

Aventus Capital advises Veritas Finance on its INR 1,200 Cr investment from Multiples PE & Aventus Future Leaders Fund; FLF infuses INR 150 Cr

Mumbai, July 5, 2023

Veritas Finance Private Limited (“Veritas” or “the Company”) is delighted to announce an investment of INR 1,050 Crore from Multiples Private Equity (“Multiples”) along with its co-investors including International Finance Corporation (IFC) to expand access to capital for India’s micro, small and medium enterprises. The deal comprises of a primary issuance of INR 400 Crore and provides a part exit to early investors, British International Investment (BII) and Lok Capital. Aventus Future Leaders Fund (“FLF”) also participated in the transaction and invested INR 150 Crore.

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

Veritas focuses on the large and underserved MSME financing market across semi-urban and rural geographies. Started in Tamil Nadu, the Company has now expanded across eight states and one union territory with 285+ branches and servicing 115,000+ customers with an AUM of INR 3,500 Crore+ as on March 31, 2023. The Company primarily provides secured small business loans with an average ticket size of INR 5 Lakh.

The founder, D. Arulmany, comes with 25+ years of business building experience across large franchises including Cholamandalam Finance and Aptus Housing. Veritas has scaled up significantly over the last 6 years and has built deep on-ground operating experience and market knowledge. The Company proposes to use the fresh capital to enter new markets and strengthen its new product lines, including affordable housing loans.

Speaking on the occasion, **D. Arulmany, MD & CEO of Veritas** said, “Veritas is on a secular compounding journey, and we are excited to partner with an investor like Multiples who have admirable understanding of the financial services space. In addition to Multiples, the current capital raise will also see Aventus FLF, known for backing future leaders, partnering with Veritas. The fresh capital raised will provide significant runway for growth, help deepen our existing offerings and expand into the affordable housing space. We strongly believe these partnerships will further catalyse our mission to serve the underserved.”

Nithya Easwaran, Managing Director, Multiples Alternate Asset Management said, “Veritas’ in-depth understanding of micro-SME businesses across different geographies combined with strong frameworks has enabled it to build a large, diversified franchise. Arulmany, along with the top-notch management team has scaled the business while maintaining pristine quality. We are delighted to partner with him to build a market leading, distinctive financial institution.”

DEAL RELEASE

Release Date: July 5, 2023

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Ritesh Chandra, Managing Partner, Avendus Future Leaders Fund said, “Veritas, with its focus on easy credit for the massively underserved MSME segment coupled with its vast network of 285+ branches across India is set to occupy a leadership position in the MSME-NBFC sector. We are happy to join Veritas in their journey towards powering enterprise growth in India through financially inclusive lending solutions.”

Anshul Agarwal, Managing Director and Co-head, Consumer, Financial Institutions Group & Business Services Investment Banking, Avendus Capital added, “We are privileged to be associated with India’s leading MSME lender. This partnership will further strengthen the Company’s position in the space as it continues to scale new heights in lending to the bottom of the pyramid.”

About Avendus

Avendus Group is a leading provider of financial services with an emphasis on differentiated solutions in the areas of Investment Banking, Institutional Equities, 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 Future Leaders Fund (CAT II AIF) invests in market leading companies in the digital, consumption and financial services space. Since inception FLF has invested in Lenskart, Delhivery, VerSe Innovation, Bikaji Foods, NSE, Ujjivan Small Finance Bank, Licious, SBI General Insurance, Xpressbees, Zeta, Indegene and now Veritas.

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, 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.

For more information, please visit www.avendus.com