Board's Report

Dear Shareholders,

Your directors have immense pleasure in presenting the Eleventh annual report of your Company together with the audited financial statements for the financial year ended March 31, 2026, which is the Tenth full year of operations of the Company.

Financial Results:

The highlights of the Financial Statements of the Company for the financial years 2025-26 and 2024-25 are as under:

Particulars	Amount in INR Crores	
	2025-26	2024-25
Income from Operations	1,848.60	1,557.40
Less: Employee cost	492.98	407.11
Finance Cost	580.14	483.09
Other Operating Cost	309.18	249.98
Profit before Depreciation & Tax	466.30	417.22
Less: Depreciation	30.22	28.89
Profit Before Tax	436.08	388.32
Less: Tax Expenses	105.69	93.21
Profit After Tax	330.39	295.11
Other comprehensive income for the year	-2.48	-2.92
Total comprehensive income for the year	327.91	292.19
Add: Brought forward Profit	715.77	482.17
Less: Transfer to Statutory Reserve under Section 45-IC of the RBI Act, 1934	66.08	59.02
Add: Transfer on account of lapse of ESOP options	1.60	0.43
Add: Net movement on effective portion of cash flow hedges net of taxes	0.79	-
Balance Carried Forward	979.99	715.77

The Company is focused on providing loans to Micro, Small & Medium Enterprises (MSMEs), including business loans secured by property, working capital loans as well as home construction loans, home loans and vehicle loans.

During the year under review, your Company has successfully grown its Loan book from INR 7,348.64 Crores to INR 9,134.29 Crores, the Net Worth increased from INR 2,783.17 Crores to INR 3,126.88 Crores, the Interest Income increased from INR 1,474.46 Crores to INR 1,758.39 Crores and the Customer Base increased from 2,11,389 customers to 2,31,752 customers.

State of Company's Affairs:

During FY 2025-26, the Net Profit before tax (PBT) of the Company was at INR 436.08 Crores as against INR 388.32 Crores in the FY 2024-25 and the Net Profit after tax was INR 330.39 Crores as against INR 295.11 Crores in the FY 2024-25.

Share Capital:

As on March 31, 2026, the authorised share capital of the Company was INR 202 Crores consisting of equity share capital.

Dividend:

Your directors do not recommend for any dividend for the year under review. Your Company has adopted a Dividend Distribution Policy outlining the framework for considering dividend payouts to shareholders of the Company. This policy considers various internal and external factors evaluated by the Board.

The policy is available on our website at https://www.veritasfin.in/dividend-distribution-policy.php

Transfer to Reserves:

As required by Reserve Bank of India, your Company has made a transfer of INR 66.08 Crores to statutory reserves constituting 20% of the profits made during the year under review.

Deposits:

Your Company is registered as a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), and no deposit was accepted from the public for the financial year ended March 31, 2026.

Capital Adequacy Ratio:

Your Company had a Capital to Risk Adjusted Assets ratio of 33.19% against the statutory requirement of 15% due to higher capital base and lower leverage.

Operational Highlights:

Some of the highlights for the year ended March 31, 2026, are:

1) The Company disbursed INR 4,579.53 Crores during the year in the Loan book of INR 9,134.29 Crores.

2) During the year ended March 31, 2026, 6 branches were opened and accordingly, the Branch Network has increased to 444 branches across ten states of Tamil Nadu, West Bengal, Karnataka, Odisha, Madhya Pradesh, Telangana, Andhra Pradesh, Jharkhand, Chhattisgarh, Bihar and union territory of Puducherry.

3) Veritas Service Centres (VSCs) - 3 VSCs have been converted into branches during the year ended March 31, 2026, and accordingly the total VSCs were 67 for the year ended March 31, 2026. Veritas Service Centres are opened as an extension of the branches for servicing the customers.

Future Outlook:

Your Company has created a strong base for the existing product verticals that cater to short-term working capital, medium-term business loans and long-term housing finance needs of the MSME segment. These verticals would enter into a year of consolidation and focus on efficiency in operation and growth. In order to further consolidate the product offerings to the MSME segment, the Company has commenced Used Commercial Vehicle Loans as a separate vertical. This would help us diversify the risk further.

Credit Rating

CARE Ratings upgraded the Company's longterm credit rating to '**CARE AA-**' with a Stable outlook from '**CARE A+**' with a Positive outlook for its long-term bank facilities and non-convertible debentures.

The short-term rating of "**CARE A1+**", was reaffirmed for its Short-Term Bank Loan Facilities and Commercial Papers. The rating "**CARE A1+**", is the highest in short-term rating and indicates a very strong degree of safety with regard to timely payment of interest and principal amount.

Issue of Listed Debt Securities:

Your Company has issued Series 20 and 21 Secured, Rated, Listed, Fully Paid, Redeemable, Taxable, Non-Convertible Debentures aggregating to INR 425 Crores during the financial year under review. The debt securities are listed with BSE Limited.

Further, your Company has been very prompt in payment of its interest and principal obligations for the financial year ended March 31, 2026, and has complied with all the disclosure requirements stipulated under SEBI (LODR) Regulations, 2015.

Securitization/Assignment of Loan Portfolio:

Your Company has actively tapped Securitization/Direct Assignment market which has helped diversify, create liquidity, reduce the cost of funds and minimize the mismatches in asset liability management.

During the financial year under review, the Company has securitised receivables of INR 649.11 Crores for a sale consideration from Investors of INR 570.00 Crores. These Securitisation transactions were carried out in line with RBI guidelines on Securitization of Standard Assets and accounted in line with Indian Accounting Standards.

Direct Assignment:

During the year, your Company has transferred receivables for a sale consideration from Investors of INR 86.54 Crores. These Direct Assignment transactions were carried out in line with RBI guidelines on Transfer of Loan Exposures and accounted in line with Indian Accounting Standards.

Issuance of Commercial Papers

There has been no issuance of commercial paper during the year under review.

RBI Guidelines:

Your Company is classified as a NBFC - ML (Non-Banking Financial Company Middle Layer) category.

The RBI has announced various measures to strengthen the regulatory framework in NBFC sector through scale based regulations. The Company strongly believes that this would make the sector more robust and resilient.

The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

Other Statutory Compliances:

Your Company has complied with all the mandatory regulatory compliances as required under the Companies Act, 2013, various tax statutes and other regulatory bodies as applicable.

Board of Directors:

During the year ended March 31, 2026:

Mr. Suresh Subramanian (DIN: 02070440) Independent Director, resigned with effect from close of business hours of March 31, 2026, due to personal reason.

There were no other changes in the composition of the Board of Directors.

Key Management Personnel:

Pursuant to the provisions of section 203 of the Companies Act, 2013, read with the rules made there under, the following employees are the whole-time key managerial personnel of the Company as on March 31, 2026:

1. Mr. D. Arulmany, Managing Director & Chief Executive Officer
2. Mr. Naveen Raj R, Chief Financial Officer
3. Ms. V. Aruna, Company Secretary & Compliance Officer

There were no changes in the composition of KMP.

Other Officers:

Your Company has crossed the asset size of INR 5,000 Crores and by virtue of being classified as being a 'NBFC- ML (Non-banking financial company – Middle Layer)', the following officers have been appointed as per extant RBI guidelines:

1. Ms. D. Kanchana Srikanth – Chief Compliance Officer effective October 01, 2023
2. Ms. S.V. Laxmi - Chief Risk Officer effective October 01, 2025 (Mr. R Vijay, upto September 30, 2025)
3. Mr. W. Christopher Robin – Head of Internal Audit effective January 02, 2024

Statutory Auditors:

Pursuant to the Circular on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, and thereafter the FAQs on June 11, 2021, an audit firm can be appointed for a tenure of three years.

M/s. S.R. Batliboi and Associates LLP, Chartered Accountants (ICAI Firm Registration No.101049W/ E300004) were appointed as the Statutory Auditors of the Company with effect from June 10, 2024, for FY 2024-25, until the conclusion of the Twelfth Annual General Meeting of the Company to be held in the year 2027.

The Statutory Auditors have given a confirmation on their eligibility and non-disqualification.

Statutory Auditors' Report:

The statutory audit report is annexed with the financial statements and forms a part of this report. The statutory auditors have issued an unmodified audit opinion with no qualifications, reservations, adverse remarks, or disclaimers.

Fraud reported by Auditors

There were no instances of frauds reported by the auditors during the financial year ended March 31, 2026 under Section 143(12) of the Companies Act, 2013.

Audit trail and backup

Pursuant to Sections 128 and 143(3)(j) of the Companies Act, 2013 Rule 3(1) of Companies (Accounts) Rules, 2014 and rule 11(g) of Companies (Audit and Auditors) Rules, 2014, the auditor of a Company requires to report whether the accounting software used by the Company to maintain books of account has an audit trail feature. The auditors report shall report on 4 aspects:

1. Whether the accounting software used by a Company has a feature of recording audit trail (edit log) facility
2. Whether the same has been operated throughout the year for all transactions recorded in the software
3. Whether the audit trail feature has not been tampered with
4. Whether the audit trail has been preserved by the Company as per the statutory requirements for record retention

The Company has implemented Oracle Fusion with effect from April 1, 2025 which is managed by a third-party software service provider. The database for this application is managed by Oracle and making direct changes at the database level is not possible.

The Company has obtained a SOC report from Oracle which specifically comment on the audit trail feature being available and enabled.

In respect of the loan management system, the feature of recording audit trail (edit logs) facility was enabled and operated throughout the year for all relevant transactions recorded in the systems. The audit trail feature was not enabled for direct changes to data when using certain access rights (i.e at database level) during April 1, 2025 to June 3, 2025. The Company does not have any direct access to the database for making any direct edits during this period.

Further there was no instance of audit trail feature being tampered during the year, in respect of systems and software(s) where the audit trail has been enabled. The Company has taken steps to have adequate documentation and enable appropriate controls built into the loan management system so as to make it fully compliant from an audit trail perspective after June 3, 2025.

The audit trail of the prior year and current year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Secretarial Auditors and their Report:

Pursuant to the provisions of Section 204(1) of the Companies Act 2013 read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2020 and other applicable provisions, if any, of the Companies Act 2013, M/s. M Damodaran & Associates LLP, were appointed as the Secretarial Auditors of the Company for the financial year 2025 - 26.

The Secretarial Audit Report for the FY 2025-26 forms part of the Annual Report as 'Annexure-IV'. The Report of Secretarial Auditors is self-explanatory.

Subsidiary / Joint Ventures / Associate Companies:

As on March 31, 2026, the Company does not have any subsidiaries, joint ventures, or associate companies.

Material changes and commitments:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

ISO Certifications:

Your Company has the following ISO certifications:

ISO/IEC 27001:2022 – Certified for the scope of work in the departments of IS, IT, Admin, HR, and Compliance.

- ISO 9001: 2015 – for HR Support activities spanning recruitment till employee exit inclusive of employee engagement, training & development, Payroll, Performance management, benefits and compliance.
- ISO 30408:2016 – Human Resource Management Guidelines on Human Governance
- ISO 18404:2015 for the Operation & CRM Department

Corporate Governance Report:

A report on Corporate Governance is attached and forms part of the Board's Report.

Business Responsibility and Sustainability Reporting

As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the top 1,000 (one thousand) listed entities based on market capitalization shall attach a Business Responsibility and Sustainability Report (BRSR) with the Annual Report, describing the environmental, social and governance initiatives undertaken by the listed entities.

In line with this regulation, your Company has voluntarily put together a BRSR report which outlines the ESG initiatives undertaken by your Company. The BRSR report also forms part of this report.

Committees:

Details on composition of various Committees of the Board and Management and number of Meetings of Board & Committees are given in the Corporate Governance Report.

Audit Committee

The composition of Audit Committee is in compliance with the requirement prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 as amended and the Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025. All members of the Committee are non-executive directors possessing financial literacy, and expertise in accounting or financial management related matters. The details of composition, meetings held, and Terms of Reference are disclosed in the Corporate Governance Report. All the recommendations of the Audit Committee were approved and accepted by the Board during the year under review.

Internal Financial Controls:

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational which include its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance.

This ensures orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

Annual Return as per the Companies Act 2013:

As per Section 134 (3) (a) of the Companies Act, 2013, annual return as referred to in Section 92(3) of the act, for the year 2025 – 26 will be uploaded on the website of the Company : https://www.veritasfin.in/annualreturn.php

Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013:

The Company being a Non-Banking Financial Company, provisions of Section 186 of the Companies Act, 2013, is not applicable.

Particulars of Contracts or Arrangements with Related Parties under Section 188(1) of Companies Act, 2013:

Your Company has not entered into any transaction with the related parties in terms of Section 188 of the Companies Act, 2013, during the period under review. Accordingly, the NIL disclosure as required under Section 134(3)(h) of the Companies Act 2013, in the prescribed Form AOC–2 is attached as 'Annexure II' to this report. Disclosures as required in compliance with accounting standards with related parties are disclosed in the financial statements.

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Act and Regulation 23 of the SEBI Listing Regulations, 2015, which specify the manner of entering into Related Party Transactions ("RPT") and In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the extant applicable laws, the Company has in place a policy on related party transactions as approved by the board and the same is available on the website of the Company at:https://www.veritasfin.in/image/pdf_fles/company_policies/RPT%20-%20Policy.pdf.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Your Company has no activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) Rules, 2014, does not arise. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the FY 2025-26, the Company has no Forex Exchange outgo and no foreign earnings.

Particulars	INR in Lakhs
Foreign Exchange outgo	NIL
Foreign Earnings	NIL

Note: The Company has converted few Rupee denominated loans into foreign currency loans (FC loans) and has entered derivative transactions (through forward contracts) with counter party to hedge its foreign exchange risks associated thereon. These foreign currency loans (FC loans) are fully hedged and do not possess any foreign exchange risk.

Risk Management:

The Company has adopted risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. Your Company has a Risk Management Committee which inter-alia lays down the review of policies, procedures, and processes relating to risk assessment, mitigation, and minimization to ensure that the Company monitors risk through a properly defined risk management framework.

Pursuant to the extant RBI guidelines, your Company also has a Chief Risk Officer, who is responsible for identification, evaluation, and mitigation of risks applicable to the Company.

Risk Management, Audit, Compliance function:

The nature of your Company's business, the regulatory and external circumstances expose your Company to various risks. Primary risks include interest rate risk, credit risk, market risk, liquidity risk, operational risk, cyber–Security Risk, technology risk and data risk. Additionally, the operations implicate compliance and reputation risks, legal, as well as ESG risks. To effectively address these risks, your Company has established an Enterprise Risk Management Framework.

Your Company has a structured management framework called as the Internal Capital Adequacy Assessment Process (ICAAP) to identify, assess, and manage all risks that could potentially have a significant negative impact on the business, financial position, or capital adequacy.

Periodic evaluation and reporting of risk exposures are made to the Board, Committees, and management of your Company, ensuring that they are informed, and appropriate mitigation measures are initiated. The effectiveness of the existing risk models, including assumptions and parameters, are undertaken continuously in line with the evolving circumstances.

The Company has established an independent internal audit department, which is responsible for assessing the adequacy and efficiency of all internal controls, risk management practices, governance systems, policies and processes.

In order to foster a strong culture of checks and balances and eliminate potential conflicts of interest, we have separated the Risk, Audit, and Compliance functions from the Business functions. This separation enables a dedicated focus on revenue generation, as well as risk management and control.

Corporate Social Responsibility (CSR):

Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2014, your Company has adopted a Policy on CSR and the Policy has been placed on the website of the Company at https://www.veritasfin.in/csr-policy.php.

In line with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Veritas Foundation - a Public Registered Charitable Trust has been established and settled by the Company for the purpose of carrying its CSR Activities primarily in the area of education, skill development, health, and sanitation which are in accordance with the Schedule VII of the Act, CSR Policy and Annual Action Plan of the Company.

Your Company will continue its engagement with stakeholders including like-minded implementing agencies such as NGOs, professional bodies/ forums, and the Government to create a meaningful impact.

The Annual Report on CSR activities for the financial year ended March 31, 2026, is attached as 'Annexure V' to this Report.

Particulars of Employees:

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013, read with Rules 5(1), 5(2) and 5(3), of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of employees are to be set out in the 'Annexure-I' forming part of the Annual Report.

Disclosure in Respect of Remuneration/ Commission Drawn by the Managing Director & CEO

Mr. D. Arulmany, Managing Director & CEO of the Company did not receive any remuneration or commission from Holding/ Subsidiaries of the Company during FY 2025-26 as there are no such Holding/Subsidiaries companies. The details of the remuneration drawn by him is given in Corporate Governance Report form part of this Annual Report.

Formal Annual Performance Evaluation:

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Board of directors individually (including Independent Directors) as well as the evaluation of the working of its committees. The Directors have expressed their satisfaction with the evaluation process.

The evaluation framework for assessing the performance of the Board of Directors encompasses various key aspects such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decision-making process, inputs regarding future growth of the Company and its performance, understanding of industry, governance, board culture and adherence to Code of Conduct of the Company.

Based on the outcome of the evaluation of the year under review, the Board has agreed to place greater emphasis on enhancing engagement and fostering deeper strategic discussions.

Policy on Appointment, Evaluation, and Remuneration:

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has recommended a policy relating to the remuneration of the directors, key managerial personnel, senior management and other employees. The policy includes the criteria laid down for evaluation of the directors, disclosures on the remuneration of Directors, criteria of making payments to Non-Executive Directors. The Policy can be accessed on the website of the Company at https://www.veritasfin.in/appointment-remuneration-and-evaluation-policy.php

This policy is also in line with the Reserve Bank of India Regulations including detailed circulars issued thereunder from time to time. The aforesaid policy is available on the website of the Company.

Board Meetings Held During the Period:

During the period, six meetings of the Board of Directors was held on April 30, 2025, July 22, 2025, August 13, 2025, October 29, 2025, February 04, 2026 and March 20, 2026.

Directors Responsibility Statement:

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013:

a. that in preparation of the annual financial statements for the year ended March 31, 2026, the Indian Accounting Standards (Ind-AS) and other applicable accounting standards have been followed along with proper explanations to material departures, if any.

b. that the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2026.

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. that the Directors have prepared annual accounts on a going concern basis.

e. that the Directors have established internal financial control systems for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management and tested by an independent firm conducting internal audits. Based on the periodical testing, the framework is strengthened from time to time, to ensure adequacy and effectiveness of internal financial controls.

f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Role of Independent Directors:

Independent directors play a crucial part in the board's decision-making process since they approve the Company's overall strategy and monitor management performance. The independent directors bring with them a wealth of expertise, wisdom, and understanding in the areas of finances, housing, credit & risk, Information Technology, Human resources management, and accounting. This extensive understanding of both their area of specialty and boardroom procedures results in a variety of unbiased, experienced, and independent viewpoints. Each independent director has committed and set aside enough time to carry out their responsibilities well.

Declaration given by Independent Directors:

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and Regulation 16(1)(b) and Regulation 25 of the SEBI Listing Regulations, 2015.

Mr. Raj Vikash Verma, Mr. Mathew Joseph, Mr. Sankarson Banerjee and Ms. Susan Thomas, who are appointed as Non-Executive and Independent Directors, have given the necessary declaration under Section 149, Section 164 and Section 184 of the Companies Act, 2013. These declarations have been placed before the Board and were duly taken on record.

Registration of Independent Directors with Independent Director's Databank

The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, required all existing and those aspiring to become independent directors to apply online to Indian Institute of Corporate Affairs (IICA) for inclusion of their names with the Independent Directors Databank.

All the Independent Directors, Mr. Raj Vikash Verma, Mr. Mathew Joseph, Mr. Sankarson Banerjee and Ms. Susan Thomas have registered themselves with the Independent Director's Databank and the details are as given below:

Name of the Independent Director	Registration Number	Validity of Registration
Mr. Raj Vikash Verma	IDDB-DI-201912-003438	Lifetime
Mr. Mathew Joseph	IDDB-DI-202002-017395	February 26, 2030
Mr. Sankarson Banerjee	IDDB-DI-202211-045172	November 15, 2027
Ms. Susan Thomas	IDDB-DI-202407-061416	July 03, 2030

Further, in accordance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, Mr. Raj Vikash Verma, Mr. Mathew Joseph, Mr. Sankarson Banerjee and Ms. Susan Thomas have given declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, which were duly taken on record.

Familiarisation Programme:

Your Company, on an ongoing basis strives to keep the Board, specifically the Independent Directors informed and updated with matters related to the industry and business environment in which we operate, our business model, risk metrices, mitigation and management, ever evolving governing regulations, information technology including cyber security, their roles, rights and responsibilities and any other major developments and updates.

All new Independent Directors are taken through a detailed induction and familiarisation programme, that covers the history, background, cultures, values, organizational structures, board procedures and overview of the business operations of the Company. The Company has also provided directors with a reference manual which, inter alia, covers the roles, functions, powers and duties of the directors, disclosures and declarations to be submitted by directors and various codes and policies of the Company.

The induction and ongoing Programmes enable the Independent Directors to take better informed and conscious decisions, in the best interests of the stakeholders of the Company.

The details of familiarisation Programme imparted to the Independent Directors and the policy of the Company are available on the Company's website at https://www.veritasfin.in/Familiarisation_Programme_for_Independent_Directors.php.

Separate Independent Directors Meeting:

The Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management to discuss all such issues as they may consider relevant. During the year under review, the meeting of Independent Directors was held on March 20, 2026.

At the said meeting, the Independent Directors discussed and reviewed the performance of Non-Independent Directors and the Board as a whole assessed the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably. They also discussed briefly strategy, leadership strengths and weaknesses, governance, compliance, Board movements, succession planning, human resources matters. The recommendations and feedback arising from the meeting have been communicated to the Board and management for implementation.

Code of Conduct for the Board of Directors and the Senior Management Personnel:

Pursuant to Regulation 17(5) of SEBI Listing Regulations, 2015, the Company has adopted the Code of Conduct applicable to the Board of Directors and the Senior Management Personnel (Code). The Code provides guidance to the Board of Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Schedule V (D) of the SEBI Listing Regulations, 2015, the Company has also received a declaration from the Directors, the Key Management Personnel, and the Senior Management Personnel of the Company that they have complied to the Code of Conduct for the financial year ended March 2026.

The said code is hosted on the website at https://www.veritasfin.in/code-of-conduct.php

Vigil Mechanism / Whistle Blower Policy:

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with unethical behaviour, mismanagement, instances of actual or suspected, fraud, if any and provides safeguards against victimization of employees who avail the mechanism. The Whistle Blower Policy has been placed on the website of the Company. The Audit Committee oversees the vigil mechanism. The Directors, employees and all stakeholders of the Company have been given direct access to the Chairperson of the Audit Committee, if needed.

During the year under review, one complaint was received by the Company. The said complaint was investigated and addressed as per the policy of the Company as of date. Further, none of the personnel of the Company were denied access to the Chairman of the Audit Committee.

Policy on Prevention of Sexual Harassment:

The Company follows a zero-tolerance approach towards sexual harassment and remains firmly committed to ensuring the safety, dignity and well-being of all employees. It strives to foster a safe, inclusive and respectful workplace.

Policy on Prevention and Redressal of Sexual Harassment at Workplace is in place as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is uploaded on the website of the Company. The Company has complied with the provisions related to the constitution of the Internal Complaints Committee.

Pursuant to the POSH Act, the details of the total reported and closed cases pertaining to incidents under the above framework/law are as follows:

Number of cases received during the financial year: Nil

Number of cases disposed during the financial year: Nil

Number of cases pending as on March 31, 2026: Nil

Number of cases pending for more than 90 days: Nil

Compliance in relation to Maternity Benefit Act, 1961:

Your Company is in full compliance with all provisions of the Maternity Benefit Act, 1961 (and relevant sections under the Code on Social Security). Your Company maintains a supportive and equitable work environment, ensuring that eligible female employees are provided with mandated paid maternity leave, medical bonuses, and statutory nursing breaks. Furthermore, your Company mandates non-discrimination and job security for expecting and new mothers throughout and following their period of leave.

Disclosure of Orders passed by Regulators or Courts or Tribunal:

No significant material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

Penalties:

There were no instances of non-compliances, penalty levied, or strictures imposed on the Company by Stock Exchanges, or SEBI on any matter related to capital markets, during the year under review.

The instances of penalties and fines imposed, if any, on the Company by other statutory authorities in the normal course of the business are detailed in the financial statements of the Company.

Employee Stock Option Scheme:

The information pertaining to ESOS in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed with this report as 'Annexure-III'.

Details of issue of Sweat Equity Shares

There has been no issue of sweat equity shares since inception of the Company.

Maintenance of Cost Records

The Company being a NBFC is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

Code of conduct for fair disclosure of UPSI and Code of Conduct to regulate, monitor and report trading by insiders in Company's Securities

In compliance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Policy on Code of conduct for fair disclosure of UPSI and Code of Conduct to regulate, monitor and report trading by insiders which prohibits trading in securities of the Company by insiders while in possession of Unpublished Price Sensitive Information in relation to the Company. The objective of this Code is to ensure timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') and the manner in which it shall be unvaryingly disseminated to the Investors on an immediate and regular basis. Ms. V. Aruna, Company Secretary and Compliance Officer of the Company, is authorized to act as Compliance Officer under the Code.

Human Resource Development Attracting and Retaining Top Performers

Our employees are our most important assets. Attracting, retaining, and fairly compensating talented professionals are one of the foundational elements of your Company's business strategy. Your Company capitalizes on a robust management team possessing extensive industry knowledge, augmented by a dedicated execution team at the branch level that consistently achieves outstanding results. Our human resources strategies also aims at allowing our employees to develop their skills, grow in their career and navigate their next phase.

As of March 31, 2026, your Company had 8329 employees across branches, regional offices, and the head office as follows:

- Total Male Employees: 8113
- Total Female Employees: 216
- Total Transgender Employees: Nil

Optimizing Staff Strength for Growth: Your Company meticulously studied customer acquisition, credit delivery, collection processes, and staff strength of similar NBFCs to optimize our staffing levels. This analysis considered differences in business models and resulted in streamlined regional and branch staffing, adding personnel in critical functional areas as needed.

Investing in People: Your Company invests heavily in employee development through training programs for frontline sales, marketing, credit, and other staff, including KYC and FPC certifications. Your Company also offer a mix of on-the-job and off-the-job training opportunities.

Employees Relationship:

The employees at all ranks of the Company have extended their wholehearted cooperation to the Company for the smooth conduct of the affairs of the Company and the employee relations of the Company have been cordial. Your directors wish to place on record their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication, and professionalism has made the organization's significant growth possible.

Secretarial Standards

During the FY 2025-26, the Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

General

The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

There was no revision of financial statements and Board's Report of the Company during the year under review.

There was no issue of equity shares with differential rights as to dividend, voting or otherwise.

There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report.

There was no buyback of the equity shares during the year under review.

There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013 ("the Act").

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 (“IBC”) during the year under review.

Acknowledgement

Your directors take this opportunity to thank the shareholders, customers, employees, bankers, non-bank lenders, vendors, mutual funds, financial institutions, debenture trustee, R&T agent, credit rating agency, auditors, Reserve Bank of India, other Regulatory authorities for their co-operation and continued support to the Company. We look forward to their continued patronage and encouragement in all our future endeavours.

On behalf of the Board of Directors,
For Veritas Finance Limited
(Formerly known as Veritas Finance Private Limited),

-sd-
Raj Vikash Verma
Chairman and Independent Director
DIN:03546341
Place: Gurgaon

sd-
D. Arulmany
Managing Director & CEO
DIN: 00009981
Place: Chennai

Date: May 07, 2026

Annexure- I

Disclosures in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.No	Particulars	Remarks
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. D. Arulmany – 109.15:1 Mr. Mathew Joseph-11.47:1 Mr. Suresh Subramanian -11.00:1 Mr. Sankarson Banerjee-11.32:1 Mr. Raj Vikash Verma-13.04:1 Ms. Susan Thomas-10.22:1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director and CEO – 36.54% Chief Financial Officer – (-0.77%) Company Secretary and Compliance Officer– 22.74% Other Directors – 4.87% (cumulative)
3.	The percentage increase in the median remuneration of employees in the financial year	13.03%
4.	The number of permanent employees on the rolls of company	8329
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average % increase in employees salary: 9.81% Average % increase in KMP salary: 19.50%
6.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the as per the Policy for Directors, Key Managerial Personnel and other Employees.

B. Information as per Rule 5(2) and Rule 5(3) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – The statement is available for inspection of the shareholders at the ensuing annual general meeting of the Company. If any member is interested in obtaining a copy, such member may send an e-mail to the Company Secretary of the Company in this regard.

Annexure- II

FORM NO AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Veritas Finance Limited has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or not at arm's length during FY 2025-26.

a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contracts/arrangements/transactions	NA
c.	Duration of the contracts/ arrangements/ transactions	NA
d.	Salient terms of the contracts or arrangements or transactions including the value if any	NA
e.	Justification for entering into such contracts or arrangements or transactions	NA
f.	Date(s) of approval by the Board	NA
g.	Amount paid as advances, if any:	NA
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section- 188	NA

2. Details of material contracts or arrangements or transactions at arm's length basis:

a.	Name of the related party and nature of relationship	NA
b.	Nature of contracts/ arrangements/ transactions	NA
c.	Duration of the contracts/ arrangements/ transactions	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e.	Date(s) of approval by the Board	NA
f.	Amount paid as advances, if any	NA

Although there are no related party transactions as per Section 188 of the Companies Act, 2013 and the rules made thereunder, as per Rule 4(1) of the Companies (CSR Policy) Rules, 2014, the Company transfers its CSR obligations (part or whole) as per the CSR Annual Action Plan to Veritas Foundation and the details of the transactions are available as part of the CSR report FY 2025-26. Further, during the financial year ended March 31, 2024, the Company established a trust by name "Veritas Employees Gratuity Trust" for the purpose of covering the gratuity payable to employees as per Payment of Gratuity Act, 1972 in association with SBI Life Insurance Company Limited.

For and on behalf of the Board of Directors of
Veritas Finance Limited
(Formerly known as Veritas Finance Private Limited)

-sd
Raj Vikash Verma
Chairman & Independent Director
DIN: 03546341
Place : Gurgaon

-sd
D. Arulmany
Managing Director & CEO
DIN: 00009981
Place: Chennai

Date: May 07, 2026

ANNEXURE III

VERITAS Employees Stock Option Scheme (VERITAS ESOS A), 2016.

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	30,00,000
b. Options Granted	30,50,000
c. Options Vested	-
d. Options Exercised	29,61,500
e. The total no. of shares arising as a result of exercise of option	29,61,500
f. Options Lapsed / Surrendered	88,500
g. Variation of terms of option	None during the FY 2025-26.
h. Total number of options in force	-
i. Options available for grant	38,500
j. Money realized by exercise of options	₹ 3,81,30,000/-
k. (a) Details of options granted to Key Managerial Personnel (KMP)	NIL during the year
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2026	NIL
(c) Identified employees who were granted Options, during the period ended 31.03.2026, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	NA

VERITAS Employees Stock Option Scheme (VERITAS ESOS B), 2018.

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	10,00,000
b. Options Granted	11,62,500
c. Options Vested	1,18,750
d. Options Exercised	8,35,350
e. The total no. of shares arising as a result of exercise of option	8,35,350
f. Options Lapsed / Surrendered	1,73,400
g. Variation of terms of option	None during the FY 2025-26.
h. Total number of options in force	1,18,750
i. Options available for grant	10,900
j. Money realized by exercise of options	₹ 3,77,04,000/-
k. (a) Details of options granted to Key Managerial Personnel	NIL
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2026	NIL
(c) Identified employees who were granted Options, during the period ended 31.03.2026, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	NA

VERITAS Employees Stock Option Scheme (VERITAS ESOS C), 2018.

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	20,00,000
b. Options Granted	25,75,000
c. Options Vested	6,78,750
d. Options Exercised	10,53,650
e. The total no. of shares arising as a result of exercise of option	10,53,650
f. Options Lapsed / Surrendered	7,48,850
g. Variation of terms of option	None during the FY 2025-26.
h. Total number of options in force	6,78,750
i. Options available for grant	1,73,850
j. Money realized by exercise of options	₹ 14,47,52,500/-
k. (a) Details of options granted to Key Managerial Personnel (KMP)	NIL
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2026	NIL
(c) Identified employees who were granted Options, during the period ended 31.03.2026, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	NA

VERITAS Employees Stock Option Scheme, 2021 (VERITAS ESOS, 2021).

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	10,00,000
b. Options Granted	11,80,000
c. Options Vested	5,09,750
d. Options Exercised	24,500
e. The total no. of shares arising as a result of exercise of option	24,500
f. Options Lapsed / Surrendered	2,63,500
g. Variation of terms of option	None during the FY 2025-26.
h. Total number of options in force	5,09,750
i. Options available for grant	83,500
j. Money realized by exercise of options	₹ 55,12,500/-
k. (a) Details of options granted to Key Managerial Personnel	NIL during the year
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2026	6 employees
(c) Identified employees who were granted Options, during the period ended 31.03.2026, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was ₹ 625 for Options granted on 30.04.2025.

VERITAS Employees Stock Option Scheme, 2024 (VERITAS ESOS, 2024).

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	20,00,000
b. Options Granted	18,74,167
c. Options Vested	6,00,834
d. Options Exercised	NIL
e. The total no. of shares arising as a result of exercise of option	NIL
f. Options Lapsed / Surrendered	6,03,333
g. Variation of terms of option	None during the FY 2025-26.
h. Total number of options in force	6,00,834
i. Options available for grant	7,29,166
j. Money realized by exercise of options	NIL
k. (a) Details of options granted to Key Managerial Personnel	15,000 options granted to KMP (Company Secretary)
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2026	9 employees
(c) Identified employees who were granted Options, during the period ended 31.03.2026, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was Rs.625 for Options granted on 30.04.2025.

FORM NO. MR-3 Annexure- IV

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

VERITAS FINANCE LIMITED,

(Formerly known as VERITAS FINANCE PRIVATE LIMITED)

(CIN: U65923TN2015PLC100328),

SKCL Central Square 1, South and North Wing, 7th Floor,

Unit No. C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate,

Guindy, Chennai – 600 032.

We, M Damodaran & Associates LLP, Practicing Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VERITAS FINANCE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including amendment/ re-enactment made thereto; (to the extent applicable):-

(a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with clients;

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR];

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(f) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

(vi) Reserve Bank of India Act, 1934 and applicable RBI Directions and Guidelines (as the Company is a Non-Banking Financial Company).

We have also examined compliance with the applicable provisions/ clauses of the following:

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to the Company listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and

(ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Circulars, Notifications, Guidelines, Secretarial Standards, etc. mentioned above and there are no other specific observations requiring any qualification on non-compliances.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in composition of the Board during the year were carried out in compliance with applicable provisions.

Adequate notice was given to all Directors to schedule the Board & Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the respective Chairperson, the decisions of the Committees and Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Board of Directors of the Company, inter-alia, has;

a. approved, at its meeting held on April 30, 2025, issuance of redeemable and Non-Convertible Debentures up to INR 1650 crores on private placement basis.

b. granted, at its meeting held on April 30, 2025, 1,65,000 employees stock options pursuant to the respective Veritas Employee Stock Option Schemes.

c. allotted, 22,500 Series 20A and Series 20B secured, rated, listed, redeemable, transferable, non-convertible debentures bearing face value of INR 1 lakh each aggregating up to INR 225 crores, pursuant to a circular resolution passed by the Resources and Business Committee of the Board dated September 19, 2025. The said debentures were subsequently listed on the BSE on September 22, 2025.

d. allotted, 20,000 Series 21 secured, rated, listed, redeemable, transferable, non-convertible debentures bearing face value of INR 1 lakh each aggregating up to INR 200 crores, pursuant to a circular resolution passed by the Resources and Business Committee of the Board dated February 05, 2026. The said debentures were subsequently listed on the BSE on February 06, 2026.

e. increased, at its meeting held on March 20, 2026, borrowing powers from INR 9500 crores to INR 12000 crores (subject to shareholder approval).

f. approved, at its meeting held on March 20, 2026, securitization of receivables up to INR 1800 crores (subject to shareholder approval).

g. noted, at its meeting held on March 20, 2026, resignation of Mr. Suresh Subramanian (DIN: 02070440), Independent Director of the Company with effect from end of the business hours on March 31, 2026.

We further report that during the audit period the Shareholders of the Company, inter alia, has;

a. passed following resolutions at the Extra-ordinary General Meeting held on April 15, 2025;

i. special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to increase the quantum of borrowing powers of the Board of Directors from INR 7000 crores to INR 9500 crores as below subject to interchangeability within the overall borrowing powers of INR 9500 crores.

(INR in Crores)

Particulars	Existing Limits	Proposed Limits
Borrowings by way of Commercial Papers	350.00	150.00
Private placement of Non-Convertible Debentures (NCDs)	750.00	1650.00
Securitization of its loan receivables, and/or to sell / transfer / directly assign substantial assets including receivables / book debt of the Company	1400.00	1700.00
Borrowings from such person or persons including banks, institutions, corporates, etc., including by way of External Commercial Borrowings (ECBs), availing Standby Letter of Credit (SBLC), and all types of fund and non-fund based facilities.	4500.00	6000.00
Grand Total (INR in Crores)	**7000.00**	**9500.00**

ii. special resolution under sections 23, 42, 71, 180(1)(c) and all other applicable provisions of the Companies Act, 2013, for issue of secured/unsecured/subordinated, rated/unrated, listed/unlisted non-convertible debentures on a private placement basis in one or more tranches/series up to a maximum amount not exceeding INR 1650 crores during a period of one year from April 15, 2025.

iii. special resolution under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, to undertake the transaction(s) for Securitization/Selling/Transfer/Direct Assignment of its receivables/book debts up to INR 1700 crores.

iv. special resolution under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, to approve creation of Security cover / Charges on the assets of the Company up to INR 11,500 crores.

b. passed following resolutions at the Annual General Meeting held on July 21, 2025;

   i. special resolution under sections 152, 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approved the re-appointment of Mr. Arulmany Duraisamy (DIN: 00009981), as Managing Director and Chief Executive Officer of the Company, for a further period of five years with effect from July 03, 2025 to July 02, 2030.

   ii. special resolution under sections 149, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approved the payment of annual commission to the Independent Directors of the Company for the FY 2024-25.

We further report that during the audit period, the Company has redeemed the debentures on the respective due dates including partial redemption.

Place: Chennai

Date: May 07, 2026

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN:F005837H000296930

(This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report)

'Annexure 1'

To,

The Members,

VERITAS FINANCE LIMITED,

(Formerly known as VERITAS FINANCE PRIVATE LIMITED)

(CIN: U65923TN2015PLC100328),

SKCL Central Square 1, South and North Wing, 7th Floor,

Unit No. C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate,

Guindy, Chennai – 600 032.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on the audit conducted by us.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Date: May 07, 2026

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN:F005837H000296930

Annexure V

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

Veritas Finance Limited ("Veritas Finance") recognizes that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Susan Thomas	Chairperson and Independent Director	2	2
2	Mr. Sudhir Variyar	Member and Nominee Director	2	2
3	Mr. D. Arulmany	Member and Managing Director and CEO	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Company's CSR Policy has been uploaded on the website of the Company which contains the details of the composition of CSR committee and CSR projects approved by the board. The web link to CSR policy is https://www.veritasfin.in/csr-policy.php

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable.

5. (a) Average net profit of the company as per section 135(5).

Particulars	(in ₹ Lakhs)
Profit/(Loss) - 2024-25	46,508.89
Profit/(Loss) - 2023-24	35,686.56
Profit/(Loss) - 2022-23	23,743.84
Average PROFIT for CSR purpose	35,313.10

(b) Two percent of average net profit of the company as per section 135(5)

Particulars	(in ₹ Lakhs)
2% of average Profit/Loss for last three years *	706.30

*Prescribed CSR Expenditure

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL

(d) Amount required to be set off for the financial year, if any. – NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. – ₹ 706.30 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)** – ₹ 249.82 Lakhs

(b) **Amount spent in Administrative Overheads**- NIL

(c) **Amount spent on Impact Assessment, if applicable** - Not applicable

(d) **Total amount spent for the Financial Year** [(a)+(b)+(c)]- ₹ 249.82 Lakhs

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹ Lakhs)	Date of transfer	Name of the Fund	Amount (in ₹ Lakhs)	Date of transfer
249.82	456.48	April 20, 2026	NA	NA	NA

(f) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Lakhs ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 706.30 Lakhs
ii.	Total amount spent for the Financial Year	₹ 249.82 Lakhs
iii.	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹ Lakhs)*	Amount spent in the reporting Financial Year (in ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of transfer		
1.	FY 2022-23	NA	NA	NA	NA	NA	NA	NA
2.	FY 2023-24	151.30	28.06	28.06	NA	NA	0	NA
3.	FY 2024-25	357.70	357.70	117.51	NA	NA	240.19	NA

Note: * Unspent balance as on April 01, 2025

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/No

If Yes, enter the number of Capital assets created/ acquired: Please refer below.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in INR)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1	40 steel cots, steel table with drawers, student chairs for the hostel for special children at Presidency College, Chennai	600005	March 13, 2026 and March 30, 2026	4,53,120	NA	Presidency College	100, Kamarajar Salai, PWD Estate, Chepauk, Triplicane, Chennai, Tamil Nadu 600005

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in INR)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
2	18 medical equipment – Infusion Pumps, Patient Monitors, Transport Ventilator, and Operating table for the paediatric ward of Adyar Cancer Institute, Adyar, Chennai	600020	March 16, 2026	18,91,500	CSR00007235	Adyar Cancer Institute WIA	Cancer Institute (WIA), State Cancer Institute, Adyar, Chennai - 600 020
3*	Renovation and repair work at Government Higher Secondary School Nakkasalem, Perambalur – Repair of Terrace, replacement of windows and doors, renovation of flooring, upgrading the school auditorium, foldable mesh gate, painting works, and construction of additional blocks etc.	621118	September 14, 2025 and November 17, 2025. March 6,2026, and March 30, 2026.	15,72,000	NA	Government School Nakkasalem, Perambalur	Government Higher Secondary School, Nakkasalem,(p.o), Alathur (T.K), Perambalur District – 621118.
4*	Renovation and repair work at Primary School, Ladapuram - Construction and strengthening of the compound wall, new toilet facilities for boys, girls, and staff, repair of damaged windows, doors, roofing, and flooring, comprehensive repainting and general refurbishment.	621101	January 7, 2026 and March 31, 2026	17,95,000	NA	Primary School, Ladapuram	Panchayat Union Primary School, Ladapuram (P.O.), Perambalur Taluk, Perambalur District – 621101.
5*	Renovation and repair work at Adi Dravidar Welfare School, Ladapuram - Construction and renovation of the compound wall, repair of damaged windows, doors, roofs, and flooring, and comprehensive painting and refurbishment works.	621101	January 7, 2026 and March 31, 2026	17,16,000	NA	Adi Dravidar Welfare School, Ladapuram	Government Adi Dravidar Welfare High School, Ladapuram, Perambalur District – 621101.
6*	Additional renovation work at Government High School, Ladapuram – Renovation of toilet blocks	621101	November 25, 2025 and February 3, 2026.	12,05,000	NA	Government High School, Ladapuram	Government High School, Ladapuram main road, Perambalur District – 621101.

*Note: Pertains to ongoing projects initiated in FY 2024-25 and completed in 2025-26.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): -

During the FY 2025-26, the Company has spent ₹ 249.82 Lakhs on various projects. The unspent balance of ₹ 456.48 Lakhs is towards various ongoing projects as identified and approved by the Board. The said amount has been transferred to a designated separate bank account namely 'Unspent CSR Account FY 2025-26' on April 20, 2026, including upon receipt of the amount from Veritas Foundation, and will be duly spent in accordance with the CSR Rules.

	Sd/-	Sd/-
	D. Arulmany	**Susan Thomas**
Date: May 07, 2026	(Managing Director & CEO)	(Independent Director, Chairperson - CSR Committee)
Place: Chennai	DIN: 00009981	DIN: 09760548

Appointment, remuneration and evaluation policy

REVISION HISTORY

Sl. No.	Revision Details	Date
1	The existing policy includes the criteria for Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees and is now amended to include the provisions under the RBI' Scale Based regulations and Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs. Accordingly, the nomenclature of the policy is also changed from "Directors' Appointment, remuneration and evaluation policy" to "Appointment, remuneration and evaluation policy".	27.04.2023
2	The policy is amended to incorporate the changes as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,	09.01.2025

Preamble:

Pursuant to Section 178 of the Companies Act, 2013 (the "**Act**"), requirements of the Reserve Bank of India and Regulation 19 read with Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "**SEBI LODR Regulations**"), policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees ("**Policy**") had been formulated including criteria for determining qualifications, positive attributes, independence of a director and other matters as required under the said Act and the SEBI LODR Regulations.

This Policy is also to align with the Reserve Bank of India ("**RBI**") Scale Based Regulations and RBI circular on guidelines on compensation of KMP and Senior Management in Non Banking Finance Companies ("**NBFCs**") to align the remuneration / compensation packages with prudent risk and ensure that all statutory mandates and the rules and directions issued under them are fully complied with.

Definitions:

a) **Board or Board of Directors:** Board of Directors mean the board of directors of the Company.

b) **Company**: Company means Veritas Finance Limited.

c) **Independent Director:** Independent Director means a director referred to in Section 149(6) of the Act, as amended from time to time.

d) **Key Managerial Personnel or KMP:** Key Managerial Personnel means — (i) Chief Executive Officer ("CEO") and/ or the Managing Director ("MD"), (ii) Chief Financial Officer ("CFO"), (iii) Company Secretary and Compliance Officer, and (iv) such other officer as may be prescribed.

e) **Nominee Director:** Director appointed by the major investor as per the terms of the Shareholders Agreement.

f) **Remuneration:** Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

g) **Senior Management:** Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Managing Director, including all functional heads.

h) **RBI Master Directions:** RBI Master Directions means Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, including amendments made thereto from time to time.

The objectives of this policy:

a) To evaluate the performance of the members of the Board.

b) To develop and recommend to the Board a set of corporate governance principles, takes a leadership role in shaping the corporate governance of the Company.

c) To make recommendations to the Board as to the size, composition, structure of the Board and also evaluation criteria of the Independent Directors, including chairman, conduct annual review of the performance of the Managing Director and/or Chief Executive Officer and also oversee the Company's Managing Director's and/or Chief Executive Officer's succession planning process.

d) To guide the Board in relation to appointment and removal of directors, Key Managerial Personnel and Senior Management.

e) To recommend to the Board on Remuneration payable to the directors, Key Managerial Personnel and Senior Management.

Nomination and Remuneration Committee ("NRC" or "Committee"):

1. **Composition of the Nomination & Remuneration Committee:** The composition of the Committee to be in compliance with the Act, rules made thereunder, as amended from time to time. The Committee shall have the powers, functions and duties as laid down in the Act, rules made thereunder, and SEBI LODR Regulations, as amended from time to time.

2. Role of the Committee:

The role and responsibilities of the Committee shall include, but not be restricted to:

a) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

b) Recommending to the Board a Policy relating to the remuneration for the directors, Key Managerial Personnel, Senior Management, [and other employees] and such other policies as may be required from time to time and to undertake periodic review of the same.

c) To screen and review the identified proposals for considering appointment as Board members and make suitable recommendations to the Board for appointment of such individuals for directorships.

d) Ensuring 'fit and proper' status of the proposed and existing directors and scrutinising the declarations received by the directors in this regard.

e) Formulation of the criteria for determining qualifications, positive attributes and independence of a director

f) To assess the independence of Independent Directors and non-executive directors;

g) Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director.

h) Formulating criteria for evaluation of the performance and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and/or by the Nomination and Remuneration Committee.

i) Devising a policy on Board diversity.

j) To review the results of the Board performance evaluation process that relate to the composition of the Board;

k) To make recommendations to the Board on the appointment or re-appointment of directors, Key Management Personnel, and Senior Management, and succession planning for directors, Key Management Personnel, and Senior Management, in particular the Chairman and the Chief Executive Officer. .

l) To recommend remuneration payable to non-executive directors of the Company from time to time.

m) Annual appraisal of the performance of the Managing Director and fixing his terms of remuneration in terms of the applicable laws and regulations. .

n) Annual appraisal of the performance of the Key Management Personnel and Senior Management and fixing their terms of remuneration .

o) Annual appraisal of the performance of the Senior Management i.e., Chief Risk Officer, Chief Audit Officer, and Chief Compliance Officer, and fixing their terms of remuneration based on the recommendations of the Risk Management Committee and the Audit Committee respectively.

p) Administration of ESOP Schemes of the Company as approved from time to time.

q) To consider giving stock options to the employees and also consider any other compensation-related issues or matters relating to the Company's employees.

r) To work closely with risk management committee to achieve effective alignment between compensation and risks.

s) Recommending such items and matters to the Board for their consideration and approval/ratification as may be required from time to time.

t) Performing such other activities as may be delegated by the Board and/or prescribed under the Act, the SEBI LODR Regulations , [RBI Master Directions], and any other applicable rules, regulations, guidelines, clarifications, circulars, and notifications issued by the Government of India including Securities and Exchange Board of India, RBI any other regulatory authority from time to time.

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

3. Key Principles

The Nomination and Remuneration Committee shall review and recommend to the Board, through its annual review process (or such periodicity as it deems appropriate), adopting the key principles of Remuneration.

- Benchmarked to appropriate market: The level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate employees of the quality required to run the Company successfully.
- Adopt a Pay for Performance philosophy such that the relationship of Remuneration to performance is clear and meets appropriate performance benchmarks.
- Have an appropriate balance in pay mix: The Remuneration has a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. For the Senior Management, variable pay shall be higher at higher levels of responsibility and subject to the following principles:

a) It shall be commensurate with the role and prudent risk taking profile of KMPs and Senior Management employees;

b) Can be reduced to zero based on performance at an individual, business-unit and company wide level.

- Be financially viable and relevant to market practices and commensurate to skills:

  a) taking into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past Remuneration, and any other relevant factors that the Committee may deem fit;

  b) be in a position to bring about objectivity in determining the Remuneration package while striking a balance between the interest of the Company and the shareholders.

- The compensation of KMPs and Senior Management shall be aligned effectively with prudent risk taking to ensure that

  a) compensation is adjusted for all types of risks;

  b) the compensation outcomes are symmetric with risk outcomes;

  c) compensation pay-outs are sensitive to the time horizon of the risks, and

  d) the mix of cash, equity and other forms of compensation are consistent with risk alignment.

- Compliant with local laws:

  a) Remuneration for Senior Management is in compliance with the relevant provisions of the Act.

  b) Remuneration for all employees are in compliance with the relevant provisions of Payment of Wages Act, Minimum Wages Act, and such other relevant Labour Laws of the country as may be applicable to the Company from time to time.

4. Compensation Governance:

- The Board of Directors must actively oversee the compensation system's design and operation,

  The Board of Directors must monitor and review the compensation system to ensure the system operates as intended,

- Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in Veritas.

5. Appointment and removal of director, KMP and Senior Management: Appointment criteria and qualification:

The Committee shall ascertain the integrity, qualification, expertise and experience of the person, identified for appointment as Director and recommend to the Board his / her appointment after taking the prior consent from the RBI as per the "Fit and Proper" criteria guidelines of the RBI.

The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as director.

I. Qualification, expertise and experience of the directors in their respective fields;

II. Personal, Professional or business standing;

III. Diversity of the Board.

For the appointment of KMP (other than Managing Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment.

Further, for administrative convenience, the appointment of KMP (other than Managing Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position.

However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

Tenure of appointment: The Term of the directors including Managing Director / Independent Director shall be governed as per the provisions of the Act and rules made thereunder, as amended from time to time. Whereas the term of the KMP (other than the Managing Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

Removal:

A. Employees: Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, rules and regulations and the Company's prevailing HR policies, employment agreements etc., the Committee may recommend, to the Board, with reasons recorded in writing, removal of a KMP or Senior Management.

B. Independent Director: Disqualification shall be done on the following conditions as specified below:

a. Director incurs any of the disqualifications specified in section 164;

b. Director absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

c. Director acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;

d. Director fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;

e. Director becomes disqualified by an order of a court or a National Company Law Tribunal;

f. Director is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months.

Under Section 169 of the Act which pertains to removal of directors, an independent director appointed for a second term shall be removed by the company only by passing a special resolution and after giving him a reasonable opportunity of being heard. Further, a special notice is required for removal of a director and such director is entitled to attend the general meeting and is eligible to be heard on the resolution at the meeting.

C. **Nominee Director:** The appointment and Removal of Investor Nominee Directors are as per the agreed terms mentioned in the Share Holders Agreement as amended from time to time.

6. Performance Evaluation of the Board, Committees and each of the Directors

Pursuant to the provisions of the Act, the Board will carry out annual performance evaluation of its own performance, its Committee's and the directors individually covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and

governance etc. A separate exercise to evaluate the performance of individual Directors including the Chairman of the Board / Committees will be evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

Framework for performance evaluation of Directors, Board and committees is as per Annexure A to this Policy.

7. Remuneration of Managing Director and/or Chief Executive Officer, KMP and Senior Management and other employees

The Remuneration / compensation / commission, etc., as the case may be, to the Managing

Director and/or Chief Executive Officer, KMPs and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / compensation / commission, etc., as the case may be, shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and rules made thereunder.

Further, the Managing Director and/or Chief Executive Officer of the Company in consultation with the NRC is authorized to decide the remuneration of Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

The NRC Committee determines the annual variable pay compensation in the form of annual incentive and annual increment for the KMPs based on Company's and individual's performance as against the pre-agreed objectives for the year.

The KMPs, except a promoter director, if applicable, is also eligible for ESOPs as per the scheme in force from time to time. Grants under the Scheme shall be approved by the NRC Committee.

The compensation structure shall broadly comprise the following components:

1. Fixed Pay
2. Variable Pay

Composition of Fixed Pay:

- The CTC consists of various components including basic salary, allowances and retirals.
- Allowances include a basket of components including House Rent Allowance, Medical Reimbursement, Leave Travel Allowance & Special Allowance or any other allowance(s) introduced from time to time.
- Retirals include statutory contributions such as Employer's contribution to Provident Fund, Leave Encashment & Gratuity. The Basic salary is determined as a fixed percentage of the Gross Salary to maximum extent possible, thereby ensuring prudent management of the compensation structure.

Composition of Variable Pay:

The Variable pay serves as an effective instrument for managing employee costs in line with business cycles whilst simultaneously reinforcing a meritocratic performance culture. The variable compensation will consist of performance bonus/sales incentives as applicable to different roles. The variable pay for field frontline employees is given in the form of monthly incentives. Incentive payouts are based on individual performance targets. The details of the types of variable pay are as follows:

Annual Performance Bonus (APB): The KMPs and Senior executives of the Company, are eligible for the Annual

Performance Bonus. The APB is dependent on individual performance and the organisation's performance for the financial year. The performance rating assigned is based on the assessment of performance delivered against a set of defined performance objectives.

ESOPs: The KMPs and Senior executives are eligible for long-term incentive plan in the form of ESOPs, as per the scheme in force from time to time. Grants under the Scheme are approved by the NRC Committee.

Insurance: Based on the grade and seniority of employees, benefits for employees include: Health-related including health (hospitalization) insurance for self and family Life insurance covering accident, disability etc.,

Car Scheme: In addition to the above, the Executive Director and Senior Employees may also be eligible and be provided with Company Car, Mobile and such other benefits and such other perquisites as may be determined and issued from time to time based on the company policy.

Retention pay: The executive committee may decide to offer retention payment to certain senior or key employees as a means to retain them, based on the merits of exigencies, in the best interests of the Company.

8. Compensation for Risk Control and Compliance Staff:

To ensure a robust Risk Management and Control Mechanism, it is intended that KMPs and Senior Management engaged in financial control, risk management, compliance and internal audit are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the company. Accordingly, the company shall ensure that the mix of fixed to variable compensation for control function is weighted in favour of fixed compensation and in line with the RBI guidelines for NBFCs.

9. Malus and Clawback:

Malus: Malus arrangement is applicable for all types of variable pay (Cash / Deferred cash / ESOP / Deferred Incentive Plan / Bonus), which is not yet vested/paid, or vested but not paid/exercised.

Payment of all, or part, amount of Variable Pay can be secured under Malus.

Clawback: Previously paid or already vested Variable Pay can also be recovered under this clause. This arrangement is applicable either fully or partially for all types of variable pay. The clawback will be applicable to employees even after their separation from the Company.

Malus & Clawback may be applied under the following circumstances:

a. Fraud, misfeasance, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the Company;

b. Willful misinterpretation / misreporting financial performance of the Company;

c. Material failure in risk management controls or material losses due to negligence in risk- taking which are attributable to the employee, whether directly or indirectly;

d. Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement, or an act of a felonious or criminal nature;

e. Non-disclosure of material conflict of interest by the employee or any misuse of official powers;

f. An act of willful, reckless, or grossly negligent conduct which is detrimental to the interest or reputation of the company monetarily or otherwise;

g. Any breach of the Code of Conduct, Non-Disclosure Agreement, regulatory procedures, internal rules, and regulations, or any other such instance for which the NRC/MD, in their discretion, may deem it necessary to apply malus or / and clawback provisions;

Malus may be applied under the following additional circumstances:

a. Deterioration of financial performance of the Company going into losses in the Profit after Tax from one financial year to the next; or vs budget for the year; or any other criteria laid down by the NRC / MD from time to time;

b. In case any deferred / LTI plan is issued which is linked to the performance of an employee and the defined performance parameters are not met by the employee

c. On Resignation or separation of the employee from services of the Company

In deciding the application of malus/clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC / MD will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation/withdrawal, the NRC/MD will take into consideration all relevant factors, including inter alia, internal factors such as the role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to exception situations like Covid19, that may have been beyond the control of the employee concerned.

Under certain circumstances, the company may decide not to issue any new grants / approve any variable pay / incentive pay for the year, or for a specific period, to an employee individually, or to a group of employees collectively, or to all employees.

10. Remuneration to Independent Director

Independent Directors are paid remuneration by way of Sitting Fees as approved by the shareholders.

The sitting fee payable to the Independent Director for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The fee is reviewed periodically and aligned to comparable best in class practices.

The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. A resolution will be passed in the Board for payment of sitting fees to the independent Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Section 197 of the Act also provides for the payment of Commission to Independent Directors up to a maximum of 1% of the net profit of the Company as determined by the Board from time to time.

The sitting fees, as the case may be, to the Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

11. Policy Review

Subject to the approval of the Board, the Nomination & Remuneration Committee reserves the right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. This policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee and wherever required the recommendation to the Board will be made for its approval.

12. Dissemination of Policy

The Policy shall be available on the website of the Company i.e., https://www.veritasfin.in/.

Annexure A

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Expertise;
- Objectivity and Independence;
- Guidance and support in context of life stage of the Company;
- Understanding of the Company's business;
- Understanding and commitment to duties and responsibilities;
- Willingness to devote the time needed for effective contribution to Company;
- Participation in discussions in effective and constructive manner;
- Responsiveness in approach; and
- Ability to encourage and motivate the Management for continued performance and success.

The evaluation involves assessment of each member of the Board, by the Directors excluding the person who is being evaluated. A member of the Board will not participate in the discussion of his / her evaluation.

MATRIX FOR EVALUATION OF INDEPENDENT DIRECTOR

S. No.	Criteria of Evaluation	Rating				Remarks
		1	2	3	4	
1.	Attendance and participation in the meetings	NA	NA	NA	NA	NA
2.	Raising of concerns to the Board					
3.	Safeguarding of confidential information					
4.	Rendering independent, unbiased opinion and resolution of issues at meetings					
5.	Initiative in terms of new ideas and planning for the Company					
6.	Safeguarding interest of whistle-blowers under vigil mechanism					
7.	Timely inputs on the minutes of the meetings of the Board and Committees, if any					

Rating:

1 - Always

2 - Mostly

3- Sometimes

4- Occasionally

MATRIX FOR EVALUATION OF INDEPENDENT DIRECTOR

S. No.	Criteria of Evaluation	Rating				Remarks
		1	2	3	4	
1.	Attendance and participation in the meetings	NA	NA	NA	NA	NA
2.	Raising of concerns to the Board					
3.	Safeguarding of confidential information					
4.	Rendering independent, unbiased opinion and resolution of issues at meetings					
5.	Initiative in terms of new ideas and planning for the Company					
6.	Safeguarding interest of whistle-blowers under vigil mechanism					
7.	Timely inputs on the minutes of the meetings of the Board and Committees, if any					

Rating:

1 - Always

2 - Mostly

3- Sometimes

4- Occasionally