

Ujjivan Small Finance Bank ventures into Supply Chain Finance through Fintech Partnership

April xx 2021, Bengaluru: Ujjivan Small Finance Bank today announced its collaboration with fintech partner, Desiderata Impact Ventures Private Limited (Progcap) for end-to-end digitized invoice based financing services and repayments for loan applications received from Micro, Small and Medium Enterprise (MSME) units seeking small tenor working capital for their businesses. With this partnership Ujjivan SFB has ventured into a new avenue of lending namely Supply Chain Finance through which the Bank will fund dealers and sub-dealers against purchases made from recognized brands through short term overdraft facility. The entire lending process, right from the lead generation, lead screening, loan sanctioning, document execution and customer on-boarding and repayments has been digitized through Progcap's data-driven tech platform.

Commenting on the development, Mr. Rajiv Kumar Pathak, Business Head – Medium and Small Enterprise, Ujjivan Small Finance Bank said, "This is a win-win arrangement for all stake holders in the MSME business ecosystem i.e. bank, fintech partner, buyers and suppliers. The customer gets working capital in the form of supply chain finance against the invoices raised along with freedom to clear dues with regular cash flow. Digital on-boarding gives us an access to larger geography where we don't have direct reach through USFB branch network."

Mr Dheemant Thacker, Head - Digital Banking, Ujjivan Small Finance Bank said, "Driving business through fintech partnerships using Ujjivan Small Finance Bank's full-stack API Banking platform is at the core of our digital strategy. With our first such partnership in the SME space - Progcap, we are able to offer fully digital, innovative lending services to small businesses and partner with them in their growth. In a short period of time, we have been able to offer supply chain financing to a significant number of businesses and will continue to ramp up our efforts to support these businesses as they battle the uncertainties of the current pandemic."

Progcap, through its last mile technology platform and mobile application, assists MSME customers to instantly apply for this line of credit through Ujjivan Small Finance Bank, track their transactions and make repayments digitally. Ujjivan SFB aims to provide financial access to those customers who typically face challenge in raising immediate funds for their working capital requirement.

Ms. Pallavi Shrivastava, Co-Founder, Progcap said, "Supporting MSMEs linked with large corporates is core to what we do at Progcap. We are excited to partner with Ujjivan Bank in this journey. Combined with Progcap's industry first product that uses heavy data driven underwriting and Ujjivan's digital first approach, we aim to offer this product to a large number of underserved MSMEs. Progcap is working with similar technology driven lending partners in furthering its mission to support millions of small businesses access credit for the first time."

About Ujjivan Small Finance Bank Limited

Ujjivan Small Finance Bank Limited is a wholly owned subsidiary of Ujjivan Financial Services Ltd. The bank commenced operations as a Small Finance Bank with effect from February 1, 2017 post transfer of business undertaking by Ujjivan Financial Services Ltd. The Reserve Bank has issued a licence to the bank under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of small finance bank in India. Ujjivan Small Finance Bank Ltd. is also included in the Second Schedule to the Reserve Bank of India Act, 1934.

About Progcap

Progcap(Desiderata Impact Ventures Private Limited) founded in 2017 is a mission-driven, inclusive financing technology firm that envision to broaden financial opportunities for micro and small businesses in the last mile, by providing them access to customized financing solutions and digitizing their supply chain. Progcap uses a mix of technology and its unique delivery model to underwrite credit and thus provide the under banked semi – urban and rural retailers in India access to flexible, collateral free working capital. The brand aims at empowering these customers by providing them affordable and timely credit leveraging world-class technology.