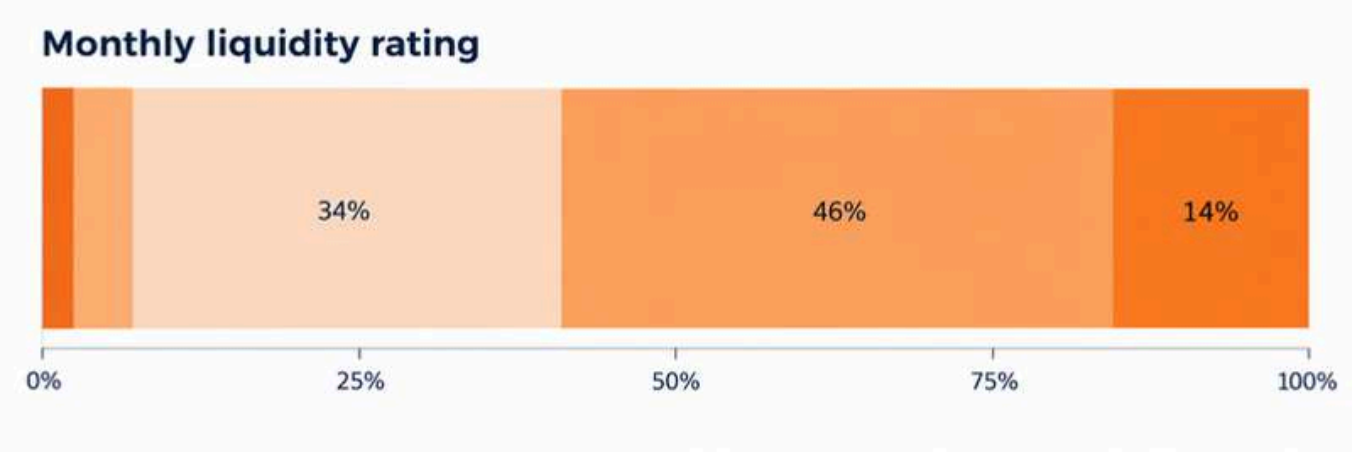
Question: "What was your approximate annual revenue before taking the loan? / What is your approximate current annual revenue?" | N=50

Insight The revenue distribution also shifts upward: the share above ₹20 lakh rises from 72% before the loan to 80% currently.

05 Business Growth Liquidity

Financial health shows a predominantly stable-to-positive pattern





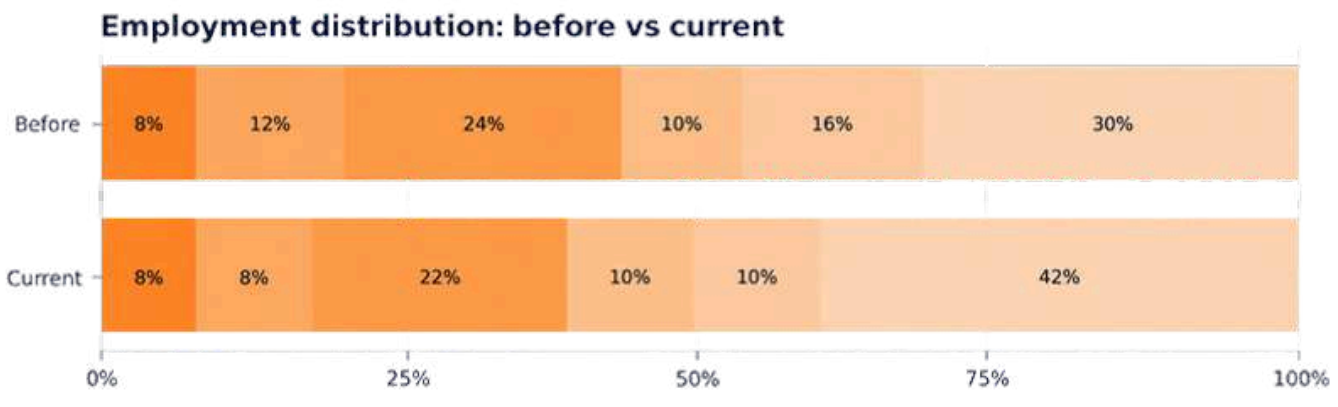
Question: "Has your monthly liquidity improved? (Rate 1 to 5)" | N=50

Insight Liquidity outcomes are predominantly positive or stable. 60% rate their improvement at 4 or 5, while 34% report no significant change.

06 Employment Impact

The weighted employee band analysis indicates a measurable increase in the reported workforce





Question: "How many permanent employees did your business have BEFORE the loan? / How many employees are currently employed AFTER the loan?" | N=50

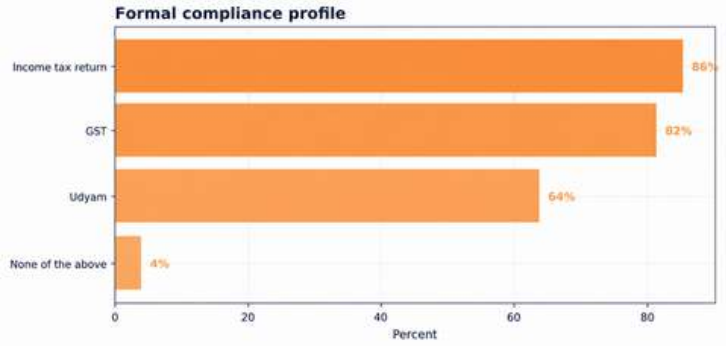
Insight The distribution supports the weighted result: businesses employing more than 20 people increase from 38% to 42%.

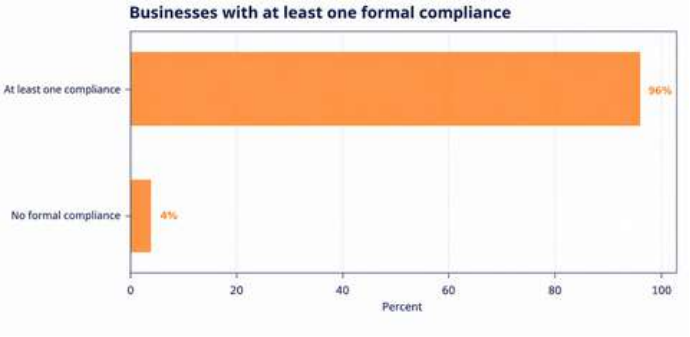
Question: "How many permanent employees did your business have BEFORE the loan? / How many employees are currently employed AFTER the loan?" | N=50

Insight The weighted employee-band analysis indicates an approximate 6.4% increase in the reported employee base, from 807 to 859 weighted employees. This is an estimated change within the surveyed sample and should not be extrapolated as portfolio-wide job creation.

07 Formalisation and Digitalisation

Business transformation extends beyond financial performance



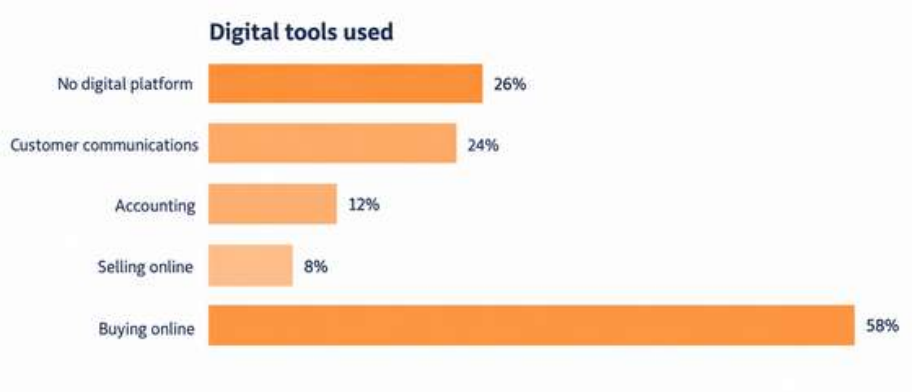


Question: "Which of the following compliances do you have for your business? (multi-select)" | N=50

80% hold either graduate or diploma qualifications, providing context on the formal educational profile of the borrower base.

Question: "At least one formal compliance held" | N=50

The sample is concentrated among established working age entrepreneurs, with 78% between 31 and 50.



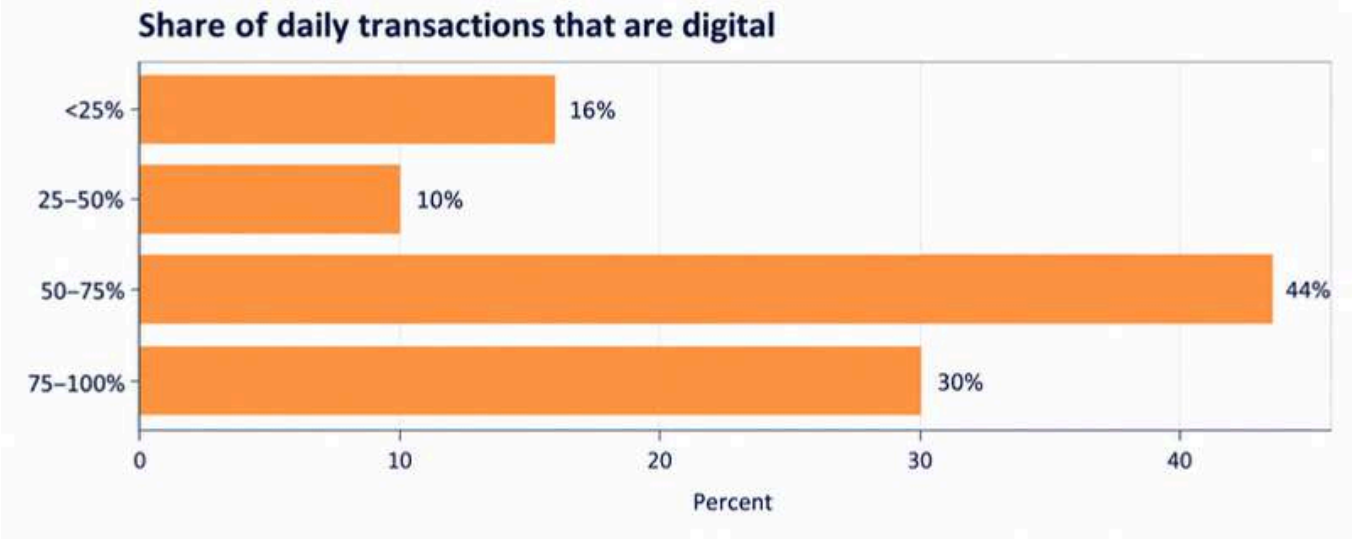
Question: "Which digital platforms/tools do you use? ("No" = no digital platform used; multi-select)" | N=50

Insight Digital adoption is uneven: online buying and selling are the most common applications, while 58% report no digital platform.

08 Digital Transactions

Transaction digitisation is more advanced than broader digital business tool adoption





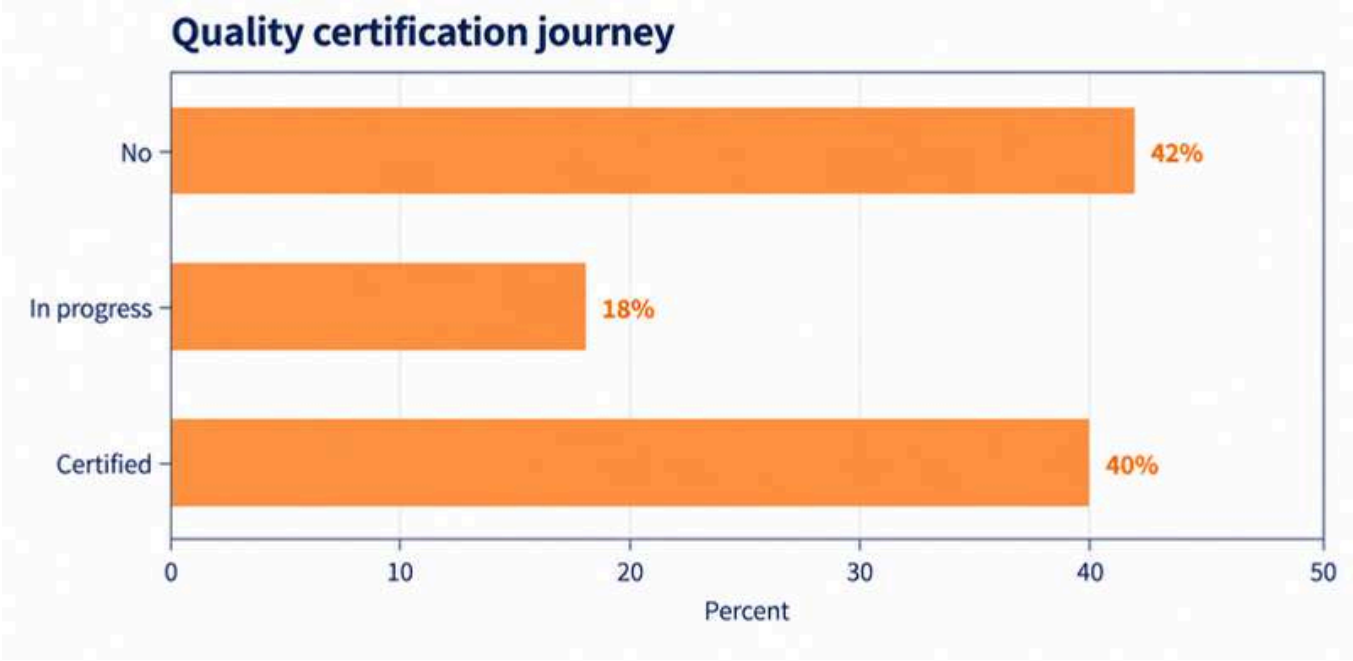
Question: "What % of daily payments/receipts are digital (UPI, NEFT)?" | N=50

Insight 74% report that more than half of their daily payments and receipts are digital. This suggests that transaction digitisation is progressing faster than broader digital business management.

09 Manufacturing Upgrading

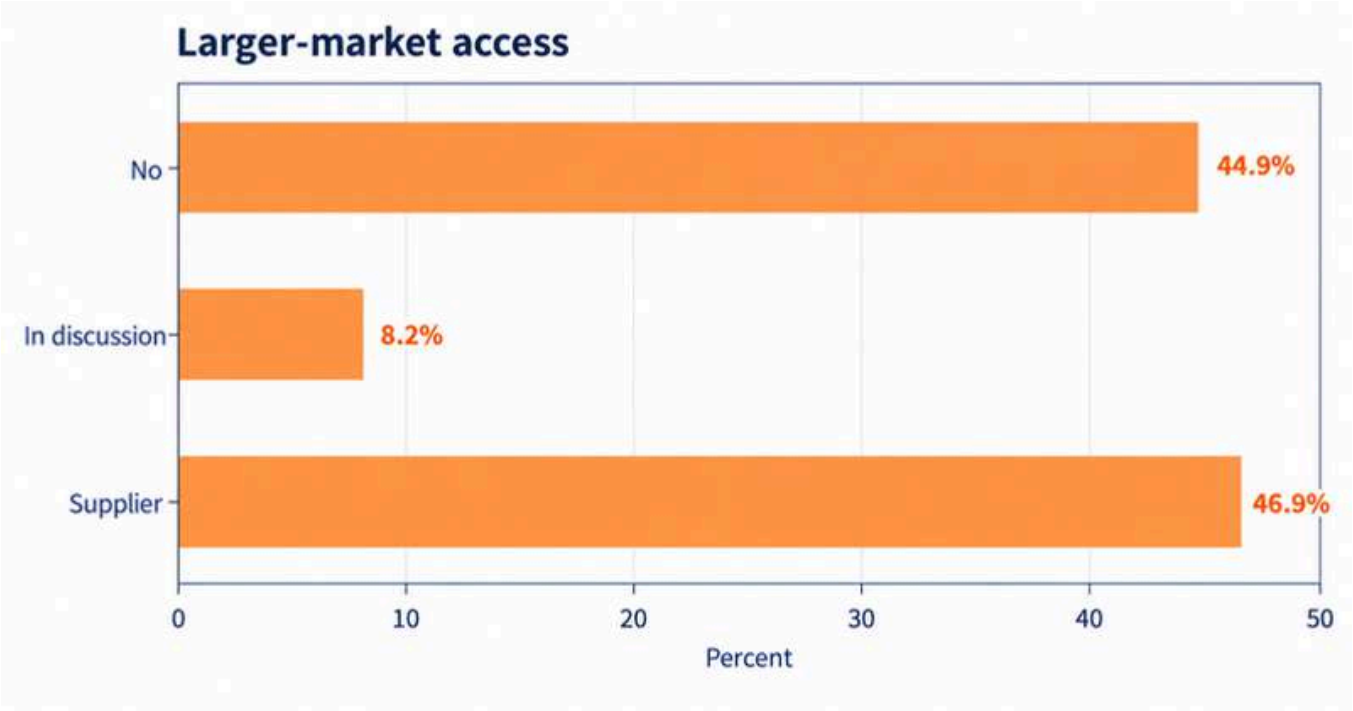
Financing is associated with a journey towards higher standards and larger markets





Question: "Has the loan helped you achieve any quality certifications (ISO, BIS, etc.)?" | N=50

Insight Six in ten businesses are either certified or actively pursuing recognised quality certification, including an 18% in-progress pipeline.

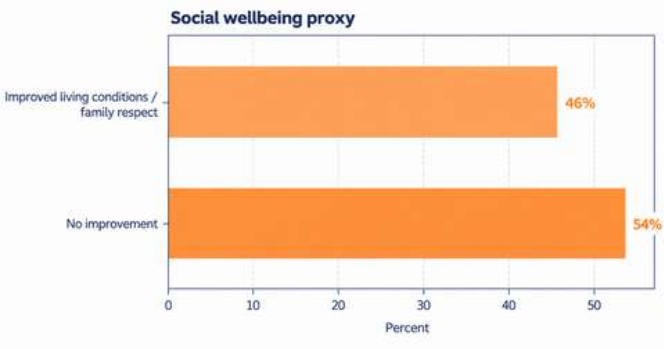


Question: "Have you been able to become a supplier to larger corporates/OEMs/export markets?" | N=49

Insight 44.9% already supply larger markets and 8.2% are in discussion, indicating that more than half are either integrated into or pursuing larger-market access.

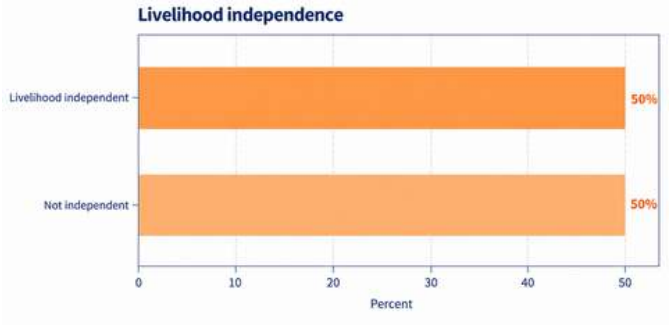
10 Social, Environmental and Sourcing Outcomes

Broader outcomes are emerging, alongside important measurement indicators



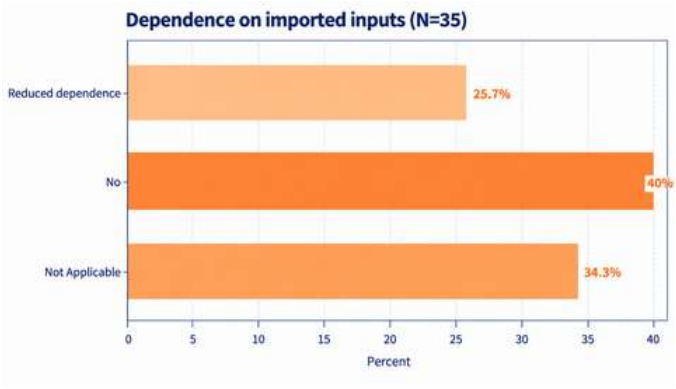
Question: "Has the loan improved your living conditions or family respect? (social wellbeing proxy)" | N=50

Insight 46% report improved living conditions or family respect. This is a self reported social wellbeing proxy rather than a direct household welfare measure.



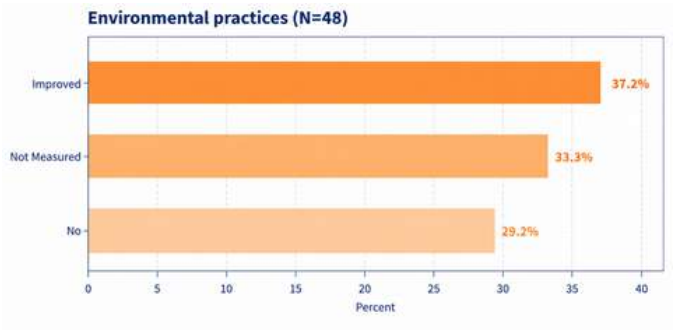
Question: "Has this loan helped you build a livelihood independent of family support?" | N=50

Insight Half of respondents report that the loan helped them build a livelihood independent of family support.



Question: "Has the investment reduced dependence on imported raw materials/components?" | N=35

Insight 25.7% of applicable respondents report reduced dependence on imported inputs; 34.3% identify the question as not applicable.



Question: "Has the business upgrade reduced industrial waste or improved environmental practices?" | N=48

Insight 37.5% report improvement, while 33.3% have not measured the outcome. Measurement maturity is therefore itself an important finding.

11 Machinery Finance - Operational Transformation

Product-specific evidence from the machinery finance subset



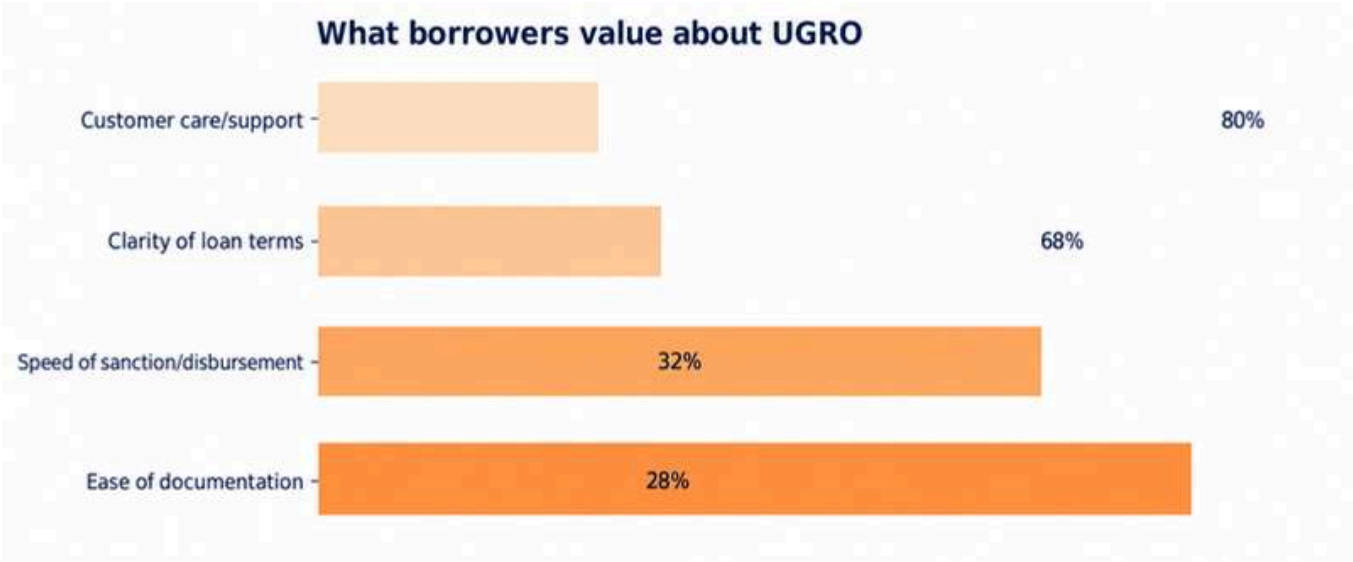


Insight Within the small machinery finance sample, reported outcomes point to higher productive capacity, lower per unit costs and improved energy efficiency. These are indicative product level findings and should not be generalised to the full Manufacturing portfolio.

12 Customer Experience and Recommendation

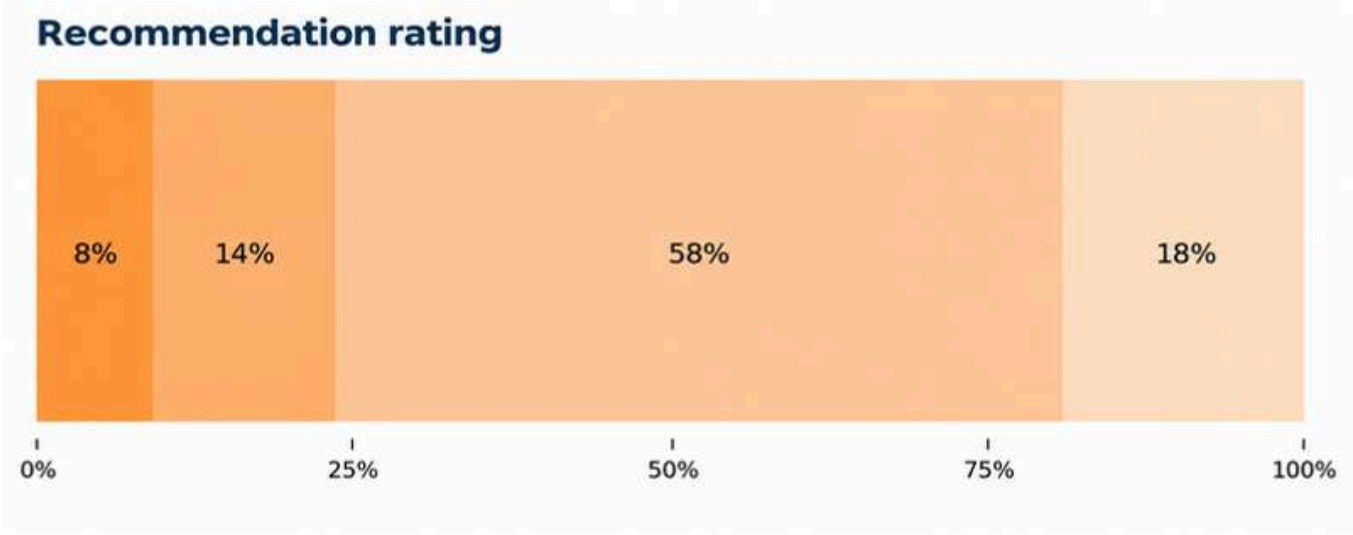
Borrowers place greatest value on a low friction financing journey





Question: "Which of the following do you like about UGRO? (multi-select)" | N=50

Insight Ease of documentation is the strongest valued aspect at 80%, followed by speed of sanction/disbursement at 68%.



Question: "How likely are you to recommend UGRO to others? (1–5 scale)" | N=50

Insight The recommendation profile is strongly positive: 76% rate their likelihood to recommend UGRO at 4 or 5, with an average score of 3.76/5.

13 Manufacturing Impact Pathway

The findings connect financing to business, social and enterprise level outcome

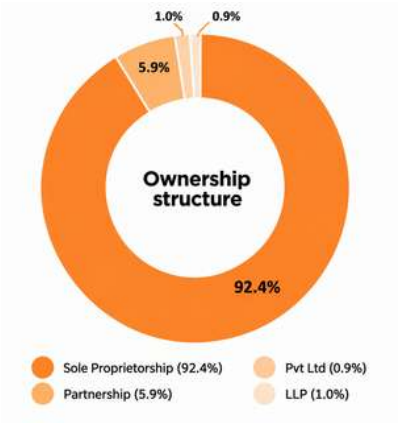




2. Retail & Trading

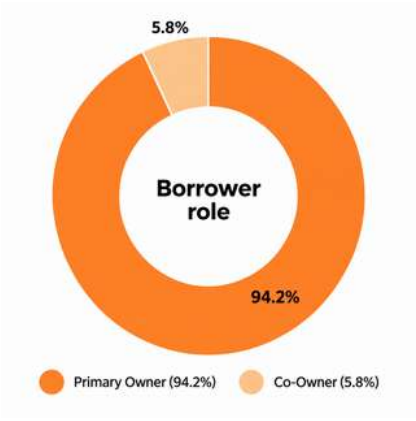
01 Who Are the Retail & Trading Borrowers?

Portfolio composition and respondent context



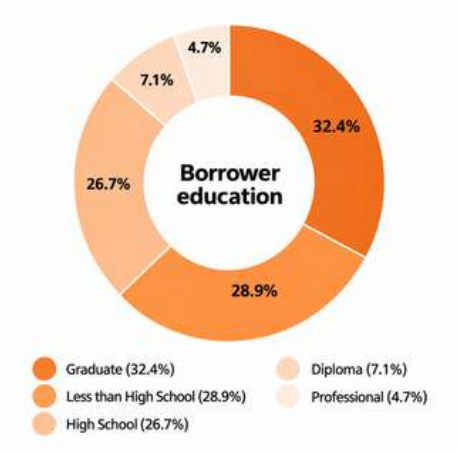
Question: "What is the ownership structure of your business?" | N=225

Insight 93% of surveyed businesses are sole proprietorships - an even more owner-led structure than Manufacturing, consistent with the smaller-ticket, high-volume nature of retail and trading finance.



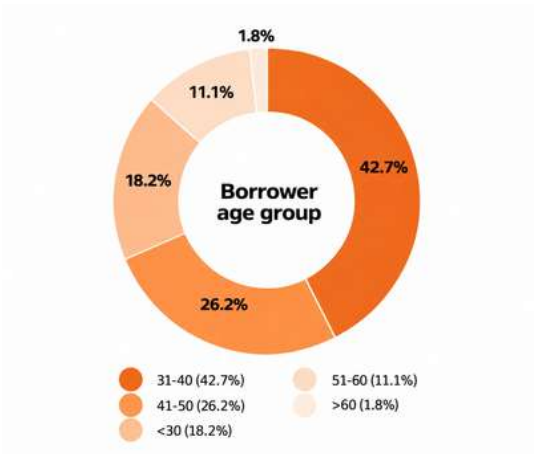
Question: "What is your role in the business?" | N=225

Insight 94% of respondents are primary owners, with the remainder co-owners - there are effectively no salaried directors in this borrower group.



Question: "What is your highest level of education?" | N=225

Insight Education is more mixed than in Manufacturing: only 32% are graduates, and 29% have less than a high-school education, reflecting the broader socio-economic spread of retail and trading borrowers.

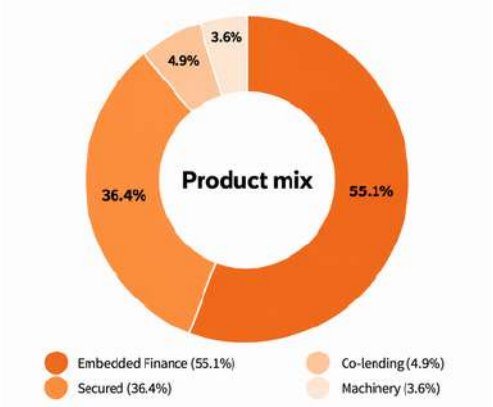


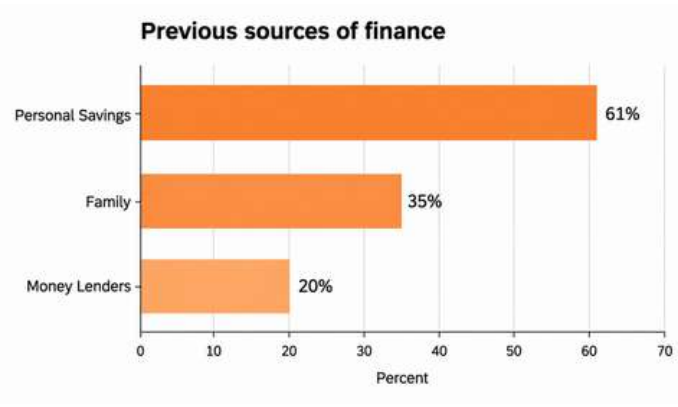
Question: "What is your age group?" | N=225

Insight The sample skews slightly younger than Manufacturing: 43% are between 31 and 40, and 18% are under 30.

02 Access to Finance and Financing Additionality

The financing relationship is dominated by digital, high velocity embedded finance rather than secured lending



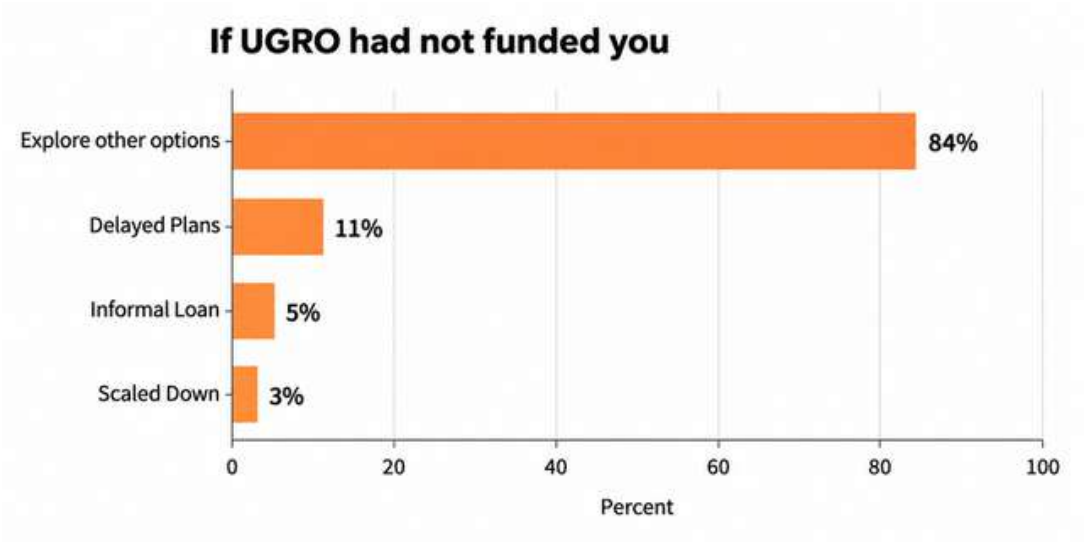


Question: "UGRO Product Type" | N=225

Insight Embedded Finance (GroX) is the largest product category at 55.1%, reflecting Retail & Trading's high-velocity, digitally originated borrower base a markedly different mix from Manufacturing, where Secured lending dominates.

Question: "Before UGRO, how did you fund operations? (multi-select)" | N=225

Insight Personal savings were the dominant prior source of finance at 61%, while 20% report having used money lenders a somewhat higher reliance on informal credit than in Manufacturing.



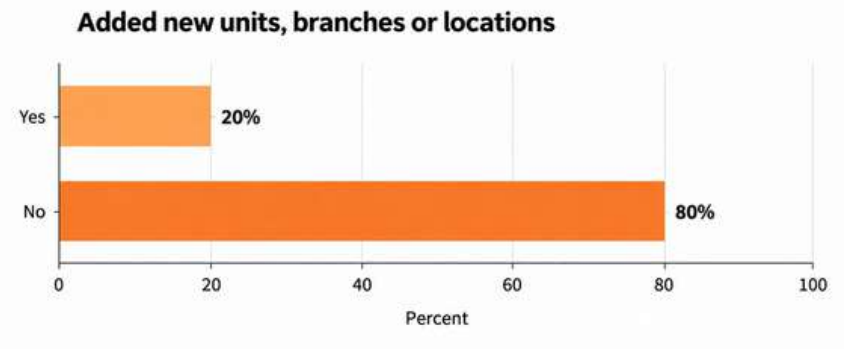
Question: "If UGRO had not funded you, what would you have done? (multi-select)" | N=224

Insight 84% would have explored alternative options, while 11% would have delayed plans and 6% would have considered informal borrowing.

03 From Finance to Productive Investment

Productive investment is more modest than in Manufacturing, consistent with a working-capital-heavy borrower mix



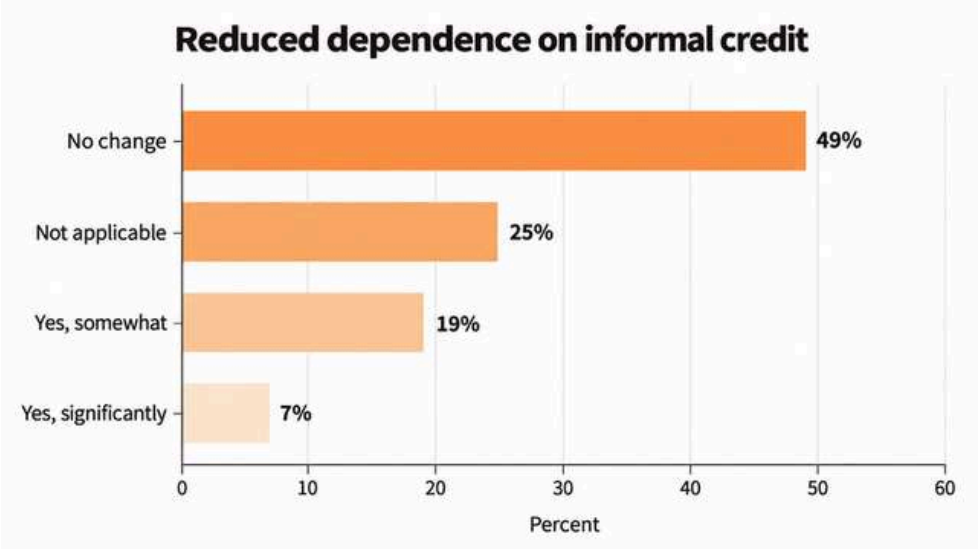


Question: "Has the loan helped you acquire a significant business asset?" | N=225

Insight Under half of businesses (45.8%) report that the loan helped them acquire a significant business asset, notably lower than Manufacturing's 70% - consistent with Retail & Trading's heavier weighting toward working-capital and embedded finance products.

Question: "Have you added new units, branches, or locations?" | N=225

Insight One in five businesses (20.0%) report expansion into new units, branches or locations.



Question: "Have you reduced dependence on informal sources of credit?" | N=225

Insight 26.2% report some reduction in informal-credit dependence (19.1% somewhat, 7.1% significantly), while 48.9% report no change and 24.9% consider the question not applicable.

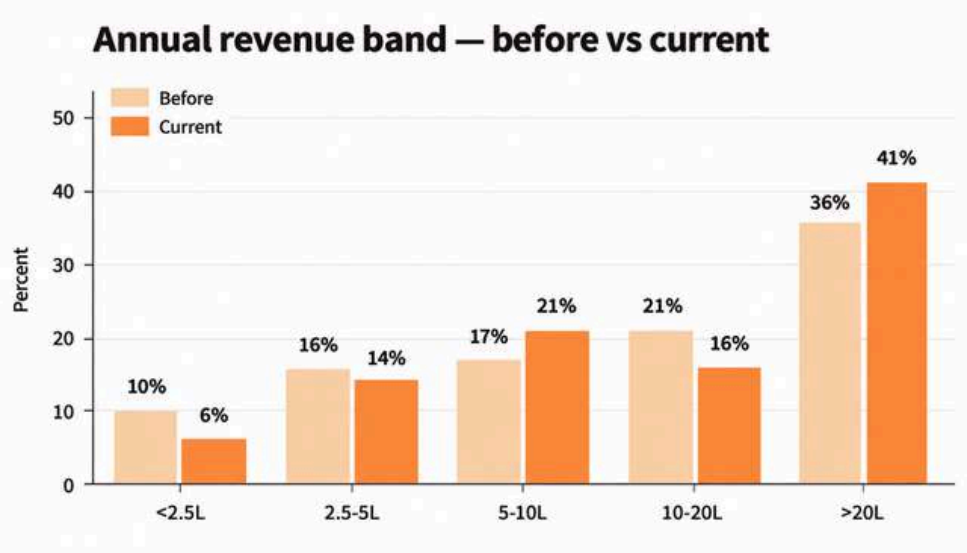
04 Business Growth : Revenue

The weighted analysis provides a magnitude estimate, while respondent responses show the direction of change

~6.5%
Approximate increase
Weighted revenue bands

15.9 Lacs
Before
Weighted estimate

16.9 lacs
Current
Weighted estimate



Question: "What was your approximate annual revenue before taking the loan? / What is your approximate current annual revenue?" | N=225

Insight 26.2% report some reduction in informal credit dependence (19.1% somewhat, 7.1% significantly), while 48.9% report no change and 24.9% consider the question not applicable.

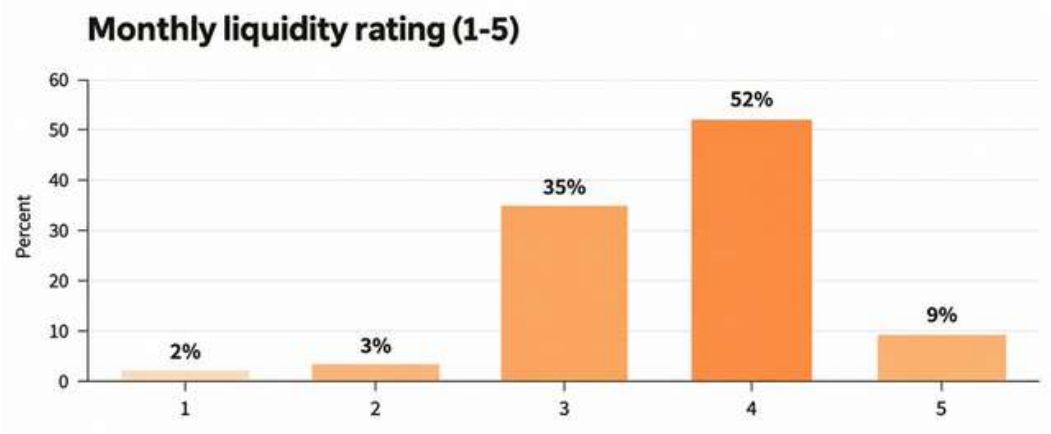
Note: the weighted estimate uses the same band midpoint methodology applied in the Manufacturing report (closed bands at their midpoint; the open-ended "more than ₹20 lakh" band represented at ₹30 lakh). This reproduces the Manufacturing report's published figures closely but was not separately re-validated against the original weighting workbook - recommend a confirmation pass before publication.

05 Business Growth - Liquidity

Financial health shows a predominantly stable to positive pattern, slightly softer than Manufacturing

3.64/5
Average rating
N=225

62.2%
Rated 4 or 5
N=225



Question: "Has your monthly liquidity improved? (Rate 1 to 5)" | N=225

Insight Liquidity outcomes are predominantly positive or stable. 62.2% rate their improvement at 4 or 5, while 32.9% report no significant change.

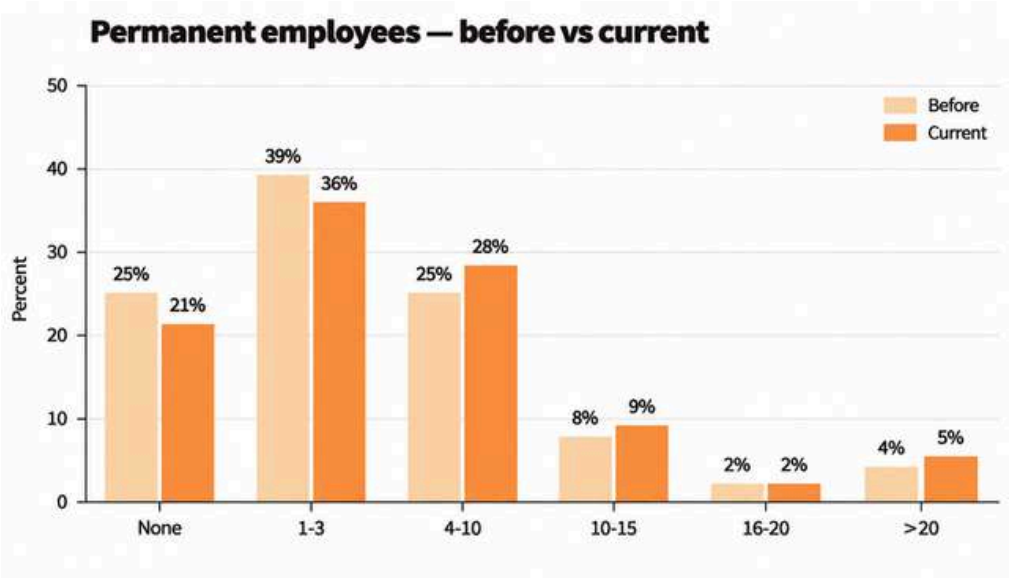
06 Employment Impact

The weighted employee band analysis indicates a measurable increase in the reported workforce



Insight The weighted employee band analysis indicates an approximate 15.7% increase in the reported employee base, from 1,128 to 1,306 weighted employees. This is an estimated change within the surveyed sample and should not be extrapolated as portfolio-wide job creation.

Note: uses the same band midpoint methodology as the revenue estimate above (see Section 05 note)



Question: "How many permanent employees did your business have BEFORE the loan? / How many employees are currently employed AFTER the loan?" | N=224

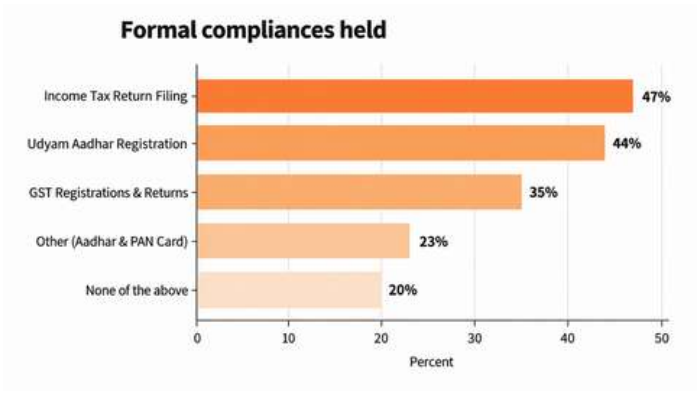
Insight The distribution supports the weighted result: businesses employing more than 20 people increase from 4.0% to 5.4%, and the '4-10' band grows from 25.4% to 28.1%.

07 Formalisation and Digitalisation

Business transformation extends beyond financial performance, though formalisation is less complete than in Manufacturing

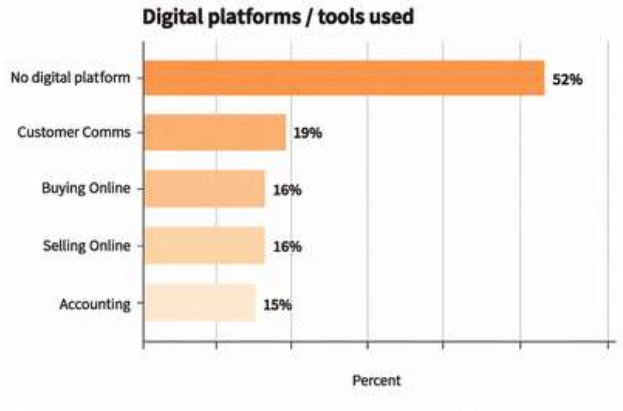


Insight 80% report at least one formal compliance, materially below Manufacturing's 96% - one in five Retail & Trading borrowers (20.0%) report no formal compliance at all.



Question: "Which of the following compliances do you have for your business? (multi-select)" | N=225

Insight Formal compliance is present but less universal than in Manufacturing: 47% report income tax filing, 44% Udyam registration and 35% GST. 23% report only an Aadhar/PAN card on file.



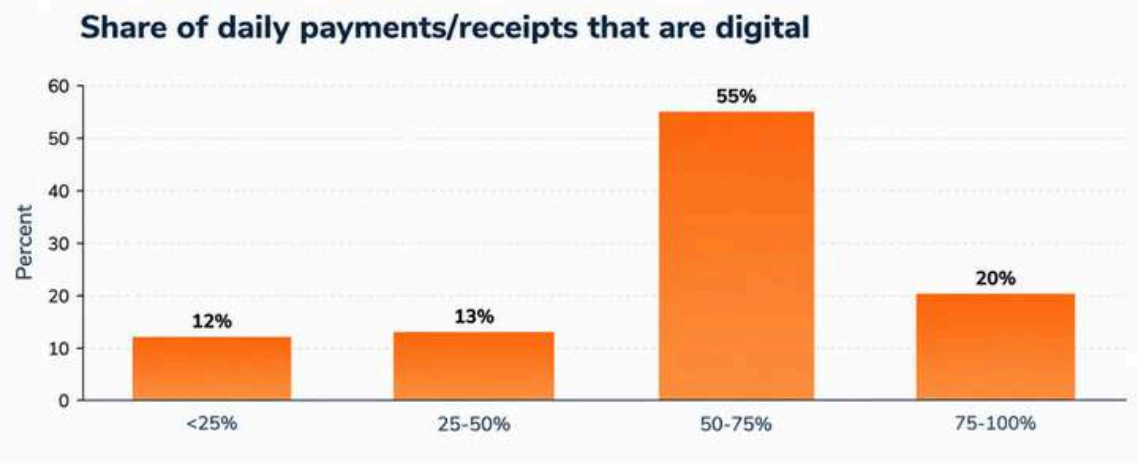
Question: "Which digital platforms/tools do you use? ("No" = no digital platform used; multi-select)" | N=225

Insight Digital business tool adoption is limited: 52% report no digital platform in use, with customer communications (19%) the most common application.



08 Digital Transactions

Transaction digitisation is more advanced than broader digital business-tool adoption



Question: "What % of daily payments/receipts are digital (UPI, NEFT)?" | N=225

75.1%
>50% digital transactions
N=225

54.7%
50-75%
N=225

20.4%
75-100%
N=225

Insight 75.1% report that more than half of their daily payments and receipts are digital closely in line with Manufacturing's 74% confirming that transaction digitisation runs well ahead of broader digital business tool adoption across sectors.

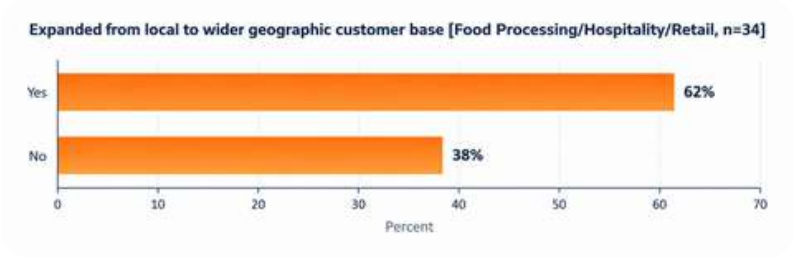
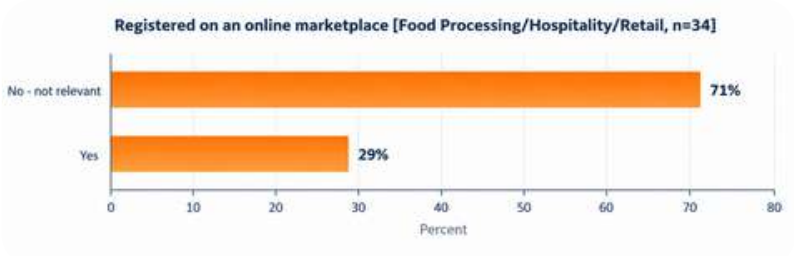


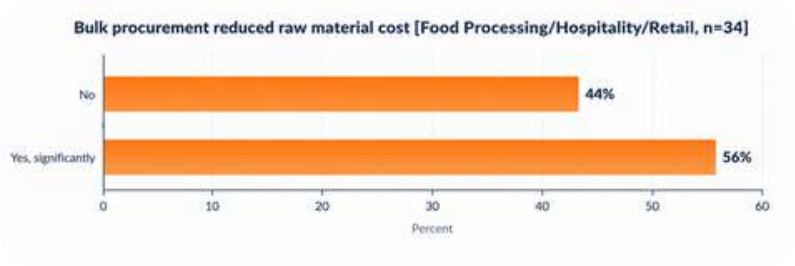
09 Retail & Trading Upgrading

Sector-specific evidence from the Food Processing/Hospitality/Retail sub-group (n=34 of 225)

This sector-specific module in the raw dataset was populated only for respondents tagged Primary Sector = "Food Processing / Hospitality / Retail" (n=34 of 225 in this report group). No equivalent sector-specific module exists in the raw data for respondents tagged purely "Retail" or "Trading" - they are covered by the common modules in Sections 02-09 and 11 only. Findings below describe this 34 - respondent sub-group and should not be read as representative of the full 225 - respondent Retail & Trading group.

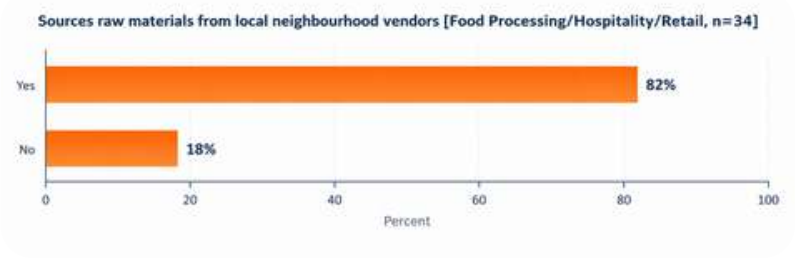


	Insight
 Question: "Has the loan helped you expand from a local to a wider geographic customer base? [Food Processing/Hospitality/Retail only]" | N=34	62% report expanding from a local to a wider geographic customer base.
 Question: "Have you registered on any online platform/marketplace (Swiggy, Zomato, Amazon, Meesho, ONDC)? [Food Processing/Hospitality/Retail only]" | N=34	29% have registered on an online marketplace; 71% consider it not relevant to their business.



Question: "Did the loan help you procure in bulk and reduce raw material costs? [Food Processing/Hospitality/Retail

56% report the loan helped them procure in bulk and significantly reduce raw material costs.



tion: "Do you source raw materials from local neighbourhood vendors? [Food Processing/Hospitality/Retail only]" | N=34

82% continue to source raw materials from local neighbourhood vendors, indicating that formalisation has not displaced local supply relationships.

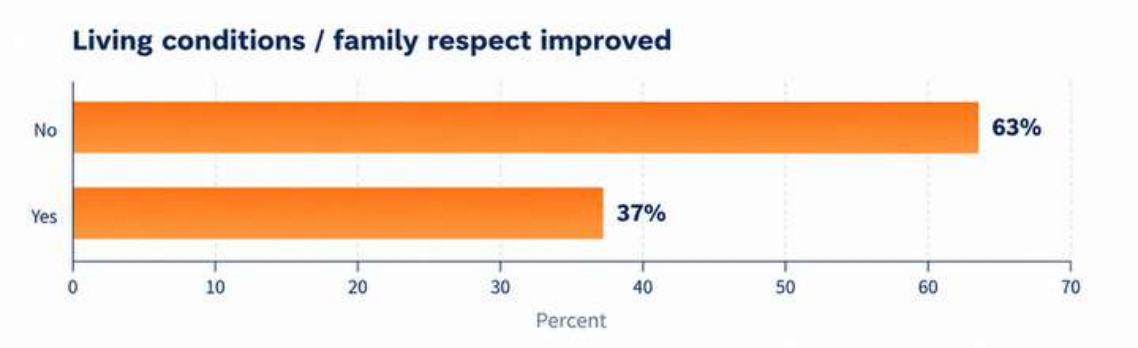


Insight 27.3% have obtained ISO, BIS or FSSAI certification post loan, and a further 33.3% report improved food safety/hygiene standards. 61.3% of this sub group operate in Tier 3 or beyond towns, underlining the reach of embedded finance into smaller markets.



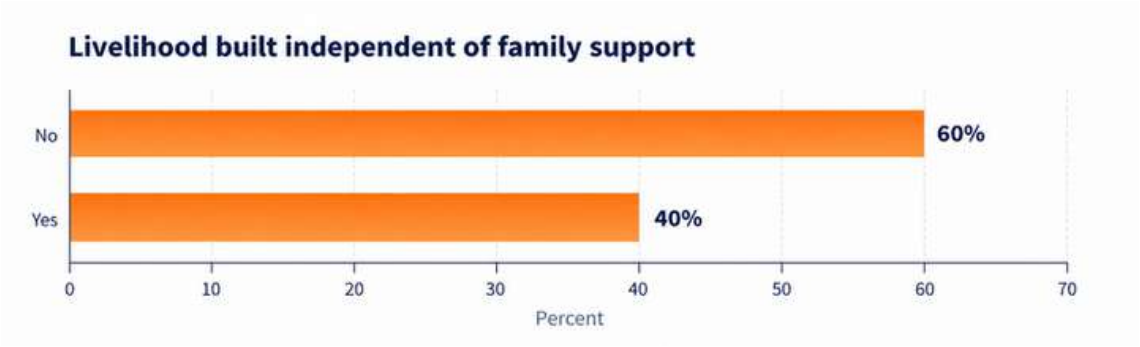
10 Social, Environmental and Sourcing Outcomes

Broader outcomes are emerging, alongside important measurement gaps



Question: "Has the loan improved your living conditions or family respect? (social wellbeing proxy)" | N=225

Insight 37% report improved living conditions or family respect. This is a self-reported social wellbeing proxy rather than a direct household welfare measure.



Question: "Has this loan helped you build a livelihood independent of family support?" | N=225

Insight 40% report that the loan helped them build a livelihood independent of family support.

Sourcing and environmental outcomes below are reported for the Food Processing/Hospitality/Retail sub-group only (n=33-34); no equivalent common module question exists for the wider 225-respondent Retail & Trading group.



Insight 82.4% of the Food Processing/Hospitality/Retail sub group continue to source locally, while only 27.3% report a decrease in per-unit electricity costs suggesting environmental/efficiency gains lag behind the market-access and formalisation gains reported in Section 10.

11 Machinery Finance - Operational Transformation

Product-specific evidence from the machinery-finance subset - an extremely small sample in this sector group

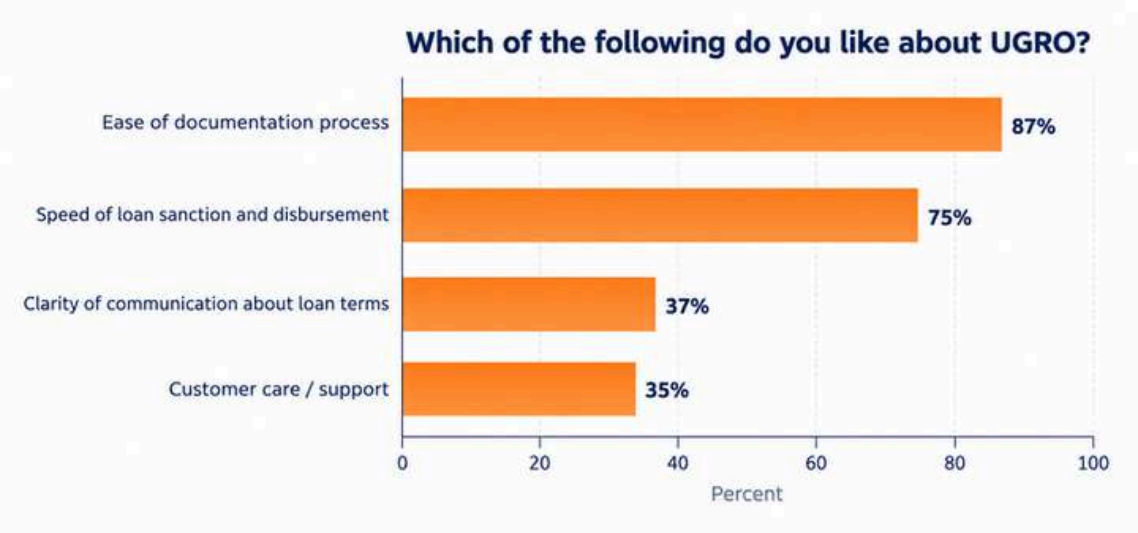


Insight Machinery Finance is a minor product line within Retail & Trading (7 of 225 respondents, vs. 17 of 50 in Manufacturing). Within this very small sample, all machines purchased were new, and 71.4% report a production capacity increase of more than 25%. Unlike Manufacturing, a majority (71.4%) do not report a reduction in per unit production cost. Given N=7, these are illustrative, not statistically robust, findings and should not be generalised to the Retail & Trading portfolio.



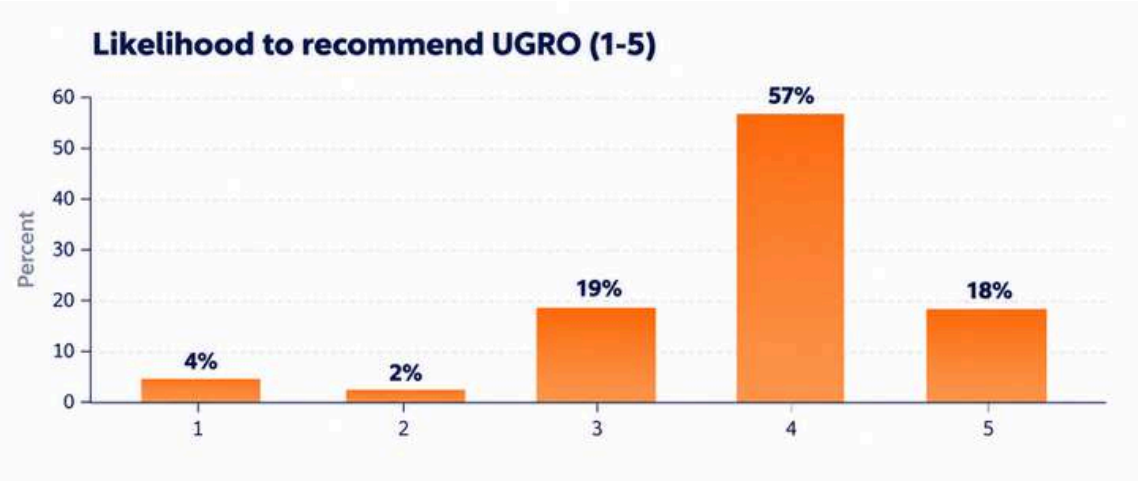
12 Customer Experience and Recommendation

Borrowers place greatest value on a low friction financing journey, echoing Manufacturing



Question: "Which of the following do you like about UGRO? (multi-select)" | N=225

Insight Ease of documentation is the strongest valued aspect at 87.1% - even higher than Manufacturing's 80% - followed by speed of sanction/disbursement at 75.1%.



Question: "How likely are you to recommend UGRO to others? (1-5 scale)" | N=225



Insight The recommendation profile is strongly positive and the best of the three sector groups: 76.4% rate their likelihood to recommend UGRO at 4 or 5, with an average score of 3.86/5.

14 Retail & Trading Impact Pathway

The findings connect financing to business, social and enterprise-level outcomes



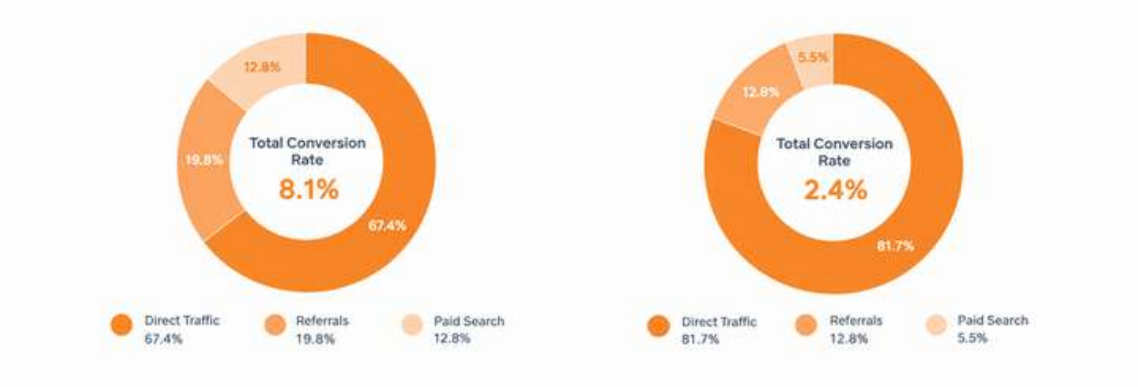


3. Other Sectors

Every percentage in this report is drawn from a total sample of 23 respondents; several sector specific breakouts (Education n=2, Clean Energy n=2) describe individual businesses, not statistically meaningful samples.

01 Who Are the Other Sector Borrowers?

Portfolio composition and respondent context Healthcare, Agriculture, Education and Clean Energy/EV/Water Sanitation combined



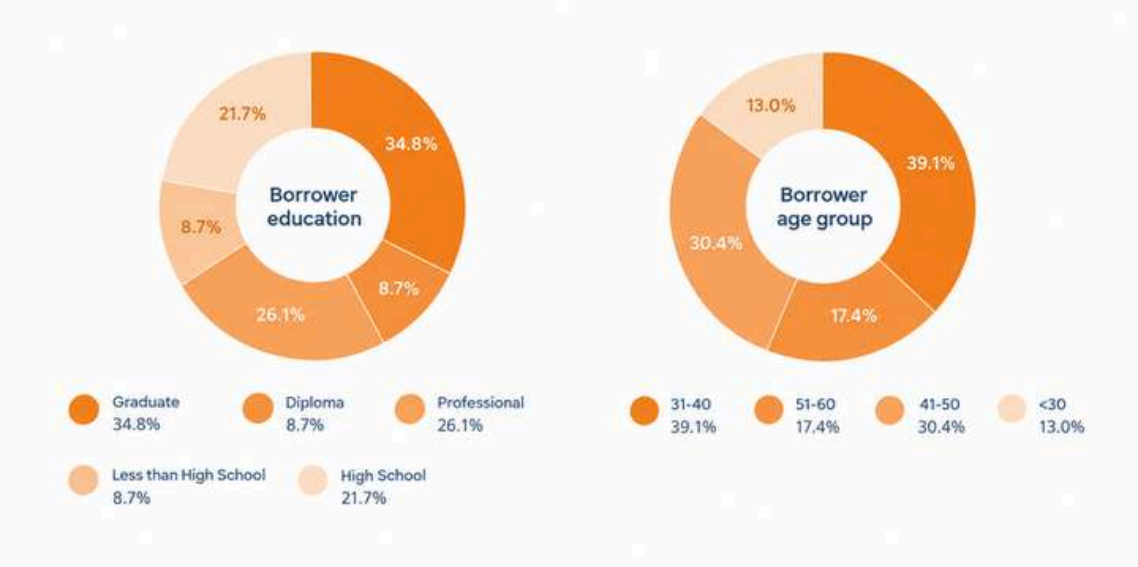
Question: "What is the ownership structure of your business?" | N=23

Question: "What is your role in the business?" | N=23

Insight Two thirds of surveyed businesses are sole proprietorships, making owner led enterprises the dominant structureInsight 78% of surveyed businesses are sole proprietorships, with a notably larger Pvt Ltd share (13%) than the other two sector groups consistent with the more institutional nature of Healthcare and Education businesses..

Insight 91% of respondents are primary owners; the remainder are directors, reflecting the more formal governance structures found in this group.





Question: "What is your highest level of education?" | N=23

Question: "What is your age group?" | N=23

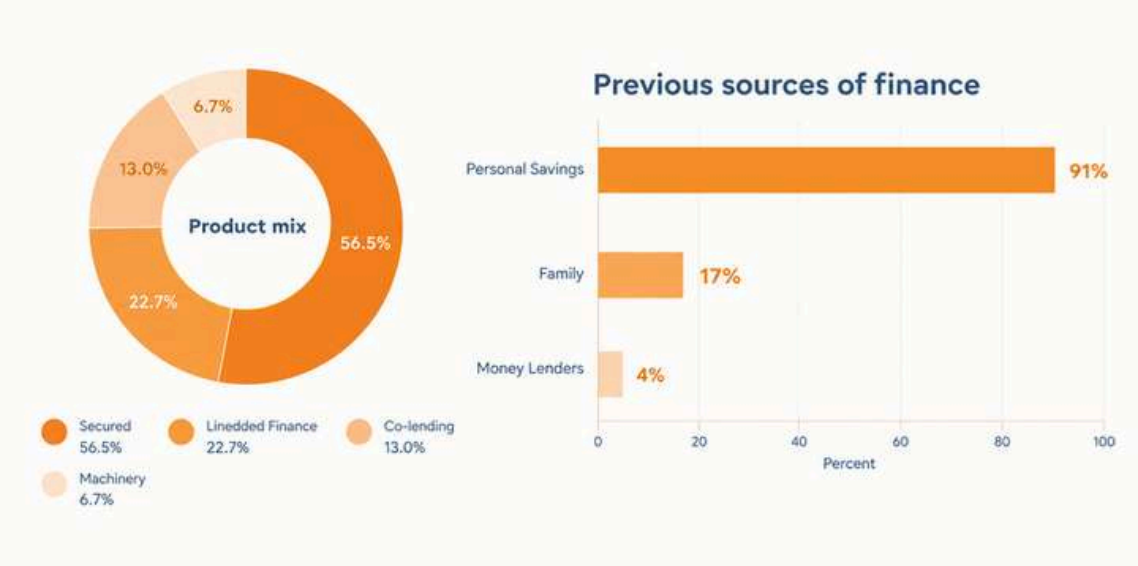
Insight This is the most educated borrower group of the three: 35% are graduates and a further 26% hold professional qualifications, consistent with Healthcare and Education business ownership.

Insight The sample is concentrated among working age entrepreneurs, with 39% between 31 and 40 and none over 60.

02 Access to Finance and Financing Additionality

Secured lending dominates, and this group relies most heavily on personal savings of the three sector groups



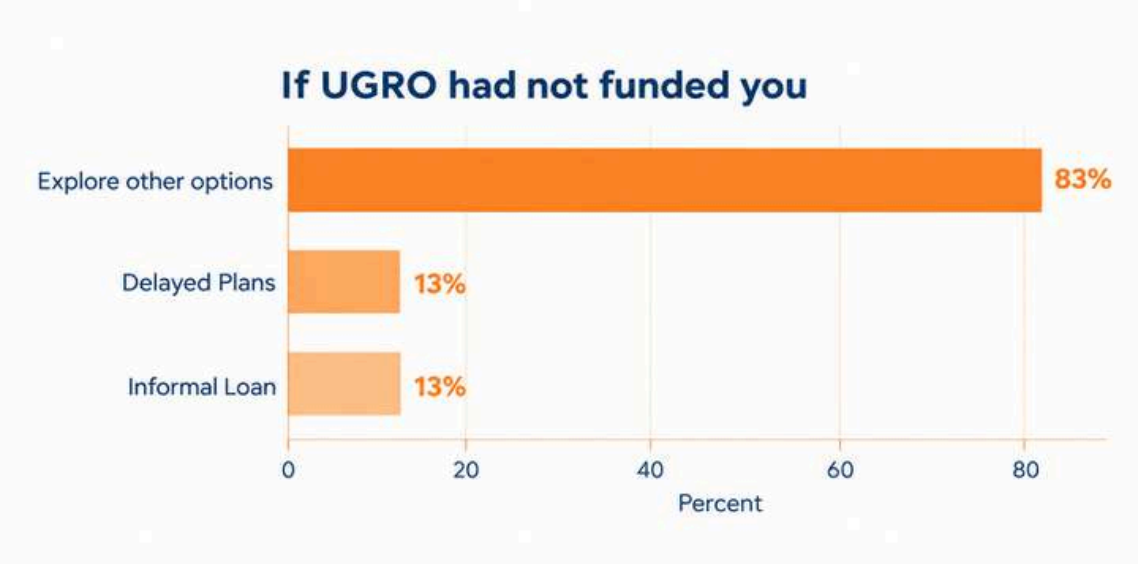


Question: "UGRO Product Type" | N=23

Question: "Before UGRO, how did you fund operations? (multi-select)" | N=23

Insight Secured lending is the dominant product category at 56.5%, closer to Manufacturing's mix than Retail & Trading's embedded-finance-led profile.

Insight Personal savings were overwhelmingly the dominant prior source of finance at 91.3% the highest reliance on savings of the three sector groups - while only 4.3% report having used money lenders.

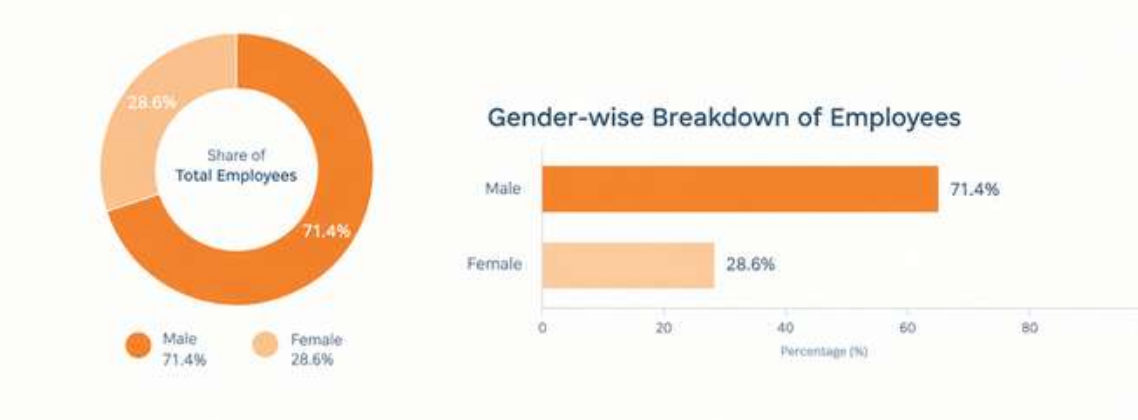


Question: "If UGRO had not funded you, what would you have done? (multi-select)" | N=23

Insight 83% would have explored alternative options, while 13% would have delayed plans and 13% would have considered informal borrowing.

03 From Finance to Productive Investment

Productive investment is the strongest of the three sector groups

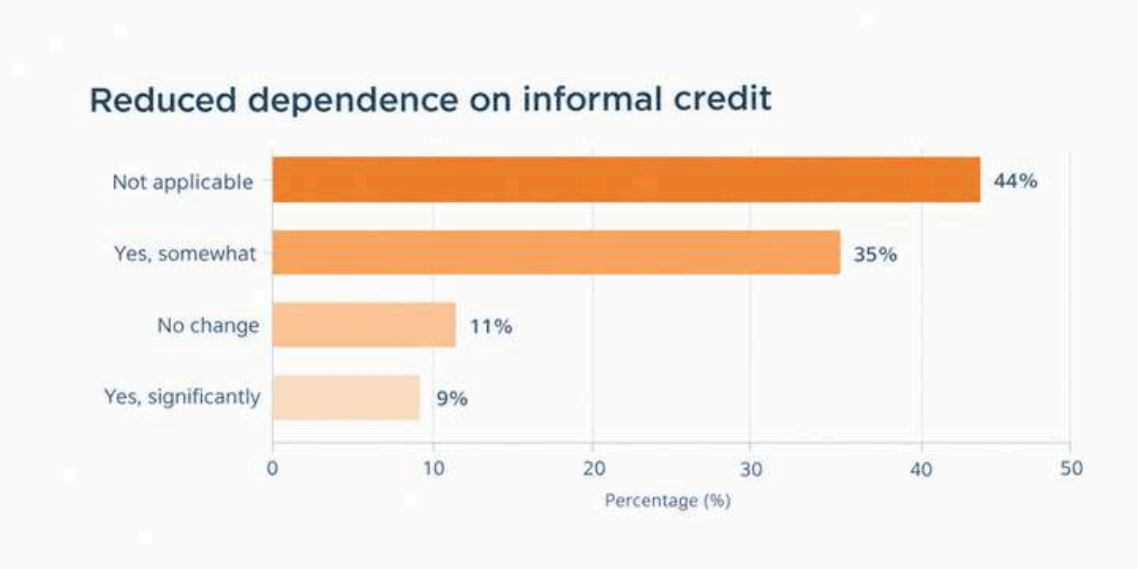


Question: "Has the loan helped you acquire a significant business asset?" | N=23

Insight 61% of businesses report that the loan helped them acquire a significant business asset higher than Retail & Trading (45.8%) and second only to Manufacturing (70%).

Question: "What is your role in the business?" | N=23

Insight 22% report expansion into new units, branches or locations, broadly in line with Retail & Trading.



Question: "Have you reduced dependence on informal sources of credit?" | N=23

Insight 43.5% report some reduction in informal- credit dependence (34.8% somewhat, 8.7% significantly) the highest share of the three sector groups while 43.5% consider the question not applicable.

04 Business Growth : Revenue

The weighted analysis provides a magnitude estimate, while respondent responses show the direction of change
Weighted revenue estimate: approximately ₹17.9 lacs → ₹19.2 lacs average per business/



Question: "What was your approximate annual revenue before taking the loan? / What is your approximate current annual revenue?"| N=23

Insight The revenue distribution shifts upward: the share above ₹20 lakh rises from 39.1% before the loan to 47.8% currently the largest proportional shift of the three sector groups, albeit on a base of 23.

Note: the weighted estimate uses the same band-midpoint methodology applied in the Manufacturing report (closed bands at their midpoint; the open-ended "more than ₹20 lakh" band represented at ₹30 lakh). This reproduces the Manufacturing report & published figures closely but was not separately re-validated against the original weighting workbook recommend a confirmation pass before publication. With N=23, this estimate is especially sensitive to individual respondents and should be read as indicative only.



05 Business Growth : Liquidity

Financial health shows a predominantly stable to positive pattern, the most moderate of the three sector groups



Question: "Has your monthly liquidity improved? (Rate 1 to 5)" | N=23

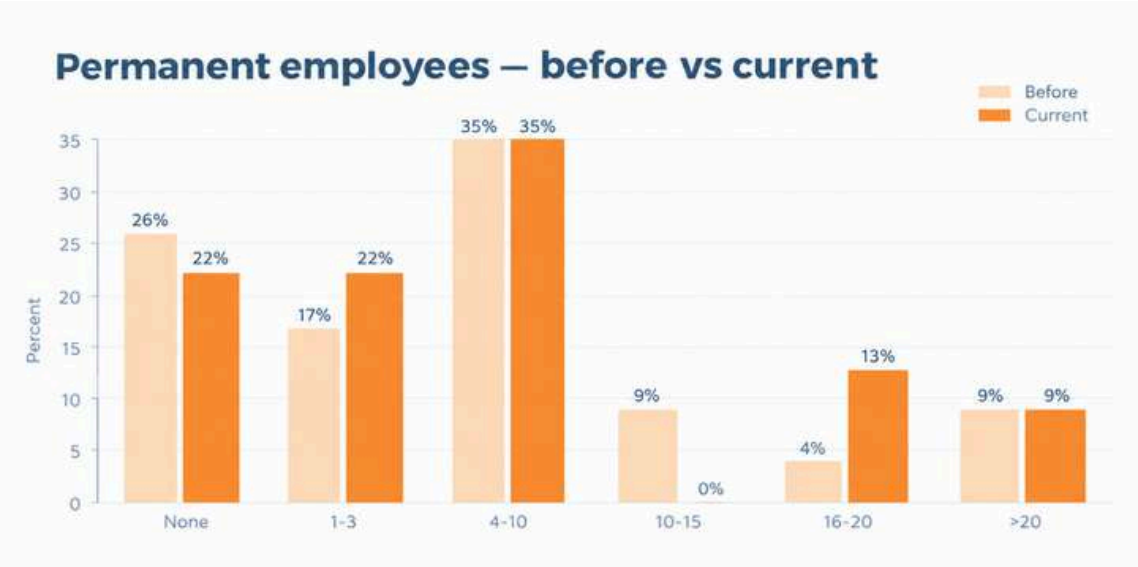
Insight Liquidity outcomes are positive but more moderate than the other sector groups: 52.2% rate their improvement at 4 or 5, while 39.1% report no significant change. No respondent in this group reported the most negative rating (1).





06 Employment Impact

The weighted employee band analysis indicates a measurable increase in the reported workforce



Question: "How many permanent employees did your business have BEFORE the loan? / How many employees are currently employed AFTER the loan?" | N=23

Insight The distribution shows a shift toward larger teams: the '16-20' band grows from 4.3% to 13.0%, while the '0-15' band (8.7% before) has no respondents currently - indicating movement between bands rather than a uniform increase.

Weighted employee estimate: 167 → 180 (aggregate across N=23 respondents)



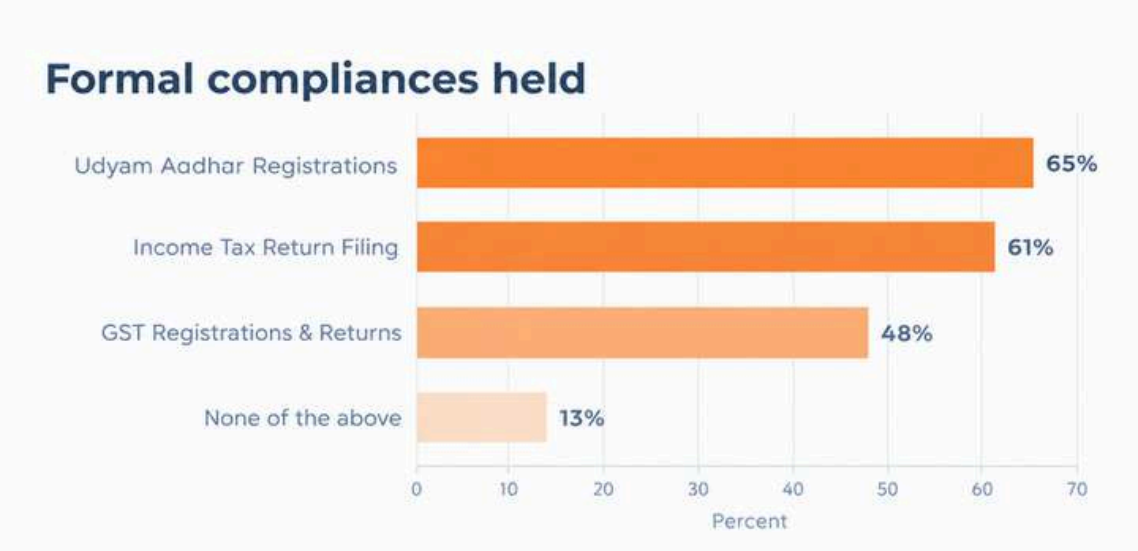
Insight The weighted employee band analysis indicates an approximate 7.8% increase in the reported employee base, from 167 to 180 weighted employees across the 23 surveyed businesses. This is an estimated change within a small sample and should not be extrapolated as portfolio wide job creation.

Note: uses the same band midpoint methodology as the revenue estimate above (see Section 05 note).



07 Formalisation and Digitalisation

Formalisation is high; digital tool adoption is the lowest of the three sector groups



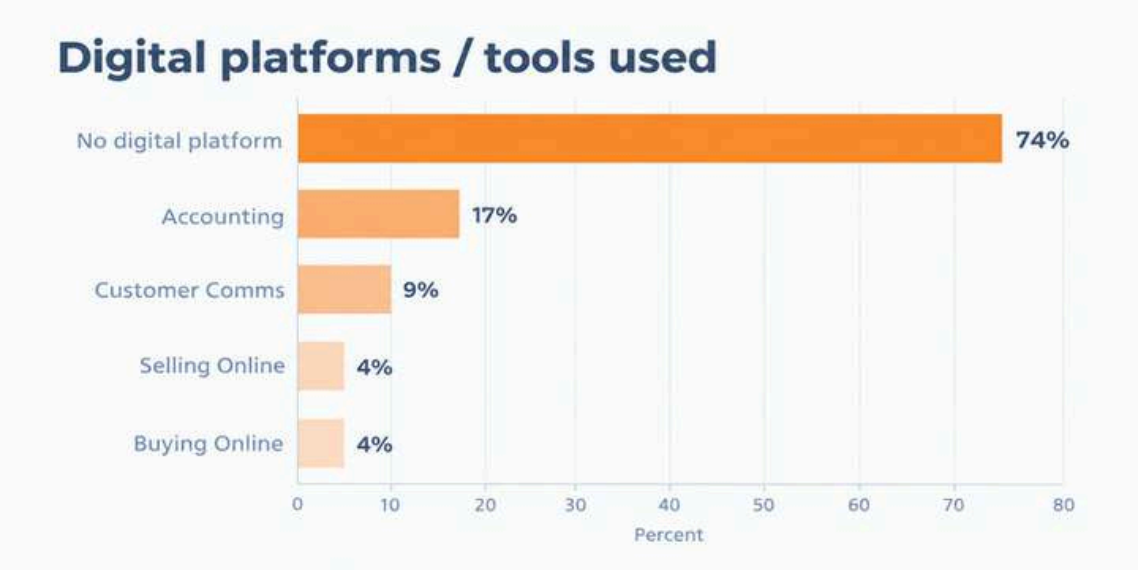
Question: "Which of the following compliances do you have for your business? (multi-select)" | N=23

Insight Formal compliance is widespread: 65% report Udyam registration, 61% income-tax filing and 48% GST a somewhat different mix from Manufacturing, where income-tax filing led.



Insight 87.0% report at least one formal compliance between Manufacturing (96%) and Retail & Trading 80%).



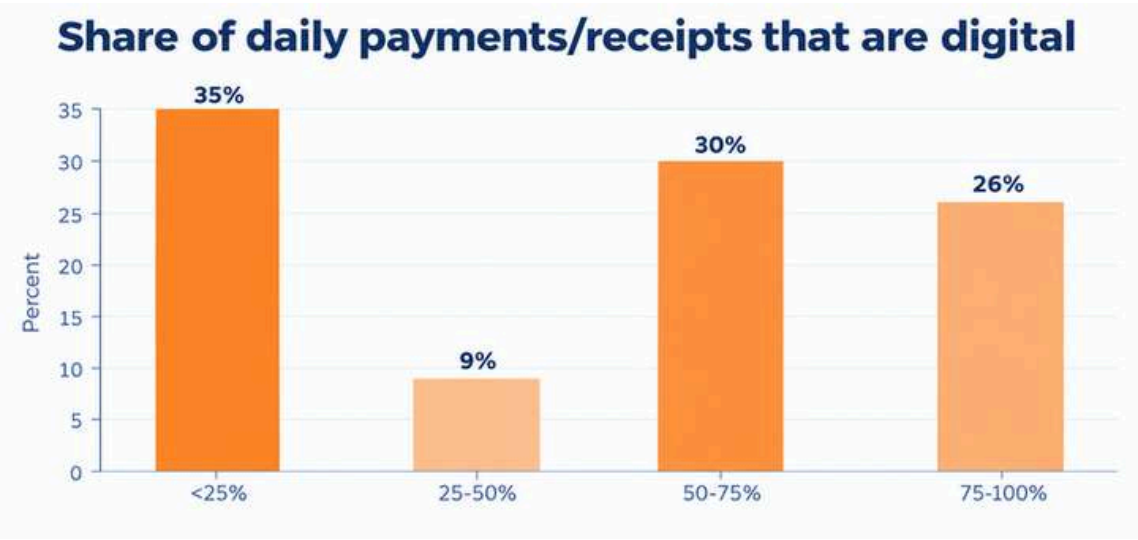


Question: "Which digital platforms/tools do you use? ("No"= no digital platform used; multi-select)" | N=23

Insight Digital business-tool adoption is the lowest of the three sector groups: 74% report no digital platform in use, with accounting tools (17%) the most common application.

08 Digital Transactions

Transaction digitisation is more limited than in the other two sector groups



Question: "Which digital platforms/tools do you use? ("No" = no digital platform used; multi-select)" | N=23

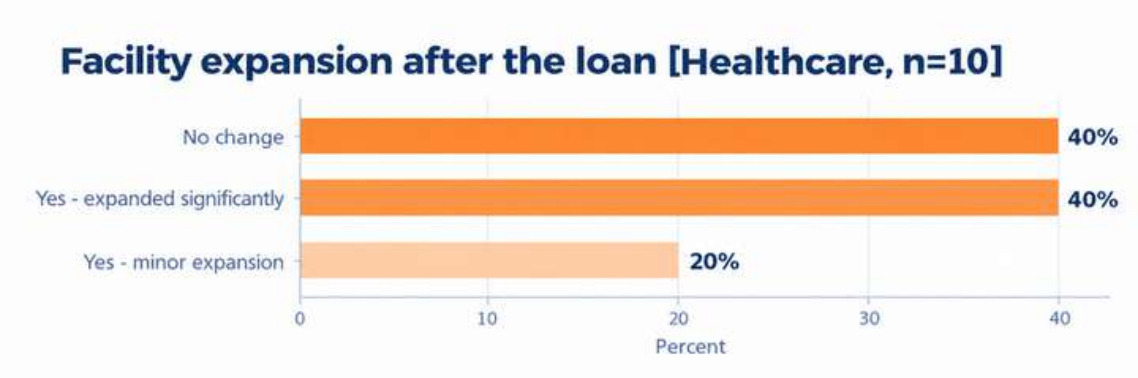
Insight 56.5% report that more than half of their daily payments and receipts are digital - the lowest share of the three sector groups (vs. 74% Manufacturing and 75.1% Retail &Trading), and 34.8% report less than a quarter of transactions are digital.



9 Sector : Specific Outcomes

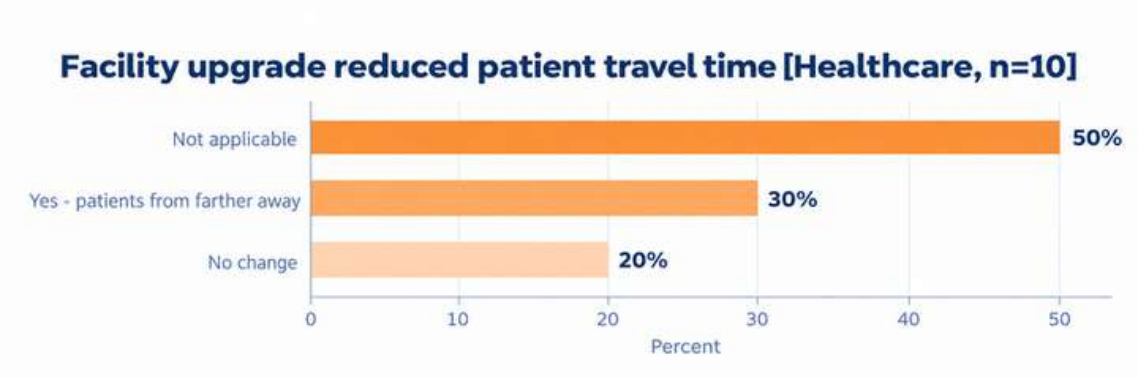
Healthcare, Education, Agriculture and Clean Energy/EV/Water Sanitation each have very different question coverage and sample sizes

Healthcare (n=10)



Question: "Has the loan enabled you to expand your facility (new beds, equipment, services)? [Healthcare only]" | N=10

Insight 60% report some degree of facility expansion (40% significant, 20% minor); 40% report no change.



Question: "Has the facility upgrade reduced patient travel time/distance? [Healthcare only]" | N=10

Insight 30% report patients from farther away are now served; for half the group the question is not applicable.



Data-quality flag: the raw "patients/clients served" field captures a single current value per respondent rather than a clearly paired before/after figure; the average/median above are descriptive only, not a validated before after impact estimate.

Education (n=2) - extremely low sample, illustrative case detail only



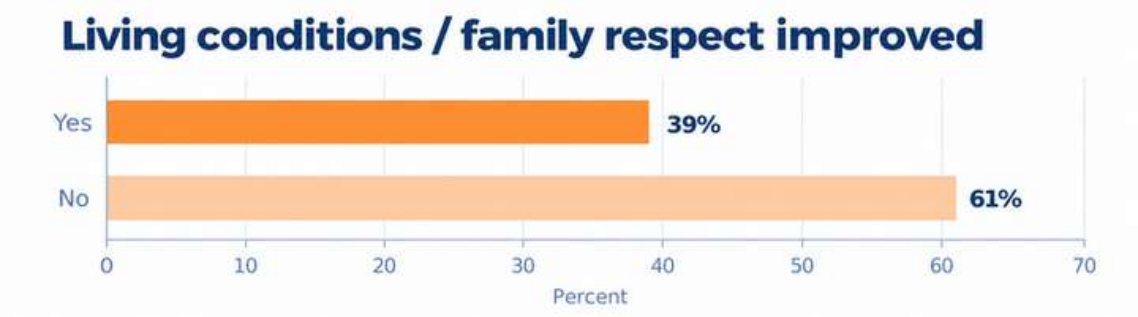
Sample-size caveat: only 2 Education respondents are present in the entire 298 respondent survey. Every figure above describes 2 individual businesses, not a statistically meaningful sample report as illustrative case detail only, never as a percentage based finding.

Agriculture (n=9) and Clean Energy/EV/Water Sanitation (n=2)

No dedicated Agriculture specific question module exists in the raw survey data; Agriculture respondents are covered only by the common modules in Sections 02-09 and 11 above. Only 2 Clean Energy/EV/Water Sanitation respondents exist in the sample, and most sector specific fields were left blank even for them figures are too sparse to summarise and are not reported here.

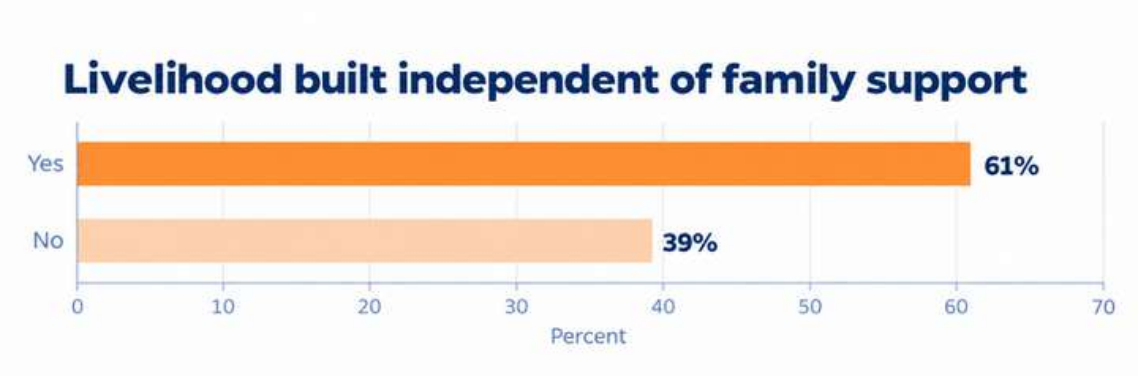
10 Social and Environmental Outcomes

Broader outcomes are emerging, alongside important measurement gaps



Question: "Has the loan improved your living conditions or family respect? (social wellbeing proxy)" | N=23

Insight 39% report improved living conditions or family respect. This is a self-reported social wellbeing proxy rather than a direct household welfare measure.



Question: "Has this loan helped you build a livelihood independent of family support?" | N=23

Insight 61% report that the loan helped them build a livelihood independent of family support - the highest share of the three sector groups.

11 Machinery Finance - Operational Transformation

Product-specific evidence from the machinery-finance subset - an extremely small sample in this sector group

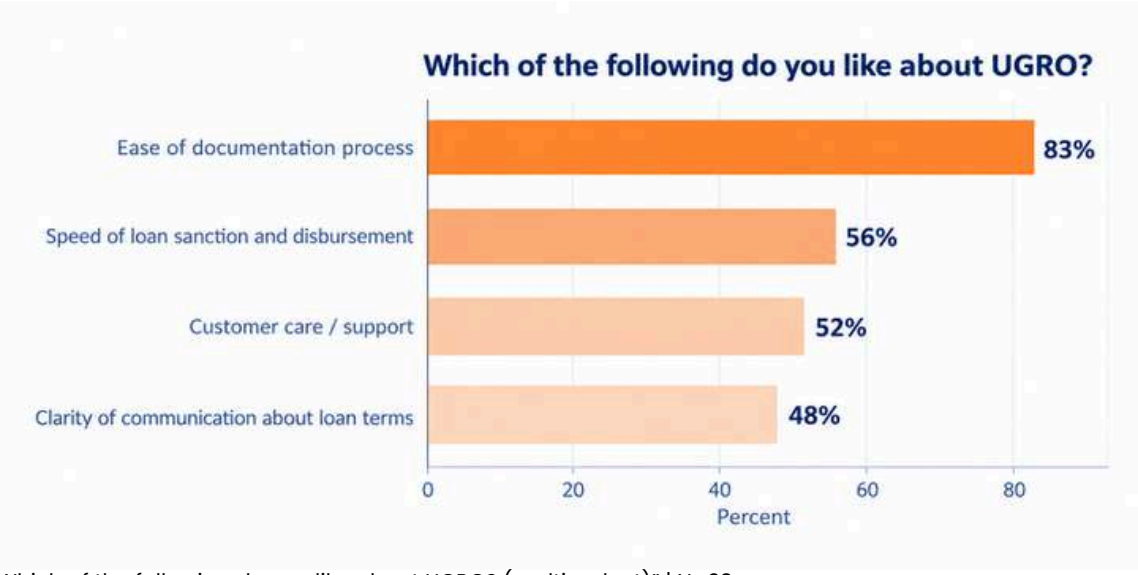


Insight Machinery Finance is used by only 2 of the 23 Other Sector respondents. Both report new machinery, increased production capacity, lower per unit cost and improved energy efficiency. With N=2, this describes two individual businesses and carries no statistical weight it should be read as anecdotal, not representative, evidence.



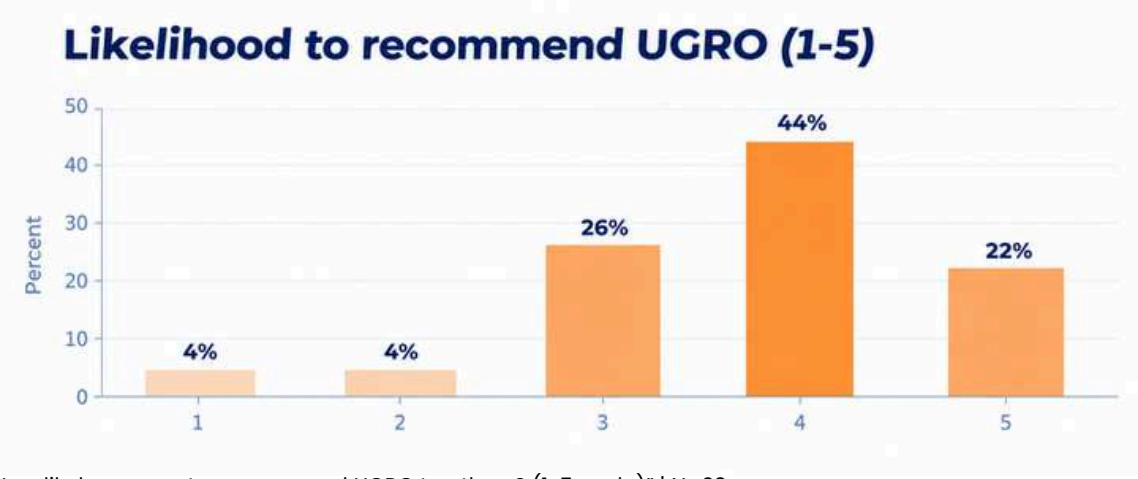
12 Customer Experience and Recommendation

Borrowers value documentation ease most, consistent with the other sector groups



Question: "Which of the following do you like about UGRO? (multi-select)" | N=23

Insight Ease of documentation is the strongest valued aspect at 82.6%, followed by speed of sanction/disbursement at 56.5% and customer care/support at 52.2% - the highest rating for customer care of the three sector groups.



Question: "How likely are you to recommend UGRO to others? (1-5 scale)" | N=23

Insight The recommendation profile is positive but the most moderate of the three sector groups: 65.2% rate their likelihood to recommend UGRO at 4 or 5, with an average score of 3.74/5.



13 Other Sector Impact Pathway

The findings connect financing to business, social and enterprise level outcomes, on a small and diverse sample



Given the small and heterogeneous base (n=23, spanning four distinct sub-sectors), every figure in this pathway should be read as directional and illustrative rather than statistically representative of UGROs Other Sector portfolio as a whole.



Email: info@ugrocapital.com | esg@ugrocapital.com

Contact: 1800-202-8476

Registered Address: Unit No. B-17, 4th Floor, Art Guild House,
Phoenix Market City Mall, LBS Marg, Kurla (W),
Maharashtra - 400070 CIN: L67120MH1993PLC070739

Follow us on: @ugrocapital

Email: growth@impactree.ai | rajashri@impactree.ai

Contact: +91 70212 10549

Registered Address: 8th Floor, Eastern Wing,
Polyhose Towers, 86, Anna Salai, Guindy, Chennai,
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