



Aventus Capital advises Ummeed Housing Finance on its Series D fund raise led by Morgan Stanley Asia and existing shareholder LGT Lightstone Aspada

Mumbai, February 27, 2020

Gurgaon based affordable housing finance company Ummeed Housing Finance Private Limited (UHFL) has raised INR 164 crores (USD 23.5 million) in a Series D equity round led by a fund managed by global investor Morgan Stanley Private Equity Asia, which acquired a minority stake in the company.

Existing investor LGT Lightstone Aspada also participated in the round. This equity round comes on the back of the USD 10 million equity raised in September 2018.

Aventus Capital was the exclusive financial advisor to Ummeed on this transaction.

Ummeed Housing began its journey in 2016 and caters to the informal and the low-income segment predominantly in Tier II and Tier III towns and operates through 26 hubs in Rajasthan, Haryana, Delhi NCR and Uttar Pradesh. The company has built out a fully digitized loan approval and disbursement process, which allows for a quick turnaround of customer requests. While the company's primary focus continues to be on the housing loan segment, it also offers secured business loans to the MSME sector. The company's loan offering comprises of a ticket size ranging from INR 3 lac to INR 50 lac for home purchase, home construction, home renovation, loan against property and business loans.

The company has successfully tapped a diversified mix of lenders which includes domestic and foreign Banks and Financial Institutions.

Speaking about the transaction, Ashutosh Sharma, Founder & MD, Ummeed Housing Finance, said, "This round of fundraising gives us clear visibility on the equity front before entering the next financial year. We will use these proceeds to further expand in new geographies and continue to strengthen our technology platform, with a focus on building state-of-the-art underwriting practices. Given the participation from larger growth equity investors, the company will look to aggressively double Asset Under Management (AUM) to INR 1,000 crore over the next 12-18 months"

Nirav Mehta, Managing Director, Morgan Stanley Private Equity Asia, said, "Affordable housing finance presents a large untapped opportunity, which Ummeed intends to address through its scalable operating model built with the right blend of technology, people and processes. We are excited to partner with UHFL in its next phase of growth."

DEAL RELEASE

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Commenting on the fundraising, Kartik Srivastava, Managing Partner at LGT Lightstone Aspada and a current Board member at UHFL, said, “We are excited to welcome Morgan Stanley Private Equity Asia as an investor in Ummeed. We believe that this investment is a strong testament to the company’s robust operating model and focus on asset quality and will help Ummeed scale as a distinctive player in the affordable housing finance space.”

Commenting on the deal, **Anshul Agarwal, Executive Director and Co-head of Consumer, FIG & Business Services, Avendus Capital** said, “With an experienced management team to boot, Ummeed has a very clear strategy in place. The company follows a highly customer-centric business model and the cutting-edge tech-enabled processes have allowed Ummeed to service customers at the “bottom of the pyramid” with one of the best turnaround times in the industry. With this round of capital infusion from marquee investors, the company is well positioned to grow further by adopting the “Retail Bharat” theme and become the lender of choice in the affordable housing finance and MSME space.”

About Avendus

Avendus Group is a leading financial services firm with presence in the areas of Investment Banking, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in class track record of domestic and cross-border transactions. Avendus’s wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large sized transactions, and M&A advisory.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

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