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## Avendus Capital advises Veritas Finance on its INR 200 crore fundraise led by Norwest Venture Partners with participation from existing investors

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Mumbai, November 1, 2018

Veritas Finance Private Limited, Non-Banking Finance Company (NBFC) focused on lending to micro, small, medium enterprise (MSME) with presence in seven states today announced that it has raised INR 200 crore through Series D investment with participation from new investor Norwest Venture Partners X, Mauritius, along with the existing investors like CDC Group Plc, UK's Development Finance Institution and Mr. P. Surendra Pai, an anchor investor.

**Avendus Capital was the exclusive financial advisor to Veritas.**

Backed by transformative technology, robust credit appraisal systems and quality customer service, the company proposes to use the additional capital to further penetrate existing markets to augment the capital required by MSMEs for business expansion, working capital and for asset creation.

Speaking on the occasion, **Arulmany, D, MD & CEO, Veritas Finance** said, "MSMEs are the backbone of the Indian economy. Considering they are an underserved, they continue to need access to formal credit system. As a company, we have constantly looked at innovating our products and services by building a robust credit appraisal system. Through this round of funding, besides expansion, we will also strengthen our technology which will help us achieve higher productivity and bring down the cost of servicing micro-businesses."

Promoted in 2015 by D. Arulmany, Veritas Finance has created a loan book of INR 500 crore since inception in 2015, having a customer base of more than 21,000 present across seven states with over 132 branches backed by 1,125 employees.


Financing to MSMEs, especially the unorganized micro and small enterprises is a vastly underserved opportunity with ~60 mn such businesses relying on self-finance and financing from non-institutional sources. Veritas addresses this segment's requirements using its relationship-based sourcing and low-cost penetration model. In just three years of operation, the company

### **DEAL RELEASE**

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### **Avendus Capital**

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has already turned profitable with strong systems and processes in place, emphasizing robust underwriting leading to better asset quality.

Commenting on the deal, **Abha Agarwal, Executive Director at Avendus Capital** said, “Sustainable lending models to underserved segments will have a long runway for growth in India. Veritas, with its experienced management team, customer-centric business approach and clarity of strategy is very well placed to grow and position itself as a lender of choice to the new-to-credit MSME segment. Investment by Norwest with additional infusion by existing investors will help the company fuel its expansion plans.”

### **About Avendus Capital**

The Avendus Group (Avendus) is a leading provider of financial services with an emphasis on customized solutions in the areas of Investment Banking, Wealth Management, Structured Credit Solutions and Alternative Assets Management. Avendus relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations. Avendus Capital has consistently been ranked among the top investment banks. It has a strong track record of cross-border transactions and has helped multiple clients benefit from opportunities across geographies.

Avendus’s wide range of clients is testimony to its ability to serve its corporate clients throughout their life cycle – from growth stage funding to complex, large sized transactions later in the cycle.

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