

Avendus Capital advises Vegrow on its USD 46 million funding round

Mumbai, December 13, 2023

Avendus Capital acted as the exclusive financial advisor to Vegrow, India's leading B2B fruits marketplace, on its USD 46 million primary and secondary fundraise. The series C round is led by GIC, Singapore's sovereign wealth fund, with significant participation from existing investor, Prosus Ventures, and continued support from Matrix Partners India, Elevation Capital, and Lightspeed.

Vegrow has established a strong presence in the fruits segment in India, which is a large, unorganized market that is poised for tech-led disruption due to its fragmented and localized operational structure and is characterized by the involvement of multiple intermediaries facilitating transactions. Vegrow's competitive advantage is the depth of its multi-channel demand stack and its use of technology for demand-supply matchmaking. The company maximizes farmers' income by accurately grading produce and efficiently matching it with the most suitable demand channel. This creates a virtuous cycle, attracting more farmers through competitive pricing as well as more buyers, who seek consistency in both price and quality.

Praneeth Kumar, Co-founder of Vegrow said, "Vegrow is the fastest agri-tech company to build a national presence, having done this within three years of its inception. Typically, it takes double the time to achieve this scale of operations."

The company's strategy marks a significant advancement in the efficiency and reliability of the fruit ecosystem. Over the past year, Vegrow has experienced a remarkable fivefold increase in revenue and achieved operational profitability.

Mrudhukar Batchu, Co-founder of Vegrow said, "At Vegrow, we distinguish ourselves from conventional operations by creating an organizational ethos centered on agility and experimentation. Through the extensive utilization of data and technology, we provide valuable insights and optimize supply chain challenges, such as reducing perishable inventory wastage to only one-fourth of industry average, and consistently achieving industry-leading profit margins."

Shobhit Jain, Co-founder of Vegrow said, "Vegrow is committed to making a positive impact for both farmers and the planet. Our ambition is to establish ourselves as the undisputed leader in every fruit category, ensuring transparency and higher income for farmers, while also reducing carbon consumption through supply chain optimization. We are grateful for the continued support from our existing investors. As we focus on long-term institutional development and enhancing value for all stakeholders, we are excited for what the future holds."

Varun Gupta, Managing Director, Digital and Technology Investment Banking at Avendus Capital said, "We are extremely proud to partner with Vegrow in their journey as they build India's largest multi-category B2B fruits marketplace to organize an inefficient, fragmented and localized supply chain by leveraging technology and pan-India sourcing and distribution. They are helping both the farmers by increasing their incomes and the demand channels by helping them procure the right grades of fruits. On the back of the founding team's strong agriculture experience, Vegrow has built robust moats ingrained in deep penetration in supply micro-pockets across India."

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About Avendus

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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 the class track record of domestic and cross-border transactions. Avendus' 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, M&A advisory and access to public markets.

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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