

Prest Loans and U GRO Capital Join Hands to Solve the MSME Credit Gap in Tier 3 and 4 Cities

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Prest Loans will use its Credit Scoring tool to enable quick turnaround to disburse Rs. 100 crores to micro enterprises within one year

New Delhi, Delhi, India (NewsVoir)

Delhi based, MSME focused, digital lender Prest Loans (www.prestloans.com) has signed up a strategic alliance agreement with Mumbai based U GRO Capital (www.ugrocapital.com), a BSE listed technology enabled NBFC, to provide secured business loans to Micro SME business units. Under this arrangement Prest Loans shall offer U GRO Capital's 'GRO Micro' product to its small businesses and MSME customers in tier 3 and tier 4 cities who lack the access to formal credit at affordable price without requirement of too many documents.

Prest Loans has built the required experience, knowledge and technology to handle small ticket collateral-based loans to businesses without needing complex financial documents like GST returns, ITR or audited financials etc. It shall expand its operations in Rajasthan, Madhya Pradesh (MP) and Gujarat for these loans where the demand is rising post COVID as the economy bounces back and businesses are gradually returning to normal. Businesses in specific segments like groceries, pharma, dairy and fruits & vegetables etc. which have generally not been impacted by lock-down need funds quickly to grow. The partnership aims to cater to this unmet need and thus unlock the growth potential for these businesses.

The underwriting for this specially designed and customized product shall be done as per the 'Prest Score' algorithm developed by Prest, it takes into account and gives weightage to non-financial parameters like family and social information to assess 'intention to pay' of the borrower along with ability to pay.

Mr. Ashok Mittal, CEO, Prest Loans said, "We are delighted with our alliance with U GRO Capital as this will help us to increase our presence and expand the reach to offer this collateral based, small ticket MSME loans to our customers who are in dire need of funds at this point of time to grow their business."

"There is lot of synergy, philosophical match between both entities which will help us to serve the most deserving and underserved businesses in smaller towns across the country," Mr. Mittal added.

Prest Loans has already been focused and created this niche product to offer small ticket secured business and MSME loans through tech enabled platform offering collateral based financing support to businesses.

Mr. Shachindra Nath, Executive Chairman and Managing Director, U GRO Capital said, "U GRO Capital is built on the philosophy of 'solving the unsolved credit gap' of small businesses. Our 'GRO Micro' business was started with a view to reach out to the unserved and underserved small businesses in the remotest locations across the country. The partnership with Prest Loans in another step in the direction to achieve our vision. It is heartening to share the technology-led philosophy and this alliance will sit perfectly under our 'GRO - Xstream' platform which enables co-lending partnership with like-minded financial institutions. We look forward to nurturing our partnership to create an on-ground impact and are confident that this initiative will support the Government's 'Atmanirbhar Bharat' program."

#MSME #NBFC #Fintech #Loans #Business #BusinessLoans #RBI #Prestloans

Video Link: youtu.be/UfnqqDeA7Y.

Image 1: Prest Loans and U GRO signing the alliance agreement

Image 2: L to R: Mr. Shachindra Nath, MD, U GRO Capital and Mr. Ashok Mittal, Founder & CEO, Prest Loans

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(This story has not been edited by THE WEEK and is auto-generated from PTI)