

## Norwest and Kedaara Capital lead a Rs.500 Crore round in Veritas Finance

- *Veritas Finance is a specialized lender to the MSME segment*
- *Has built a credible loan portfolio of Rs.1750 Crores in about 6 years*
- *The funds would be utilized to penetrate deeper into existing markets in India*

**Chennai, 07<sup>th</sup> October 2021:** Veritas Finance Private Limited (Veritas Finance), Non-Banking Finance Company (NBFC) focused on lending to micro, small, medium enterprise (MSME) with presence in eight states and one union territory today announced that it has raised Rs.440 Crores of primary investment through a Series F round led by existing investors Norwest Venture Partners (NVP), Kedaara Capital and Caspian with support from new investors namely **Evolve India Fund III Limited (Evolve India), Growth Catalyst Partners LLC (GCP)**.

The company, which has managed the COVID crisis well, is poised for further growth and proposes to use the additional capital to further penetrate existing markets.

Promoted in 2015 by D. Arulmany, Veritas Finance has since created a loan book of more than **Rs.1750 Crores**, having a customer base of over **60,000** present across **eight states** and one union territory with over **218** branches backed by **2402** employees.

**Speaking at the occasion, Mr. D. Arulmany, MD & CEO, Veritas Finance said,** *“The company has handled the COVID crisis which hit the MSME segment well and is today well positioned to scale up the volumes significantly. The informal micro enterprises of the MSME segment in the rural areas which are the core focus segment of the organization has shown tremendous resilience during COVID and have demonstrated excellent repayment culture, despite enormous challenges during the last fifteen months.”*

*Having crossed Rs.1750 Crores of loan book in a short span of six years and managed successive challenges in the form of demonetization, liquidity crisis and COVID I & II, Veritas Finance today has emerged stronger and is ready to scale new heights. The current capital raise will help Veritas to penetrate deeper and expand to new geographies to pursue high growth, while insulating the organization from any further shock waves or disturbances.*

*Our existing investors Norwest and Kedaara Capital have reposed confidence in the business model and our execution capabilities and have led the round which has participation from GCP and Evolve India.*

*The current capital will place the organization strongly to build a loan book of Rs.4000 crores in the next 12 months.”*

**Speaking on the occasion, Mr. Shiv Chaudhary, Managing Director of Norwest Venture Partners, India said,** *“We are delighted to strengthen our partnership with Veritas Finance. The business continues to demonstrate strong execution, great team culture with a vision to become one of India’s leading retail NBFCs. The Company has invested in the right building blocks to enable scale with a high degree of corporate governance, technological prowess and institutionalization.”*

**Talking about the investment, Mr. Nishant Sharma, Chief Investment Officer (CIO) and Managing Partner of Kedaara Capital and Parin Mehta, Managing Director of Kedaara Capital said,** *“We are delighted to deepen our commitment to Veritas Finance in this round. Veritas Finance has been able to navigate the tough market conditions*

admirably driven by the strength of its people and culture. This capital raise is an affirmation of Veritas Finance's resilient operating model and robust risk management and will position it well to continue on its scaling journey deepening its footprint"

**Speaking on the investment, Mr. Rohit Batra, Partner and Abhishek Chandra, Principal of Evolve India said,** "We are strong believers in Veritas Finance's business model that bridges the large credit gap that exists for the under-banked MSME space in India. The strength of the founder and management team has allowed the company the ability to grow profitably through multiple cycles (including Covid) creating a successful lending franchise. We are excited to partner with Veritas in their journey ahead."

**Talking about the Series F funding, Ms. Priyamvada Ramkumar, Partner, Lok Advisory Services, the Investment Manager of Growth Catalyst Partners LLC said,** "Veritas Finance has reaffirmed our faith in the company as a stellar organisation built on strong foundations. They have steered through unprecedented times without compromising on their core values and emerged stronger for it. We are proud to further our partnership with Veritas Finance through this investment".

In this regard, **Mr. Venky Natarajan, Co-Founder & Partner at Lok Capital said** "Under Arul's able guidance, complemented by a seasoned leadership team, Veritas Finance has grown from strength to strength. As early investors in the company, we are proud of both the velocity and the quality of growth in the company. We are confident that Veritas Finance will be the leading player in the Small Business Financing space in the future"

#### **About Veritas Finance:**

Veritas Finance Private Limited (Veritas Finance), a Non-Banking Financial organization 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 60,000 customers with a presence of 218 branches across the country which aims at availing easy credit to the underserved segment by making a positive impact on the lives of millions of Indians engaged in informal activities who actually build the nation.

**Further information** is available at: <http://www.veritasfin.in/>

#### **About Norwest Venture Partners (NVP):**

Norwest is a leading venture and growth equity investment firm managing more than \$9.5 billion in capital. Since inception, it has invested in more than 600 companies and currently partners with over 160 companies in its venture and growth equity portfolio. The firm invests in early to late stage businesses across a wide range of sectors with a focus on consumer, enterprise, and healthcare. It offers a deep network of connections, operating experience, and a wide range of impactful services to help CEOs and founders scale their businesses. Norwest has offices in Palo Alto and San Francisco, with subsidiaries in India and Israel.

**For more information**, please visit [www.nvp.com](http://www.nvp.com). Follow Norwest on Twitter @NorwestVP

#### **About Kedaara Capital Fund II LLP (Kedaara):**

Kedaara is an operationally oriented private equity firm pursuing control and minority investment opportunities in India. It currently advises and manages over ~US\$ 3.6 billion across 3 funds that have invested in several market leading businesses across a variety of sectors including consumer, financial services, pharma/healthcare, business

services and industrials. Kedaara's operating partner model comprising former CEOs with proven track records of building market leading businesses that enables businesses to realize their full potential. Since its inception, Kedaara has remained singularly dedicated to its stated strategy of focusing on investments built through trust-based relationships with best-in-class entrepreneurs and management teams across secular fast growing end markets. Kedaara was co-founded by Manish Kejriwal, Sunish Sharma and Nishant Sharma and combines the strengths of a well-networked, highly experienced local investing and operating team, with the experience of their strategic partner, Clayton, Dubilier & Rice, a global private equity firm whose investment model blends financial skills with operating expertise.

**Further information** is available at <http://www.kedaara.com/>

**About Evolence India Fund III Limited (EIF):**

Evolence India is a boutique investment management firm focused on Private Investments in India, including Buyouts, Growth and Venture Capital. The firm invests in early to late-stage companies across a wide range of sectors with a focus on Healthcare, BFSI, Technology and Consumer Products & Services. EIF has invested more than \$650 million in India and has offices in Mumbai and Dubai.

**Further information** is available at: <http://evolenceindia.com/>

**About Lok Capital:**

Lok Capital promotes inclusive growth in India by making long-term equity investments. Launched in 2004, it backs entrepreneurs who cater to large, underserved segments through investments in financial services, food & agriculture and healthcare. Lok has successfully raised USD 205 million across 3 funds deployed into over 35 investments so far.

**Further information** is available at: <http://www.lokcapital.com/>

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