

 Early Warning System

DFC-2024-UGROCAPITALLI

Ugro Capital Limited



Quick Facts

Countries	India
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	UGRO Capital Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Project Cost (USD)	\$ 48.00 million



Project Description

According to the Bank's website, the project consists of a \$40 million secured loan to an India-based non-bank financial company (NBFC) for on-lending to micro, small, and medium enterprises (MSMEs). At least \$5 million (12.5%) of the DFC loan proceeds will be used to provide loans to new-to-credit (NTC) borrowers requesting micro loans. At least \$28 million (70%) of the proceeds of the DFC loan will be used to provide loans to 2X qualifying borrowers.

The Project seeks to support NTC, MSMEs, and women-owned/led MSMEs by increasing financing to these client segments in India. Specifically, the Project will allocate at least \$5 million to NTC borrowers to support their transition from group lending from MFIs to NBFCs to build their individual credit scores. Additionally, the Project will support women entrepreneurship by allocating at least 70% to women-owned/led enterprises.



Early Warning System Project Analysis

DFC loans to non-banking financial institutions for the expansion of its loan portfolio which service micro- small- and medium enterprises (“MSME”) across various sectors in India are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.



Investment Description

- US International Development Finance Corporation (DFC)

A seven-year, \$40 million direct loan.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [UGRO Capital Limited](#) (Financial Intermediary)



Private Actors Description

UGRO Capital Limited is a DataTech Non-Banking Finance Company (NBFC), specializing in MSME and Small Business Financing.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)