

## Veritas Finance raises Rs.2 Billion in Series D Investment Round

*The funds would be utilized to penetrate deeper into existing markets in India as per the company's roadmap*

**Chennai, 1<sup>st</sup> November 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 Rs.2 Billion through Series D investment with participation from new investor; **Norwest Venture Partners** along with the existing investors like **CDC Group Plc.; UK's Development Finance Institution and Mr. P. Surendra Pai, an anchor investor.**

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

**Speaking at the occasion, Arulmany, D, MD & CEO, Veritas Finance said,** "MSMEs are the backbone of the Indian economy. Considering they are an underserved segment, 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. We take immense pleasure in partnering with reputed institution in the investment space namely Norwest Venture Partners. With continued support from existing institutional investors namely CDC Group Plc., Caspian Impact Investment Adviser Private Limited, Lok Capital Growth Fund as well as Mr. P Surendra Pai, who have been working towards supporting financial inclusion initiatives like ours and making finance affordable and accessible to the informal segment."

Promoted in 2015 by D. Arulmany, Veritas Finance has created a loan book of **Rs.500 Crores** since inception in 2015, *having a customer base of more than 21000 present across seven states with over 132 branches backed by 1125 employees.*

**Sumer Juneja, Director at Norwest Venture Partners said,** *“Veritas Finance is uniquely positioned to drive growth and provide financial services to micro, small and medium enterprises in India. We look forward to working with Veritas Finance team to further enhance their footprint, services and technology by bringing more value to their customers.”*

According to experts from the ministry, India is home to more than 60 million MSMEs who contribute to 45% of the Exports and it forms the highest share of Employment sector in India, contributing around 69% to it.

**Talking at the occasion, Mr. P. Surendra Pai, anchor investor and strategic adviser said,** *“Veritas has achieved significant milestones in a short time and has shown impressive growth on various parameters. I expect being capitalized at these times would help Veritas to improve the ability to embrace technology and set new standards.”*

**Talking about the Series D funding, Gaurav Malhotra, Director, CDC India Advisers said,** *“Small and medium sized enterprises are critical to India’s economic development, but as many as 90 per cent can’t access the finance they need to grow. CDC, the UK’s development finance institution, is proud to be continuing our support for Veritas Finance by investing further in this round. They’ve made impressive progress so far, and their plans to use this capital raise to bring down the costs associated with lending should lead to an even greater support for underserved SMEs”*

**Aventus Capital** was the exclusive financial advisor to Veritas Finance.

Commenting on the deal, **Abha Agarwal, Executive Director at Aventus Capital said,** *“Sustainable lending models to underserved segments will have a long runway for growth in India. Veritas, with its deeply 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 Veritas Finance:**

Veritas Finance Private Limited (Veritas), a Non-Banking Financial organisation started in 2015, registered with Reserve Bank of India has been focused on meeting the financial needs of the Micro, Small and Medium Enterprises (MSME) in India, the largely underserved despite several initiatives.

Veritas Finance meets a spectrum of MSME credit needs; short term loans for working capital, medium term loans for business expansion and long-term loans for asset creation. The company has registered significant growth since its inception it has over 21000 customers with a presence of 132 branches across the country which aims at availing easy credit to the undeserved segment by making a positive impact on the lives of millions of Indians engaged in informal activities who actually build the nation.

**For more info:** [www.veritasfin.in](http://www.veritasfin.in)

### **About Norwest Venture Partners**

Norwest Venture Partners a venture and growth equity (GE) investment firm which targets early to late-stage venture and growth equity investments across several sectors, including cloud computing and information technology, Internet, software as a service, business and financial services, consumer and healthcare

**For more info:** <http://www.nvp.com>

### **About CDC Group**

CDC Group plc is the UK's development finance institution. Wholly owned by the UK Government, it invests in Africa and South Asia with the aim of supporting economic development to create jobs. CDC has net assets of £5.1bn. Find out more at

**For more info:** [www.cdcgroup.com](http://www.cdcgroup.com).

### **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.

Avendus Capital Inc. and Avendus Capital (UK) Pvt. Ltd. located in New York and London respectively are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions.

To learn more, visit [www.avendus.com](http://www.avendus.com)

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