

Northern Arc Capital partners with udaanCapital partners to facilitate disbursement of credit to over 50,000 kiranas / retailers on the udaan platform

- **udaanCapital, through its lender partners, currently enables disbursement of over ₹ 8000 crores of credit per annum**
- **This benefits over 1.5 lakh kiranas/retailers transacting on the udaan platform across Bharat, and catalyses kirana commerce**
- **Northern Arc offers digital, and data driven credit solutions to the underserved households and businesses directly and through partnerships**

Chennai, April 26, 2022: udaanCapital, one of India's leading fintech players, today announced that it had partnered with Northern Arc Capital Limited and facilitated disbursement of credit to over 50,000 kiranas & small retailers.

udaanCapital enables such retailers to make purchases for their stores from a wide array of suppliers on the udaan platform with credit lines provided by its lender partners. Thereby udaanCapital also catalyses kirana commerce on the udaan platform. Today, more than a third of sales on udaan, India's largest B2B commerce platform, is powered by udaanCapital.

udaanCapital currently facilitates disbursement of over ₹ 8000 crores of credit per annum to over 1.5 lakh kiranas/small businesses across the country. The credit limits offered range from ₹ 10,000 to ₹ 25 lakhs and the credit tenures offered are short term.

Chaitanya Adapa, Head – udaanCapital said, "Our mission has been to empower and drive Kirana eCommerce by providing formal credit to the small retailers of our country. We have always believed that the right solution to closing the working capital gap in small retailers lies in taking a trade-centric view to risk management - and just as importantly helping our lender partners take a similar view. In Northern Arc we found a like-minded partner, who shared our vision and came onboard at a very early stage. I am very happy to see our partnership hit this milestone of putting productive capital in the hands of 50,000 small businesses"

Northern Arc is a financial services platform with a diversified business model that provides credit to MSMEs, households, financial institutions and emerging businesses. Over the past year, it has disbursed over 5 million loans across business loans, personal loans and BNPL facilities, through a completely digital journey. By leveraging its data insights & scorecards, Northern Arc has cumulatively raised over INR One Trillion in funds for its clients since the inception of its platform in 2009. Through the Altifi platform, it offers fixed income investments for individual retail investors. Along with its asset management subsidiary that manages seven AIFs, the company manages a total AUM of over INR 9,000 crore. It is backed by marquee equity investors like Sumitomo Mitsui Banking Corporation, LeapFrog, IIFL, Accion, Augusta Investments (known as Affirma Capital), Dvara Trust and Eight Roads.

Speaking about this partnership, **Ashish Mehrotra, MD & CEO, Northern Arc Capital** said, "At Northern Arc, we aim to be pioneers in finding innovative solutions to enable finance for MSMEs and the next billion households. We do this directly and through exciting partners like udaan. Nimbus, our digital platform helps us integrate seamlessly with partners, ensuring instantaneous disbursements and best in-class experience for borrowers. We are delighted to have joined forces with udaanCapital since their early days and meeting the credit needs of over 50,000 kirana stores across the country."

About Northern Arc

Northern Arc Capital Limited is a platform in the financial services sector in India. Through technology and data, it provides a diverse set of solutions to cater to the credit requirements of emerging segments and small businesses. Its business model is diversified across offerings, sectors, products, geographies, and borrower segments.

Northern Arc has cumulatively raised over INR One Trillion in funds for its clients since the inception of its platform in 2009. Northern Arc's exposure was spread across 657 districts in 28 states and 7 Union Territories in India, as on March 31, 2021. It has disbursed a total of over 6 million loans to retail customers across individuals, households and small businesses.

It is backed by marquee private equity players like LeapFrog, IIFL, Accion, Augusta Investments (known as Affirma Capital), Dvara Trust, Eight Roads and Sumitomo Mitsui Banking Corporation.

Disclaimer:

Northern Arc Capital Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares ("Offer") and has filed a Draft Red Herring Prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of the SEBI at www.sebi.gov.in, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com and the respective websites of the book running lead managers to the Offer at www.axiscapital.co.in, www.credit-suisse.com, www.iiflcap.com and www.sbcaps.com. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP which may be filed with the Registrar of Companies in the future, including the section titled "Risk Factors". Potential investors should not rely on the DRHP filed with the SEBI in making any investment decision." The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are U.S. QIBs that are also QPs acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S.

Investment Company Act, and (ii) outside the United States, to non-U.S. persons in reliance on Regulation S. There will be no public offering of the Equity Shares in the United States.

About udaanCapital

udaanCapital is a fintech focused on addressing working capital needs of small businesses.

India has millions of small kiranas / retailers who serve the consumption needs of their neighbourhood. These retailers need working capital to purchase and stock inventory. However, working capital financing from banks and NBFCs is hard to come by for this segment.

udaanCapital leverages udaan's logistics and sales network, and has built strong collections capabilities required to effectively service this segment. Further, udaanCapital has developed unique underwriting and risk management tools based on transactional data, thereby enabling credit access even for new-to-credit MSMEs. CreditBuy - its invoice financing product is deeply integrated into the sales, ordering and delivery workflows on the udaan platform.

To power this service, udaanCapital partners with various banking and NBFC partners, and provides them a with full stack of services - including collections, proprietary risk assessment and end-points for tech integration - enabling lender partners to safely deploy their capital into end-use controlled MSME credit lines with minimal upfront investments. udaanCapital also works closely with - Hiveloop Capital Private Limited - an investment grade rated NBFC of the udaan group, to drive innovation and bring new products to its customers.

Consequently, retailers get much easier access to formal credit to make trade purchases, while also building their credit histories.

About udaan:

Founded in 2016 with a vision to transform the trade ecosystem and empower small businesses by leveraging technology, udaan is India's largest b2b eCommerce platform. It has operations across categories including lifestyle, electronics, home & kitchen, staples, fruits & vegetables, FMCG, pharma, toys and general merchandise. udaan has over 3 million retailers and 30,000 sellers on the platform across the country. The platform enables supply chain & logistics operations, focused on b2b trade and built on strong technology, for daily delivery across 1000+ cities and 12,000+ pin codes through udaanExpress. udaan enables financial products and services to small businesses, manufacturers, and retailers through udaanCapital to grow their business.

udaan is headquartered in Bangalore with offices in all leading metros and major cities across India.