

Veritas Finance raises Rs.80 Crores through listed NCD

- **Veritas Finance is a specialized lender to the MSME segment with more than 30,000 customers**

Chennai, 29th March 2019: Veritas Finance Private Limited, Non-Banking Finance Company (NBFC) focused on lending to micro, small, medium enterprise (MSME) with presence in seven states and a union territory today announced that it has completed the private placement of **Rs.80 Crores** through the recent issue of listed NCDs to Microfinance Initiative for Asia (MIFA) Debt Fund & BlueOrchard Microfinance Fund (BOMF), ***funds managed by BlueOrchard Finance***, a leading global impact investment manager.

In October 2018, the company has raised an equity funding of Rs.200 Crores from marquee investors with **Norwest Venture Partners** leading the investment along with the existing investors namely **CDC Group Plc., UK's Development Finance Institution and Mr. P. Surendra Pai, an anchor investor.**

According to a recent report titled "Financing India's MSMEs' by International Financial Corporation (IFC) issued during November 2018, small businesses in emerging markets, such as India, are facing a debt funding gap of Rs.69.30 Million (\$1.1 trillion) and avail only 15.73% from formal sources. While MSME Lending offers large market potential, there are very few lending models that are exclusively focused on small businesses, particularly those in the sub-Rs.10 lakh ticket sizes.

Announcing the issue of listed NCDs, D. Arulmany, MD & CEO, Veritas Finance said, "We are pleased to partner with reputed institutions and leaders in the impact investment space like Blue Orchard along with existing and new lenders who continued their support to further our financial inclusion initiatives and make finance affordable and accessible to the informal segment."

Talking about the investment, Ms. Nikunj Oli, Senior Investment Officer, Asia, Blue Orchard Finance said "We are pleased to partner with Veritas Finance, a company that is serving a client segment that has largely been underserved by formal financial institutions. We have been impressed by Veritas Finance's excellent management team and look forward to supporting the growth of the institution and micro, small and medium enterprises in India".

Founded in 2015 by D. Arulmany, 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.

Speaking at the occasion, Suchindran V G, CFO, Veritas Finance said, "In this regard, we are immensely happy that due to the strong partnership Veritas Finance has built with over 25 lenders in the last three years that many of our existing lenders including Blue Orchard have extended multiple rounds of funding to us."

About Blue Orchard Finance:

BlueOrchard Finance is a leading global impact investment manager, dedicated to fostering inclusive and climate-smart growth. BlueOrchard was founded in 2001, by initiative of the UN, as the world's first commercial manager of microfinance debt investments. Today, BlueOrchard provides institutions in emerging and frontier markets with debt and equity financing and investors around the world with premium investment solutions, including credit, private equity, and sustainable infrastructure. Being an expert in innovative blended finance mandates, the firm is a trusted partner of leading global development finance institutions. With a major global presence and offices on four continents, BlueOrchard has invested to date more than USD 5.7bn across 80 emerging and frontier markets, enabling tangible social impact.

For additional information, please visit: <http://www.blueorchard.com/>

About Veritas Finance:

Veritas Finance Private Limited (Veritas Finance), 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 by formal sources 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 with a loan book of Rs.692 Crores given to over 30,000 customers across 147 branches in seven states of Tamil Nadu, West Bengal, Karnataka, Odisha, Madhya Pradesh, Telangana and Andhra Pradesh apart from Union Territory of Puducherry with an aim to provide formal credit to the underserved segment thus making a positive impact on the lives of millions of Indians engaged in informal activities who actually build the nation.

For additional information, please visit: <http://www.veritasfin.in>

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