

## Avendus Capital Advises NeoGrowth on Its INR 300 cr Fundraise Led by LeapFrog Investments With Participation From Existing Investors.

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DEAL VALUE	INR 300 cr
SERVICE	Private Equity
SECTOR	Financial Institutions Group

NeoGrowth Credit Pvt. Ltd. has raised Rs. 300 Crores as equity capital from LeapFrog Investments and existing investors Aspada Investment Company and Quona Capital, through Accion Frontier Inclusion Fund.

### | Avendus Capital was the exclusive financial advisor to NeoGrowth's equity round.

Founded by Dhruv Khaitan and Piyush Khaitan, NeoGrowth, after starting its operations from Mumbai in 2012, has expanded to 21 major cities of India. Commenting on the transaction, **Piyush Khaitan** said, "India's digital lending space is experiencing massive growth, providing unprecedented opportunity for NeoGrowth to apply its pioneering technology approach to enable loans for a rapidly expanding SMB merchant segment."

Financing of small and medium enterprises in the retailer ecosystem is a large under-served opportunity with 85% MSMEs relying on self-finance and financing from non-institutional sources. India has ~6 Mn retailers with a potential financing opportunity of ~INR 3 Tn. NeoGrowth addresses this segment's requirements using its "data-driven" platform to provide loans to merchants against their future card sales. The emphasis on analytics driven underwriting and technology enabled repayment has helped NeoGrowth achieve scale and expand its customer base across India. Growth in digital payments and GST implementation are expected to further increase the addressable market by making more data available.

Commenting on the deal, **Abha Agarwal, Director at Avendus Capital** said, "We have known the promoters (Khaitans) for more than a decade now (from their Venture Infotek days) and have been impressed with their vision and foresight in creating new market leading business opportunities. Leveraging high frequency transaction and collections data for portfolio tracking, gives a strong edge to the NeoGrowth business model vis-a-vis traditional SME lenders. Investment by Leapfrog along with additional infusion by existing investors will enable the company to scale further and help accelerate market expansion."

## | About Avendus

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 financial advisors. 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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