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## Avendus Capital advises NeoGrowth on its Rs 300 Crores fundraise led by LeapFrog Investments with participation from existing investors

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Mumbai, January 24, 2018

NeoGrowth Credit Pvt. Ltd. has raised Rs. 300 Crores as equity capital from LeapFrog Investments and existing investors Aspada Investment Company and Quona Capital, through Accion Frontier Inclusion Fund.

### **Avendus Capital was the exclusive financial advisor to NeoGrowth's equity round.**

Founded by Dhruv Khaitan and Piyush Khaitan, NeoGrowth, after starting its operations from Mumbai in 2012, has expanded to 21 major cities of India. Commenting on the transaction, **Piyush Khaitan** said, "India's digital lending space is experiencing massive growth, providing unprecedented opportunity for NeoGrowth to apply its pioneering technology approach to enable loans for a rapidly expanding SMB merchant segment."

Financing of small and medium enterprises in the retailer ecosystem is a large under-served opportunity with 85% MSMEs relying on self-finance and financing from non-institutional sources. India has ~6 Mn retailers with a potential financing opportunity of ~INR 3 Tn. NeoGrowth addresses this segment's requirements using its "data-driven" platform to provide loans to merchants against their future card sales. The emphasis on analytics driven underwriting and technology enabled repayment has helped NeoGrowth achieve scale and expand its customer base across India. Growth in digital payments and GST implementation are expected to further increase the addressable market by making more data available.

Commenting on the deal, **Abha Agarwal, Director at Avendus Capital** said, "We have known the promoters (Khaitans) for more than a decade now (from their Venture Infotek days) and have been impressed with their vision and foresight in creating new market leading business opportunities. Leveraging high frequency transaction and collections data for portfolio tracking, gives a strong edge to the NeoGrowth business model vis-a-vis traditional SME lenders. Investment by Leapfrog along with additional infusion by existing investors will enable the company to scale further and help accelerate market expansion."

#### **NEWS RELEASE**

Release Date: January 24, 2018  
Contact: Sunita Pendse  
Tel: +91 22 6648 0044  
Email: [sunita.pendse@avendus.com](mailto:sunita.pendse@avendus.com)

#### **Avendus Capital**

Mumbai, Delhi, Bangalore, Kolkata, New York, London  
*Regd. Office:* The IL&FS Financial Centre, 6th Floor,  
C & D Quadrant, Bandra-Kurla Complex, Bandra (E),  
Mumbai-400 051, India



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