



## About Veritas

Founded in 2015, Veritas Finance (Veritas) is an Indian financial services firm based in Chennai. It lends to over 150,000 micro, small and medium-sized enterprise (MSME) customers in rural and semi-urban areas. It provides these businesses with small individual loans for working capital and business expansion. It has also recently launched affordable home loans. Veritas currently operates more than 400 branches across India.

## Our gender partnership

**We helped Veritas understand the size of the women entrepreneur market in India, to help it make a strong case for including more women customers. We also worked together to develop a Gender Action Plan (GAP) to launch a new banking product tailored for women, and encourage more women to work at the company and remain there.**

## Impact highlights

- + Launched a banking product tailored for women '*Dhana Shakti*'
- + Between March 2023 – March 2024, women borrowers grew 60 per cent, from 19,000 to 30,600
- + Gender sensitisation training provided for 300 loan officers
- + Greater organisational awareness and promotion of workforce diversity





## Setting the scene



There are over 63 million small and medium-sized businesses in India, making MSMEs the backbone of the Indian economy. Despite this, many lack access to formal credit institutions and, as a result, struggle to secure adequate and timely financing. Women-led MSMEs in India have only received **7 per cent of outstanding loans** issued. This is because of laws, rules, and perceptions about women as business owners. It means women-led MSMEs are missing out on an estimated \$20.2 billion of financing, according to the SME Forum.

Veritas is an Indian non-financial banking company (NBFC) with a mission to foster financial inclusion for MSMEs in rural and semi-rural areas. In 2017, our investment in Veritas supported it in providing small individual loans to MSMEs tailored to working capital and business expansion. Although Veritas' number of women clients has increased since its founding, the percentage plateaued in 2022 at 16 per cent. Veritas knew it needed to be more inclusive to reach women customers, and wanted to learn more about how many women customers could be acquired, as well as working out the value for the business that this market could create.

In 2022, we helped Veritas to determine the size of the women entrepreneur market, find new customers, and create a Gender Action Plan (GAP) to launch a product for women.



## Gender technical assistance timeline

2017

We made an initial \$10.08 million equity investment.



2018

We make two follow-on investments in Veritas: a direct debt investment of \$5.37 million, and a direct equity investment of \$11.49 million.



2022

We collaborate on a technical assistance (TA) project to explore Veritas' gender challenges and build a business case for investing in women.



2023

Veritas continued executing its GAP, including releasing Dhana Shakti, a women-centred loan product based on the lessons learned from the TA.

2017



2018



2022



2023

Based on the business case, Veritas launched its GAP with four priorities for increasing the gender diversity of its customers and employees.



## Building the business case and Gender Action Plan

The first phase of the project centred on building the business case for inclusion, including a landscape analysis to determine the gender breakdown of Veritas' customer base and target markets. The analysis showed that women borrowers represented a formidable but overlooked market: interest rates, collateral requirements, and other eligibility criteria for MSME loans posed challenges to women entrepreneurs in obtaining loans, despite their demonstrably strong repayment performance.

Looking internally, the analysis found women constituted only 4 per cent of the company's total workforce and were concentrated in support functions at the central office. Women were less likely to be hired for sales, collection, and credit jobs at different branches because these roles required significant travel and the company had concerns about their safety.

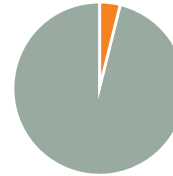
The research showed Veritas should focus on attracting more women customers and creating a more inclusive working environment for women employees. The Veritas leadership team agreed with this conclusion.

The second phase of the project focused on turning these insights into action. The Veritas leadership team identified four strategic priorities as the cornerstones of the GAP.



When BII, being our major impact investor, offered to support us on a study to assess the gender composition in our customer portfolio and our workforce, we knew this research would help us build a more inclusive environment for both our customers and employees. The findings in the research showcased that the portfolio quality of our women customers was equally good or, at times, better than their male counterparts. Based on these findings, BII helped us draft a Gender Action Plan to meet our goals on gender diversity.

– Veritas representative



In 2022, women made up only **4%** of the company's workforce



### Gender Action Plan strategic priorities

#### External-facing initiatives

Increase the percentage of women customers by designing a new loan product.

Increase corporate, social responsibility (CSR) initiatives to support the empowerment of women in local communities, in addition to the CSR activities already carried out by the company.

#### Internal-facing initiatives

Increase workforce diversity wherever feasible through recruitment and retention strategies to attract more women talent.

Enhance the participation of women in the workforce through transformative policies and enablers.

## Our gender impact to-date

Within a year of launching the GAP, Veritas had made significant strides against its four priorities.

### Impact highlights

#### **Launched women-centred loan product 'Dhana Shakti'**

In 2023, Veritas successfully launched a new woman-centred loan product to meet the unique needs of women entrepreneurs in urban and semi-urban areas. The product, *Dhana Shakti* (meaning 'Goddess of wealth'), gave women entrepreneurs access to loans with flexible interest rates and repayment incentives. Veritas has already seen a strong and steady uptake of new customers with this product and expects further growth over the next year.

#### **Gender sensitisation training provided for 300 loan officers**

Veritas has trained 300 loan officers on how to better understand and support the financial needs of women entrepreneurs.

#### **Greater organisational awareness and promotion of workforce diversity**

Veritas has also taken significant steps in promoting workforce diversity, a key theme in its 2023-2024 Human Resources strategy. In 2023, it appointed the Head of its newly formed Gender and Diversity Committee. This role involves managing and monitoring employee diversity initiatives and trends.

#### **Implementing gender-sensitive policies and initiatives targeted at women employees**

To further support its women employees, Veritas has introduced several gender-sensitive policies and initiatives. These include loans specifically for women employees, mentorship programmes for career development, women-only forums, and peer support.

#### **Women borrower numbers grew by 60 per cent between 2023–2024**

In tandem with the gender interventions it has rolled out, Veritas is starting to see growth in women customers. From March 2023 to March 2024, the number of Veritas customers grew by 50 per cent from 116,000 to 176,000. Women borrowers (First Applicants to the loan) grew by 60 per cent, from 19,000 to 30,600. Women now make up 17.4 per cent of Veritas customers, up from 16.4 per cent.

### Looking ahead

As Veritas continues to deliver on its GAP, the company is seeing the positive impact of investing in women. Looking ahead, it plans to set internal diversity targets and further support the growth of the Dhana Shakti product to reach more women.



As part of implementing the Gender Action Plan, we have introduced Dhana Sakthi, a women-centric product which is a working capital loan without collateral requirements that carries a lower processing fee. The mix of women customers in our working capital loan portfolio is currently 17 per cent, which we aim to increase to 35 per cent of the portfolio in the coming year.

In terms of Human Resources, we have worked on gender diversity by setting up a committee headed by a woman Chief Compliance Officer. We have also introduced master health check-ups for women employees, in addition to staff loans offered at concessional rates and mentoring of women employees on career growth. We are also currently implementing initiatives that will support the retention, role ascension and employee satisfaction of women throughout the organisation.

– Veritas representative