

Veritas Finance secures an investment of INR 1,200 Crore led by Multiples Private Equity

July 05, 2023, Mumbai: 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. Avendus Future Leaders Fund (“FLF”) also participated in the transaction and invested INR 150 Crore.

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.

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

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 has admirable understanding of the financial services space. In addition to Multiples, the current capital raise will also see Avendus 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.”*

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 Veritas Finance

Veritas incorporated on April 30, 2015, is a non-deposit taking NBFC (loan company), registered with RBI. Veritas is promoted by Mr. D. Arulmany. Veritas lends to borrowers engaged in micro, small and medium enterprises (MSME) sector with limited access to formal financial services. The Company has divided the product segments under three heads – MSME Rural, MSME Urban and Home loans that cater to the various financing needs of the MSME sector – medium-term business loans, short-term working capital needs and long-term housing needs respectively.

For more information, visit www.veritasfin.in

Media Contact:

George Muller	Corporate Communications, Veritas Finance	+91 98403 77321	corpcomm@veritasfin.in
---------------	--	-----------------	--

About Multiples Private Equity

Multiples is India's leading private equity platform distinguished by its long and successful experience of partnering with Indian entrepreneurs. Multiples has backed 30 Indian businesses to build aspirational, distinctive, and responsible businesses. Multiples focuses on core sectors of financial services, pharma & healthcare, consumer and technology. Some of Multiples' distinctive investment partnerships include Vastu Housing Finance, Encube, Zenex, PVR, Delhivery, Dream Sports, Quantiphi, Kogta Finance, ACKO, Niyo, Licious and MoEngage. Multiples identifies opportunities that benefit from big shifts in its chosen sectors, and partners with exceptional entrepreneurs and management teams in creating transformational growth.

For more information, visit www.multiplesequity.com

Media Contact:

Yash Dhotre	For Multiples: Eminence Strategy Consulting	+91 7776064449	yash@eminencestrategy.com https://eminencestrategy.com/
-------------	---	----------------	---

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. **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.

For more information, visit: www.avendus.com

Media Contact:

Lynette Dsouza	Avendus Group	+91 9920847823	Lynette.dsouza@avendus.com
----------------	---------------	----------------	--