

Avendus Capital Advises Capital Float on Its USD 50 mn Fund Raise Led by Lightrock

September 2021 • Mumbai



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| DEAL VALUE | USD 50 mn |
| SERVICE | Private Equity |
| SECTOR | Digital, Technology & Consumer |

Capital Float, India's leading Buy-Now-Pay-Later platform, announced today that it has raised USD 50 million in equity funding, led by Lightrock India. Current investors, Sequoia Capital India, Ribbit Capital, and Creation Investments also participated in the round, in addition to new investors, David Velez (Founder of Nubank), Kunal Shah (Founder of Cred), and Amrish Rau (CEO of Pine Labs).

Avendus Capital acted as the exclusive financial advisor to Capital Float on this transaction.

The funds raised will be used to strengthen and scale Capital Float's BNPL platform and expand its partner ecosystem. The company has witnessed rapid growth over the past year, with 2.5 million customers now using its product to finance over INR 2,000 crore of online purchases annually. Capital Float has partnered with leading platforms such as Amazon (powering Amazon Paylater), MakeMyTrip, Unacademy, and BoAt to help consumers finance purchases across e-commerce, D2C brands, travel, edtech and healthcare. It also recently launched a strategic partnership with Razorpay to expand BNPL to over 100,000 merchants across the country.

In addition to offering BNPL at checkout across its merchant partners, the company also operates Walnut, India's most popular personal finance app with over 12 million lifetime downloads. Walnut offers a range of personal finance features such as expense tracking, budgeting, and bill reminders, provides instant small-ticket loans to salaried and self-employed individuals 24x7, and recently launched insurance options on the app as well.

"We are now financing 2 million purchases every month across 14,000 pin codes, while maintaining NPAs below 1.5%. This positions us as the market leader in BNPL in India today", said **co-founders Sashank Rishyasringa and Gaurav Hinduja** in a joint statement. "More importantly, we see an exponential growth opportunity ahead from this point on. By solving for affordability as well as convenience, in a fully-regulated format, we believe that our BNPL approach can responsibly expand access to credit to over 100 million customers who are starting to transact online. We are privileged to have the support of our investors in pursuing this vision and are excited to work in partnership to build a world-class digital financial institution for India."

Saleem Asaria, Partner at Lightrock India, said, “Capital Float has solved the unique triumvirate of customer experience, risk management, and merchant partnerships that lies at the heart of unlocking the BNPL opportunity in India. In addition to its strong technology platform, it has built a sophisticated underwriting and collections capability, along with an ethical lending playbook, that makes the model very compelling. We have also been consistently impressed with the tenacity and execution focus of the team through a full credit cycle. We are excited to work with them to build a highly scalable, differentiated, and sustainable business that will positively impact the lives of millions of customers in India through digital credit and financial products.”

Pranay Jain, Director, Digital and Technology Investment Banking at Avendus Capital, said, “Credit card under-penetration and the online commerce opportunity in India provides a massive potential for the Buy Now Pay Later (BNPL) model to expand. Capital Float has built India’s only truly native BNPL platform with a unique asset-light financing model, supported by sophisticated risk management. They’ve delivered best-in-class customer adoption and experience on the back of strong execution, a superior product and leading merchant partnerships. We are extremely proud to partner with them in their vision to democratize access to credit.”

| About Avendus

Avendus Group is a leading financial services firm with a presence 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 and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

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, M&A advisory and access to public markets.

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

Deal Release

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