

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

No.: _____
Addressed to: _____

INFORMATION MEMORANDUM



VERITAS FINANCE PRIVATE LIMITED

A private limited company incorporated under the Companies Act, 2013

Date of Incorporation: April 30, 2015

Registered Office: SKCL Central Square 1, South Wing Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu – 600032.

Telephone No.: 044 – 4615 0011

Website: <http://www.veritasfin.in>

Information Memorandum for issue of Debentures on a private placement basis

Dated: January 22, 2021

Issue of 250 (Two Hundred and Fifty) Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) on a private placement basis (the “Issue”).

Background

This Information Memorandum is related to the Debentures to be issued by Veritas Finance Private Limited (the “Issuer” or “Company”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on July 08, 2020 and the Board of Directors of the Issuer on January 20, 2021 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis (“Information Memorandum” or “Disclosure Document”). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

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Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited (“Rating Agency” / “CARE”). The Rating Agency has vide its letter dated January 19, 2021 assigned a rating of “CARE A-” (pronounced as “CARE A Minus”) with “stable” outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letters dated January 19, 2021 from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opens on: January 25, 2021
Issue Closing on: January 25, 2021
Deemed Date of Allotment: January 27, 2021

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange (“BSE”).

Debenture Trustee	Registrar and Transfer Agent
 <p>Catalyst Trusteeship Limited Windsor, 6th Floor, Office No.604, C.S.T Road, Kalina, Santacruz (East) Mumbai 400098 Contact Person: Ms. Suhani Merchant Tel.:022- 49220507 Fax: 022-49220505 Email: suhani.merchant@ctltrustee.com Website: www.catalysttrustee.com</p>	 <p>Karvy Fintech Private Limited Karvy Selenium Tower, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana, India Phone: 040 -67162222 Toll Free No: 1800-345-4001 Email: madhu.c@karvy.com Contact Person: Mr. C Madhu S Reddy</p>

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure IV .
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a ‘public holiday’ for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Chennai and Mumbai and “ Business Days ” shall be construed accordingly.
CDSL	Central Depository Services Limited.
Debentures / NCDs	250 (Two Hundred and Fifty) Secured Rated Listed Redeemable Transferable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	January 27, 2021
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Secured Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.

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DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier (upon any event of default or upon the exercise of the put option or call option), prior to the scheduled Maturity Date or acceleration.
EFT	Electronic Fund Transfer.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents;
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
Issue	Private Placement of the Debentures.
Issue Closing Date	January 25, 2021
Issue Opening Date	January 25, 2021
Issuer/ Company	Veritas Finance Private Limited.
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder). Reference to the words “material” or “reasonable” shall mean “material” or “reasonable” in the opinion of the Debenture Trustee as decided by a majority (51%) of the debenture holders by value.
Maturity Date	January 25, 2024
N.A.	Not Applicable.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any

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	Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Karvy Fintech Private Limited (Formerly Known as Karvy Computershare Private Limited).
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Annexure I .
Tax or Taxes	shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Annexure I .
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed

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directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of

this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to Investors on the

Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential investors ("Investors") should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures (as defined below) is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest,

which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.9 LEGALITY OF PURCHASE

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

3.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

RISKS RELATED TO THE BUSINESS OF THE ISSUER

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- (a) ***Majority of the Issuer's loans are secured against hypothecation of receivables and the clients of these loans are of the high-risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

A majority of the Issuer's loans are secured against hypothecation of receivables and the clients of these loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on March 31, 2020, the gross NPA was 24.22 crores on a gross portfolio of Rs.1300.67 crores.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

- (b) ***Failure of the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify,

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attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(c) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(d) ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC Directions and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the Certificate of Registration issued to the NBFC.

(e) ***Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, 1934 every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% in relation to aggregate risk-weighted assets and risk adjusted assigned loans.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended 31st March 2020 and Limited review financials for the half year ended 30th September 2020 are set out in **Annexure V** hereto.

SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on July 08, 2020, authorizing the issue/offer of non-convertible debentures by the Company;
- (e) Copy of the resolution passed by the Board of Directors authorizing the issuance of the Debentures and the list of authorized signatories;
- (f) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
- (g) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all ‘Qualified Institutional Buyers’ and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Name:	Veritas Finance Private Limited
Registered Office of Issuer:	SKCL Central Square 1, South Wing Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu – 600032
Corporate Office of Issuer:	SKCL Central Square 1, South Wing Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu – 600032
Compliance Officer of Issuer:	Ms. N.A. Madhavi
CFO of Issuer:	Mr Suchindran VG
RBI Registration Number:	N-07.00810
Corporate Identification Number:	U65923TN2015PTC100328
Phone No.:	044 – 4615 0011
Contact Person:	Mr. Arulmany, Managing Director & CEO
Email:	corporate@veritasfin.in
Website of Issuer:	http://www.veritasfin.in
Auditors of the Issuer:	M/s BSR & Co. LLP, Chartered Accountants KRM Tower, 1 st & 2 nd Floor, No.1, Harrington Road, Chetpet, Chennai – 600 031, Tamil Nadu, India Registration No. 101248W/W-100022
Trustee to the Issue:	Catalyst Trusteeship Limited Windsor, 6 th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz ((East), Mumbai – 400 098 Tel: +91 22 4922 0555 Email: dt.mumbai@ctltrustee.com Website: https://www.catalysttrustee.com
Registrar to the Issue:	KFin Technologies Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana, India Tel: 040 -67162222 Email: madhu.c@karvy.com Website: www.kfintech.com
Credit Rating Agency of the Issue:	CARE Ratings Limited

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Address: O-509/C, Spencer Plaza, 5th Floor, No. 769,
Anna Salai, Chennai – 600 002.

5.4 A brief summary of business / activities of the Issuer and its line of business:

(a) Overview

Veritas Finance Private Limited (CIN: U65923TN2015PTC100328) ('the Company') was incorporated on 30 April 2015. with a focus on providing inclusive finance to the 'missing middle'. The Company has received the Certificate of Registration dated October 15, 2015 from the Reserve Bank of India ("RBI") to carry on the business of Non-Banking Financial Institution without accepting deposits ("NBFC-ND"). The Company is engaged in extending credit to micro and small enterprises (MSME) typically self-employed business. The Company follows the cash flow based credit assessment with suitable adaptations for each type of business, where the loans are given for business expansion, working capital

Backed by a networth of strong capital base of Rs. 821.79 Crores (as on March 31, 2020) , Veritas Finance currently operates in Tamil Nadu, Puducherry, West Bengal, Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh, Odisha and Jharkhand based on hub and spoke for mortgage-backed lending and branch based model (with shared branches) for working capital lending. For mortgage-backed lending, there are typically 4 to 5 branches under each area office, which also functions as a hub.

Vision statement

To be recognized by our fairness, responsible approach, and service quality as the most admired company in the inclusive financing space by all stakeholders

Mission statement

Make a difference and create a positive impact in the lives of a million informal customers and micro, small and medium enterprises in India through sustainable financing solutions.

Loan Products offered by Veritas

	Working Capital Loan	MSME - Business Loans	MSME - Home Construction Loans
	Short-Term	Medium Term	Long Term
Loan Amount	Rs.10,000/- to Rs.2,00,000/-	Rs.1,00,000/- to Rs.25,00,000/-	Rs.5,00,000/- to Rs.25,00,000/-
Purpose of Loan	Towards meeting working capital expenses	Towards improvement of Business / Asset Creation / Income generating activity	Towards Self - Construction of Houses
Interest Rate (in % - IRR)	24% to 26%	16% to 28% p.a.	18% to 21% p.a.
Tenure	180 Days	Up to 5 yrs. (extendable on case to case basis to 7 yrs.)	Up to 10 years
Processing Fees	2% (one-time) and 1% (one-time) on repeat loans	2% (one-time)	2% (one-time)
Loan to Value	NA	Upto 50%	Upto 65% and LCR Upto 80%
Monthly Net Income to Instalment Amt	Up to 20%	Upto 40%	Upto 55%

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(b) Corporate Structure

(i) Brief Profile of the Board of Directors & the management of the Company:

Sl.	Name of Director	Designation	Profile of the Director
1	D. Arulmany	Managing Director & Chief Executive Officer	Arulmany D has more than two decades of experience most of which is in the financial services industry. Before starting Veritas Finance, he was associated with Aptus Value Housing Finance as President & CEO since inception. He is a Post Graduate in Rural Management Programme from (PGDRM) IRMA with graduation in Bachelor of Business Administration (BBA), Madurai Kamaraj University. He has also done his GMP from University of Michigan.
2.	Abhijit Sen	Independent Director	Abhijit Sen is an Independent Director of Veritas Finance. He had served in Citi India as Chief Financial Officer – India Subcontinent for over 18 years. On retirement from Citi, he is associated with E&Y as an External Advisor, for their activities in the Banking and Financial Services Sector. He currently serves on several Boards including Trent Ltd, Ugro Capital Limited, Kalyani Forge Ltd, and Cashpor Micro Credit and. In the past, Abhijit Sen served on the Board of National Securities Depository Ltd, IDFC First Bank Limited and India First Life Insurance Company Limited. He has also been an External Advisor to General Atlantic. As Chief Financial Officer, India Subcontinent – Citi, he was responsible for the Finance function in India, Bangladesh and Sri Lanka for the entire Citi franchise including Controllership, Corporate Treasury, Financial Planning, Product Control and Tax. He holds a B.Tech (Hons) degree from the Indian Institute of Technology, Kharagpur and a Postgraduate Diploma in Management from the Indian Institute of Management, Kolkata with Majors in Finance & Information Systems.
3.	M.Sivaraman	Independent Director	M. Sivaraman is the former Managing Director of GIC Housing Finance Ltd. and a veteran in the financial services with more than three decades of experience spreading across Corporate Finance, Accounting and Secretarial functions. He is a Fellow Chartered Accountant (FCA) and a Company Secretary (ACS) by profession. He is also a FIII (Fellow Member of the Federation of Insurance Institutes in India).
4.	N. Mohanraj	Independent Director	N. Mohanraj is the former Director & Chief Executive Officer of LIC Nomura Mutual Fund and Executive Director of Life Insurance Corporation. He is a seasoned professional with rich experience spanning over three decades in

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Sl.	Name of Director	Designation	Profile of the Director
			financial services cutting across insurance, mutual fund and investments. As a Nominee of LIC, he served on Boards of many companies including Punjab Tractors Ltd, HEG, Larsen & Toubro, Grasim Industries Ltd and Venture Funds like UTI VF, India Value Fund and IDFC Fund. He holds a Masters in Economics from Loyola College, Chennai.
5.	Priyamvada Ramkumar	Nominee Director, Lok Capital Growth Fund	Priyamvada Ramkumar has over 12 years of experience across investing, investment & commercial banking. She has evaluated many deals across the NBFC and housing finance space. Prior to Lok Capital, she has worked with Veda Corporate Advisors, a boutique investment bank, for 6 years, advising companies across sectors on private equity and M&A transactions. A gold medallist, Priyamvada Ramkumar completed her Bachelors in Commerce from Stella Maris College. She holds an MBA from XLRI, Jamshedpur.
6.	Gaurav Malhotra	Nominee Director, CDC Group Plc	Gaurav Malhotra works for the CDC Group – the UK government's Development Finance Institution. He is responsible for advising and supporting CDC on their investments in Financial Institutions in South Asia. His role has largely been in management consulting and advisory for financial institutions in India. Gaurav Malhotra has a wide range of consulting experience, working for several financial institutions during his 10 years with The Boston Consulting Group in India and Europe. He has also worked for a year as the head of the strategy for an Indian family business. Gaurav has experience in several topics including growth strategy, consumer behaviour, distribution networks, operations and IT, for multiple types of financial institutions, particularly in Microfinance.
7.	Nishant Sharma	Nominee Director, Kedaara Capital Fund II LLP	Nishant Sharma is a Co-Founder & Partner of Kedaara Capital, a private equity investment fund focused on India. Nishant has over 13 years of investment experience, encompassing the full lifecycle of private equity in India across a variety of industries and across private and public markets. He has driven investments, managed the portfolio and successfully divested investments over this period. Before co-founding Kedaara, Nishant served as a Principal and one of the core members of the India investment team at General Atlantic ("GA"), a leading growth oriented private equity firm with over \$17bn under management. He co-led GA's investments across financial services, healthcare, business services & technology including investments in IndusInd Bank, Jubilant Lifesciences, IBS Software among others. Prior to GA, Nishant

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Sl.	Name of Director	Designation	Profile of the Director
			worked with McKinsey & Company focused on clients across the information technology services, financial services, healthcare and government sectors. In addition, he worked at the Bill & Melinda Gates Foundation in setting up the largest HIV/AIDS prevention program in India. Nishant served on the Board of Au Financiers (now Au SFB) and currently serves on the Boards of Aavas Financiers, Vijaya Diagnostics, Vishal Mega Mart, Ami Life Sciences and Veritas Finance. Nishant received an M.B.A. from Harvard Business School, and a Dual Degree (B.Tech. and M. Tech.) in Biochemical Engineering and Biotechnology from Indian Institute of Technology, Delhi.
SENIOR MANAGEMENT			
Sl.	Name	Designation	Profile
1.	K P Venkatesh	President & Chief Business Officer	K P Venkatesh a Mechanical Engineer from University of Madras and an MBA from XIM Bhuvaneshwar, has more than two decades of experience with a varied exposure largely in manufacturing and Financial Services. He has worked across organizations which include J.K Industries Ltd, Cholamandalam Investment and Finance Company Limited (Chola), GMAC, Equitas Finance and IKF Finance. He has experience cutting across functions like Business Development, Credit, Operations and Sales. By joining Equitas Finance at an early stage, he was instrumental in building its various product verticals including micro finance, housing and vehicle finance. As CEO of Vehicle Finance at IKF, he co-partnered in helping the organisation to move to the next level.
2.	J. Prakash Rayen	Chief Operating Officer	J. Prakash Rayen is the Chief Operating Officer at Veritas Finance. He has over 25 years of experience in the BFSI segment, spearheading the Technology initiatives of the retail assets division across organizations like DCB Bank, Cholamandalam etc. Prior to Veritas Finance, he was at Aptus Value Housing, where he had been responsible for setting up the entire IT platform of the organization from scratch, identifying and putting in place the right solutions for the lending product and managing the technological challenges coinciding with the growth of the organization and leading the many IT innovations. He is a post graduate in computer applications (MCA) from St. Joseph's College, Trichy. He is also a qualified oracle database administrator.
3.	V.G. Suchindran	Chief Financial Officer	V.G. Suchindran is the Chief Financial Officer at Veritas Finance. He has experience of more than 18 years in capital markets and development finance industry across organizations like Equitas Micro Finance Limited, Citibank,

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Sl.	Name of Director	Designation	Profile of the Director
			Cholamandalam Investment & Finance Company Limited. Prior to Veritas, he was the CEO of IFMR Investment Adviser Services Private Limited, the fund management and investment advisory arm of IFMR Trust, where he successfully launched the fund platform in the alternative investment fund space. He is a qualified Chartered Accountant (FCA), Cost & Management Accountant (Grad. CMA), and Company Secretary (ACS).
4.	Sekhar Vikas	Executive President - Sales – MSME & WC	Sekhar Vikas spearheaded Veritas Finance foray into the Eastern States - Odisha, West Bengal and Jharkhand. Sekhar Vikas has more than fifteen years of experience in financial services with focus on housing, mortgage & unsecured lending space. He brings with him an ability to build and manage a large team of sales people for range of financial products. Apart from directly managing a large team of field executives, he has also handled channel partners and has also developed and trained large no of DSAs apart from direct sales teams. He has also been responsible for setting up new branches and vast distribution networks across the eastern states like West Bengal, Odisha, Jharkhand and has excelled in every organization he has been part of. Prior to joining Veritas Finance, Sekhar was working in organizations including Shriram City Union, Cholamandalam Investments and Finance, HDB, CBOP, HSBC. He has done his Post Graduation Degree in Management from Devi Ahilyabai University, Indore.
5.	K. Kannan	Senior Vice President- MSME-South	K Kannan is a Veterinarian, graduating from Tamil Nadu Veterinary and Animal Sciences University and an MBA from IIM, Ahmedabad. He has more 16 years of experience in Banking and Financial Services. He has worked across organizations including Axis Bank, Yes Bank and Cholamandalam Investment and Finance Company Limited (Chola). He has experience across functions including Relationship Management, Sales and Credit spanning corporate and retail finance businesses. His last role in Chola involved setting up a new vertical to cater to the rural markets utilizing the deep branch network of the group.
6.	Vijay Subramanian R	Senior Vice President- Credit	Vijay Subramanian R is the Head-Credit at Veritas Finance. He brings over 18 years of experience in credit and risk across retail and SME Products. Prior to Veritas he had been associated with Hinduja Housing Finance as Head-Credit & Operations for Home Loans and Mortgage Product where he had been responsible for setting up the complete process for underwriting and operations from scratch and to build the credit team coinciding with the growth

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Sl.	Name of Director	Designation	Profile of the Director
			of the organization. He has also worked with leading banks and HFCs including Citibank, IDFC Bank, HDFC Bank and Sundaram Home Finance in the past. He is a post graduate in Management (MCA) from ICFAI Business School. He carries rich experience in Underwriting, Portfolio & Risk Management and implementation of scorecard model for mortgage underwriting.
7.	R. Krishnaraj	Senior Vice President - Credit - WC	R. Krishnaraj has rich experience in financial services, most of which is in Credit & Collection function. He has over two decades of experience cutting across credit, operations, risk management, recovery and collections. Before joining Veritas Finance, he was with Cholamandalam as DGM Credit Operations-Vehicle Finance. He is credited with introduction of many new innovations and first to adapt and put in place any new initiatives including Risk Scoring Model, Lean Cell Concept etc. in the Vehicle Finance vertical. He is an MBA graduate from PSG Institute of Technology.
8.	D. Kanchana Srikanth	Senior Vice President - Legal	D. Kanchana Srikanth heads the Legal function at Veritas Finance. She has more than 19 years of experience in Legal, Litigation, Documentation issues with specific reference to Mortgages. She has rich experience in banking and financial services sectors and has worked in several organizations including Vijaya Bank, Lakshmi Vilas Bank, Cholamandalam Investment and Finance Company Ltd. Prior to Veritas Finance, she was with Aptus Value Housing spearheading the several legal recovery actions through arbitration, Sec.138 of NI Act, Civil and Criminal cases against willful default customers. She is a legal graduate and holds a professional degree in Law (B.A, B.L) from Dr. Ambedkar Law College, Chennai.
10.	Kumareshan Sivam	Senior Vice President - Human Resources	Kumareshan Sivam a post graduate in Personnel Management from Pune University. He has more than 20 years of experience spanning across industries, large part of which is in the financial services industry. He has handled all functions of HR, including Recruitment, HR operations, Employee Engagement, Training, PMS etc. He is well versed in operations of asset based lending – Vehicle Finance, Home Equity and Home loans and is extremely adept at managing employee issues, conflicts and grievances. He has experience of mobilizing and managing large teams in financial services industry and proven skills in implementing end to end HR processes, sourcing leadership talent, knowledge of latest technologies, emerging trends and ability to deploy them across HR functions. Prior to joining Veritas Finance he was associated with

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Sl.	Name of Director	Designation	Profile of the Director
			Equitas small finance bank and Cholamandalam Investment and Finance Company Ltd.
11.	Madhavi N A	Company Secretary & Compliance Officer	Madhavi N A has rich experience of over 6 years in Compliance where she has worked in organizations like Frontier Life Line Pvt Ltd and has played a key role in managing responsibilities of compliance along with additional responsibility of being a Company Secretary. Her key role was to check for regulatory requirements and reporting, handling of new licenses and renewals as per the relevant regulations and liaising with the Government Authorities. She has played a vital role in advising the top management on policymaking. She underwent her secretarial training with TVS Sundaram Clayton. Prior to training, she was employed with Indian Railways for 7 years. Currently, at Veritas Finance, she is the Company Secretary & Compliance Officer. She is an Associate member of Institute of Company Secretaries of India (ICSI) and Institute of Cost Accountants of India (ICMAI). She has also completed her Master's in Business Laws with the National Law School of India University, Bangalore (NLSIU).

(c) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis:

Particulars	(Rs. In Crores)			
	Audited IND AS 30-Sep-20	Audited IND AS 31-Mar-20	Audited IGAAP 31-Mar-19	Audited IGAAP 31-Mar-18
Net Worth	853.13	821.79	443.7	165.7
Total Debt	1104.31	1,009.82	592.16	295.89
- Non current maturities of long-term Borrowings	680.96	507.66	409.90	209.25
- Short term borrowings	-	-	-	-
- Current maturities of long-term Borrowings	423.35	491.69	182.26	86.64
Net Fixed Assets	6.86	910.35	14.50	4.98
Non-Current Assets	1110.76	999.57	623.16	279.14
Cash and Cash equivalents	369.72	469.43	134.98	121.29
Current Investments	263.21	63.18	144.76	0
Current Assets	924.05	816.39	437.83	193.40
Current Liabilities	453.81	526.13	200.54	103.56
Assets Under Management	1353.37	1,279.32	745.21	225.03
Off balance sheet assets	-	-	-	-
Interest Income	153.54	259.53	117.97	45.76
Interest Expense	58.48	102.45	38.786	16.4742
Provisioning & Write Offs	24.37	15.10	4.9	3.31
PAT	29.14	33.03	20.49	6.06
Gross NPA (%)	2.07%	1.86%	0.90%	0.74%

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Net NPA (%)	1.73%	1.29%	0.76%	0.53%
Tier I Capital Adequacy Ratio (%)	51.17%	58.65%	47.06%	47.23%
Tier II Capital Adequacy Ratio (%)	2.25%	0.63%	0.96%	0.81%

(d) Gross Debt: Equity Ratio of the Company (As on September 30, 2020):

Before the issue of debt securities	1.30
After the issue of debt securities	1.36

Calculations

As on September 30, 2020, debt-to-equity ratio is calculated as follows:

(Rs. Crores)

Debt	1,108.06
Equity	853.13
Debt/Equity(Times)	1.30

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

(Rs. Crores)

Debt	1,133.06
Equity	853.13
Debt/Equity(Times)	1.33

(b) Project cost and means of financing, in case of funding new projects: N.A.

5.5 Brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on last quarter end, i.e., September 30, 2020:

Share Capital	Rs. In Crores
Authorised Capital	
Authorized Equity Share Capital – (Face Value Rs.10)	48.00
Authorized Preference Share Capital – (Face Value Rs.10)	51.00
Authorized Preference Share Capital – (Face Value Rs.15)	21.00
Total	120.00
Issued Capital	
Equity	46.99
Preference	65.01
Total	112.00
Subscribed and Paid Up Capital	
Equity	35.02
Preference	65.01
Total	100.03

(b) Changes in its capital structure as on last quarter end i.e., September 30, 2020 for the last five years:

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Date of Change (AGM/EGM)	Rupees in Crores	Particulars
30-04-2015	5.00	Initial Authorized Equity Share Capital
26-10-2015	15.00	Increase in Authorized Equity Share Capital
08-12-2015	30.00	Increase in Authorized Equity Share Capital – Rs.19 Crores (from Rs.15 Crores) Increase in Authorized Preference Share Capital – Rs.11 Crores (from Nil)
03-03-2017	62.00	Increase in Authorized Equity Share Capital – Rs.30 Crores (from Rs.19 Crores) Increase in Authorized Preference Share Capital – Rs.32 Crores (from Rs.11 Crores)
16-04-2018	77.00	Increase in Authorized Equity Share Capital – Rs.45 Crores (from Rs.30 Crores) Increase in Authorized Preference Share Capital – Rs.32 Crores (from Rs.11 Crores)
10-08-2018	100.00	Increase in Authorized Equity Share Capital – Rs.45 Crores (from Rs.30 Crores) Increase in Authorized Preference Share Capital – Rs.55 Crores (from Rs.32 Crores)
16-10-2018	100.00	Reclassified: Authorized Equity Share Capital – Rs.45 Crores (Face Value Rs.10) Authorized Preference Share Capital – Rs.34 Crores (Face Value Rs.10) Authorized Preference Share Capital – Rs.21 Crores (Face Value Rs.15)
22-05-2019	100.00	Reclassified: Authorized Equity Share Capital – Rs.48 Crores (Face Value Rs.10) Authorized Preference Share Capital – Rs.31 Crores (Face Value Rs.10) Authorized Preference Share Capital – Rs.21 Crores (Face Value Rs.15)
17-01-2020	120.00	Authorized Equity Share Capital – Rs.48 Crores (Face Value Rs.10) Increase in Authorized Preference Share Capital – Rs.51 Crores (Face Value Rs.10) Authorized Preference Share Capital – Rs.21 Crores (Face Value Rs.15)

(c) **Equity Share Capital History of the Company as on last quarter end i.e. September 30, 2020 for the last five years:**

Issue Date	Authorized Capital as on date of issue (in Rs.)	New issue of Equity & CCPS / Conversion of CCPS to Equity	No of shares	Cumulative No of shares	Issue Price	Face Value (in Rs.)	Paid Up Capital (in Rs.)	Cumulative Paid up Capital (in Rs.)
30-04-2015	5,00,00,000	New issue of Equity- MOA	50,000	50,000	10	10	5,00,000	5,00,000
28-05-2015	5,00,00,000	New issue of Equity- Private	34,50,000	35,00,000	10	10	3,45,00,000	3,50,00,000

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	00	placement						
20-11-2015	15,00,00,000	New issue of Equity- Private placement	1,01,00,000	1,36,00,000	10	10	10,10,00,000	13,60,00,000
18-03-2016	30,00,00,000	New issue of Equity- Private placement	12,00,100	1,48,00,100	25	10	1,20,01,000	14,80,01,000
05-05-2016	30,00,00,000	New issue of Equity- Private placement	5,00,000	1,53,00,100	25	10	50,00,000	15,30,01,000
13-07-2017	62,00,00,000	Conversion to Equity from CCPS on 1:1 basis	21,50,539	1,74,50,639	-	10	2,15,05,390	17,45,06,390
25-07-2017	62,00,00,000	Conversion to Equity from CCPS on 1:1 basis	1,07,99,900	2,82,50,539	-	10	10,79,99,000	28,25,05,390
30-11-2017	62,00,00,000	New issue of Equity- Private placement	200	2,82,50,739	46.5	10	2,000	28,25,07,390
17-05-2018	77,00,00,000	New issue of Equity- Private placement	11,72,153	2,94,22,892	90	10	1,17,21,530	29,42,28,920
16-06-2018	77,00,00,000	New issue of Equity- ESOP	15,000	2,94,37,892	10	10	1,50,000	29,43,78,920
31-10-2018	1,00,00,00,000	New issue of Equity- Private placement	8,88,626	3,03,26,518	135.04	10	88,86,260	30,32,65,180
04-01-2019	1,00,00,00,000	New issue of Equity- Rights issue (Partly paid equity shares of Re.1 paid)	1,09,75,000	4,13,01,518	72.69321	1	1,09,75,000	31,42,40,180
27.09.2019	1,00,00,00,000	New issue of Equity- ESOP	6,500	4,13,08,018	20	10	65,000	31,43,05,180
27.09.2019	1,00,00,00,000	New issue of Equity- ESOP	1,000	4,13,09,018	40	10	10,000	31,43,15,180
18.03.2020	1,20,00,00,000	New issue of Equity- Private placement (Partly paid equity shares of Re.1 paid)	23,23,744	4,36,32,762	215.17	1	23,23,744	31,66,38,924
18.03.2020	1,20,00,00,000	New issue of Equity- Private placement	6,18,472	4,42,51,234	215.17	10	61,84,720	32,28,23,644
18.03.2020	1,20,00,00,000	New issue of Equity- Private placement	6,61,518	4,49,12,752	215.17	10	66,15,180	32,94,38,824
18.03.2020	1,20,00,00,000	New issue of Equity- ESOP	1,00,000	4,50,12,752	10	10	10,00,000	33,04,38,824
18.03.2020	1,20,00,00,000	New issue of Equity- ESOP	1,00,000	4,51,12,752	20	10	10,00,000	33,14,38,824
18.03.2020	1,20,00,00,000	New issue of Equity- ESOP	30,000	4,51,42,752	10	10	3,00,000	33,17,38,824

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18.03.2020	1,20,00,00,000	New issue of Equity- ESOP	15,000	4,51,57,752	10	10	1,50,000	33,18,88,824
18.03.2020	1,20,00,00,000	New issue of Equity- ESOP	15,000	4,51,72,752	20	10	1,50,000	33,20,38,824
26.03.2020	1,20,00,00,000	New issue of Equity- ESOP	9,75,000	4,61,47,752	10	10	97,50,000	34,17,88,824
26.03.2020	1,20,00,00,000	New issue of Equity- ESOP	5,00,000	4,66,47,752	10	10	50,00,000	34,67,88,824
26.03.2020	1,20,00,00,000	New issue of Equity- ESOP	2,00,000	4,68,47,752	10	10	20,00,000	34,87,88,824
26.03.2020	1,20,00,00,000	New issue of Equity- ESOP	1,00,000	4,69,47,752	10	10	10,00,000	34,97,88,824
26.03.2020	1,20,00,00,000	New issue of Equity- ESOP	40,000	4,69,87,752	10	10	4,00,000	35,01,88,824
Total number of Shares and Paid up Share capital as on 30 September 2020				4,69,87,752			35,01,88,824	

(d) Paid-up Preference Share Capital History of the Company as on last quarter end i.e. September 30, 2020 for the last five years:

Date of Allotment	No. of Compulsor y Convertible Preference Shares	Cumulative No. of Compulsory Convertible Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Mode of Allotment	Share Premium (Rs.)	Cumulative Issued / Paid-up Capital (Rs.)
18-03-2016	1,07,99,900	1,07,99,900	10	25	Cash	Physical	15	10,79,99,000
04-05-2017	6,45,162	1,14,45,062	10	46.5	Cash	Demat	36.5	11,44,50,620
04-05-2017	15,05,377	1,29,50,439	10	46.5	Cash	Demat	36.5	12,95,04,390
04-05-2017	10,75,269	1,40,25,708	10	46.5	Cash	Demat	36.5	14,02,57,080
13-07-2017	-6,45,162	1,33,80,546	10	0	Conversion from CCPS to Equity	Demat	0	13,38,05,460
13-07-2017	-15,05,377	1,18,75,169	10	0	Conversion from CCPS to Equity	Demat	0	11,87,51,690
25-07-2017	-1,07,99,900	10,75,269	10	0	Conversion from CCPS to Equity	Demat	0	1,07,52,690
30-11-2017	86,02,051	96,77,320	10	46.5	Cash	Demat	36.5	9,67,73,200
30-11-2017	1,39,78,396	2,36,55,716	10	46.5	Cash	Demat	36.5	23,65,57,160
17-05-2018	32,65,433	2,69,21,149	10	90	Cash	Demat	80	26,92,11,490
17-05-2018	22,29,081	2,91,50,230	10	90	Cash	Demat	80	29,15,02,300
31-10-2018	93,67,595	3,85,17,825	15	135.04	Cash	Demat	120.04	43,20,16,225
31-10-2018	45,54,206	4,30,72,031	15	135.04	Cash	Demat	120.04	50,03,29,315

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18.03.2020	1,04,18,028	5,34,90,059	10	215.17	Cash	Demat	205.17	60,45,09,595
18.03.2020	24,76,820	5,59,66,879	10	215.17	Cash	Demat	205.17	62,92,77,795
18.03.2020	20,91,370	5,80,58,249	10	215.17	Cash	Demat	205.17	65,01,91,495
Total number of Shares and Paid up Share capital as on 30 September 2020		5,80,58,249						65,01,91,495

(e) Details of any Acquisition or Amalgamation in the last 1 (one) year:

NIL

(f) Details of any Reorganization or Reconstruction in the last 1 (one) year:

NIL

5.6 Details of the shareholding of the Company as on the latest quarter end, i.e., 30.09.2020,

(a) Shareholding pattern of the Company as on last quarter end, i.e. 30.09.2020:

Sl.	Category	Total no of shares	No. of shares in demat form	Total shareholding as on % of total no of shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Promoter & Relatives:	171,48,744	171,48,744	16.32%	Nil	Nil
2	Employee & Relatives:	42,72,500	42,72,500	4.07%	Nil	Nil
3	Individual Investors:	106,42,367	106,42,367	10.13%	Nil	Nil
4	CDC Group Plc.	207,61,783	207,61,783	19.77%	Nil	Nil
5	Lok Capital Growth Fund	1,39,73,954	1,39,73,954	13.30%	Nil	Nil
6	Caspian Impact Investment Adviser Private Limited	6,21,093	6,21,093	0.59%	Nil	Nil
7	Norwest Venture Partners X Mauritius	231,44,247	231,44,247	22.03%	Nil	Nil
8	Kedaara Capital Fund II LLP	1,44,81,313	1,44,81,313	13.79%	Nil	Nil
	Total	10,50,46,001	10,50,46,001			

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. 30.09.2020:

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Sr. No	Name of Shareholders/Particulars	Total No. of Equity Shares	Number of shares held in Demat Form	Total Shareholding as % of total no. of equity shares
1	D. Arulmany	1,66,48,744	13.36%	35.43%
2	Norwest Venture Partners X Mauritius	1,06,90,807	30.53%	22.75%
3	Sheela Pai cole	40,64,247	11.61%	8.65%
4	Sunaina Pai Ocalan	39,61,518	11.31%	8.43%
5	Kedaara Capital Fund II LLP	35,97,041	10.27%	7.66%
6	J. Prakash Rayen	18,50,000	5.28%	3.94%
7	V. G. Suchindran	12,50,000	3.57%	2.66%
8	Savita S Pai	8,88,626	2.54%	1.89%
9	Caspian Impact Investment Adviser Private Limited	6,21,093	1.77%	1.32%
10	P. Surendra Pai	5,92,376	1.69%	1.26%

5.7 Following details regarding the directors of the Company*:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Sl .	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Director in other Company
1.	Duraisamy Arulmany Managing Director & CEO 00009981	57 years	Flat 4B, Victory Homes, New No.16, 54th Street. 9 th Avenue, Ashok Nagar, Chennai – 600083	30.04.2015	NIL
2	M Sivaraman Independent Director 02045100	67 years	Flat no: A105, Jasmine court, 2/297, Mount- Poonamallee Trunk Road, Kattupakkam, Chennai - 600056	28.05.2015	
3	N Mohanraj Independent Director 00181969	67 years	Plot No.16, First Floor, Sri Kamakshi Nagar, Mugalivakkam , Chennai - 600 125	01.12.2015	<ul style="list-style-type: none"> • Grasim Industries Limited • LTIDPL Indvit Services Limited
4	Abhijit Sen Independent	69 years	A92, Grand Paradi, 572, Dadyseth Hill, August Kranti	09.11.2017	<ul style="list-style-type: none"> • Trent Limited • Kalyani Forge Limited • Manappuram Finance Ltd • Ujjivan Financial Services

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Sl .	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Director in other Company
	Director 00002593		Marg, Near Kemps Corner, Mumbai - 400036		Ltd • Ugro Capital Limited • Tata Investment Corporation Limited • Cashpor Micro Credit Netafim Agricultural Financing Agency Pvt Ltd • Booker Satnam Wholesale Private Limited • Booker India Private Limited • Asirvad Micro Finance Ltd • Pramerica Life Insurance Ltd
5	Priyamvada Ramkumar Nominee Director of Lok Capital Growth Fund 07878808	37 years	43, 6th Main Road, R A Puram, Chennai - 28	12.10.2018	Nil
6	Nishant Sharma Nominee Director OF Kedaara Capital Fund II LLP 03117012	42 years	Tower 2 Apt 102 Planet Godrej Simplex Mills, Mahalaxmi, Mumbai- 400011	26.03.2020	• Aavas Financiers Ltd • Vishal E-Commerce Pvt Ltd • Aavas Finserv Limited • Vijaya diagnostic centre private limited • Ami lifesciences Pvt Ltd • Vishal Mega Mart Private Limited
7	Gaurav Malhotra Nominee Director Of CDC Group PLC 07640504	39 years	K1202, Mantri Espana, Devarabisanahalli, Bengaluru - 560103	26.03.2020	• Utkarsh Coreinvest Limited • Indifi Technologies Pvt Ltd • Rivera Investors Private Limited

*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL

(b) Details of change in directors since last three years (as on 30.09.2020):

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Gaurav Malhotra	Nominee Director of CDC Group Plc	07640504	26.03.2020	-	Appointment
Nishant Sharma	Nominee Director of Kedaara	03117012	26.03.2020		Appointment

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Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
	Capital Fund II LLP				
Venkatesh Natarajan	Nominee Director of Sarva Capital LLC	02453219	25.09.2019	18.03.2016	Resignation
Priyamvada Ramkumar	Nominee Director of Lok Capital Growth Fund	07878808	12.10.2018		Appointment
Hemant Kaul	Nominee Director of CDC Group Plc.	00551588	12.10.2018		Appointment
Hemant Kaul	Nominee Director of CDC Group Plc.	00551588	24.01.2020	12.10.2018	Resignation
Abhijit Sen	Independent Director	00002593	09.11.2017		Appointment

5.8 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor Since	Remarks
BSR & CO LLP	NO.10 Mahatma Gandhi Road, Nungambakkam, Chennai - 600034	Appointed on 10.06.2016 for a period of 5 years from 01/04/2016-31/03/2021	-

(b) Details of change in auditors since last three years:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
		Nil		

(c) Auditors Qualifications:

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Disclosure Document and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

For the year 2015-16

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2016-17

Auditors' reservations or qualifications or adverse remarks: - NIL

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For the year 2017-18

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2018-19

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2019-20

Auditors' reservation or qualifications or adverse remarks: Nil

5.9 Details of borrowings of the Company, as on latest quarter end 30.09.2020:

(a) Details of Secured Loan Facilities (as on September 30, 2020):

(Rs. in Crores)

S. No.	Name of the Lender	Type of Sanc tion	Loan Amount Sanctio ned	Loan Amount Outstandin g	Repayment Terms	Security Offered
1	AU Small Finance Bank Limited	TL-2	35.00	16.53	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-3	14.00	8.56	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-4	23.00	23.00	Principal & Interest Monthly	Hypothecation of specific receivables
2	Axis Bank Limited	TL-1	10.00	4.96	Principal & Interest Monthly	Hypothecation of specific receivables
3	Bandhan Bank Limited	TL-1	20.00	10.56	Principal & Interest Monthly	Hypothecation of specific receivables
4	Capital Small Finance Bank Limited	TL-1	10.00	4.93	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-2	10.00	10.00	Principal & Interest Monthly	Hypothecation of specific receivables
5	CSB Bank Limited	TL-1	10.00	8.89	Principal & Interest Monthly	Hypothecation of specific receivables
6	DCB Bank Limited	TL-1	15.00	5.45	Principal & Interest Monthly	Hypothecation of specific receivables
7	Equitas Small Finance Bank Limited	TL-3	35.00	17.50	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables
		TL-4	29.00	29.00	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables

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S. No.	Name of the Lender	Type of Sanc tion	Loan Amount Sanctio ned	Loan Amount Outstanding	Repayment Terms	Security Offered
8	Federal Bank Limited	TL-1	5.00	3.33	Principal & Interest Monthly	Hypothecation of specific receivables
9	Fincare Small Finance Bank Limited	TL-1	15.00	4.09	Principal & Interest Monthly	Hypothecation of specific receivables
10	HDFC Bank Limited	TL-1	10.00	3.61	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-2	15.00	15.00	Principal & Interest Monthly	Hypothecation of specific receivables
11	IDFC First Bank Limited	TL-2 -Tr 1	100.00	73.33	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-2 -Tr 2	50.00	41.67	Principal & Interest Monthly	Hypothecation of specific receivables
12	Karur Vyasa Bank Limited	TL-1	10.00	5.00	Principal & Interest Monthly	Hypothecation of specific receivables
13	RBL Bank Limited	TL-2	7.00	0.62	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-3	15.00	4.85	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-4 - Tr 1	30.00	15.88	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-4 - Tr 2	20.00	14.12	Principal & Interest Monthly	Hypothecation of specific receivables
14	State Bank of India Limited	TL-1	80.00	70.00	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables
		TL-2	20.00	20.00	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables
15	Ujivan Small Finance Bank Limited	TL-2	25.00	18.94	Principal & Interest Monthly	Hypothecation of specific receivables
16	AK Capital Finance Private Limited	TL-3	30.00	3.00	Principal Quarterly & Interest monthly	Hypothecation of specific receivables

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S. No.	Name of the Lender	Type of Sanc tion	Loan Amount Sanctio ned	Loan Amount Outstanding	Repayment Terms	Security Offered
		TL-4	25.00	20.59	Principal & Interest Monthly	Hypothecation of specific receivables
17	APAC Financial Services Limited	TL-2	10.00	10.00	Principal & Interest Monthly	Hypothecation of specific receivables
18	Bajaj Finance Limited	TL-1	10.00	4.17	Principal & Interest Monthly	Hypothecation of specific receivables
19	Cholamandalam Investment and Finance Limited	TL-1	10.00	6.54	Principal & Interest Monthly	Hypothecation of specific receivables
	Cholamandalam Investment and Finance Limited	TL-2	10.00	8.32	Principal & Interest Monthly	Hypothecation of specific receivables
20	Fedbank Financial Services Limited	TL-1	15.00	8.64	Principal & Interest Monthly	Hypothecation of specific receivables
21	Hero Fincorp Limited	TL-2	25.00	9.03	Principal & Interest Monthly	Hypothecation of specific receivables
22	Hinduja Leyland Finance Limited	TL-1	30.00	16.39	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-2	10.00	6.28	Principal & Interest Monthly	Hypothecation of specific receivables
23	Maanaveeya Development & Finance Private Limited	TL-2	15.00	2.50	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables
		TL-3	30.00	8.57	Principal & Interest Monthly	Hypothecation of specific receivables
24	NABKISAN Finance Limited	TL-1	15.00	5.00	Principal Quarterly & Interest Monthly	Hypothecation of specific receivables
		TL-2	11.00	6.42	Principal Quarterly & Interest monthly	Hypothecation of specific receivables
25	Sundaram Finance	TL-2	20.00	9.22	Principal & Interest	Hypothecation of specific receivables

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S. No.	Name of the Lender	Type of Sanction	Loan Amount Sanctioned	Loan Amount Outstanding	Repayment Terms	Security Offered
	Limited				Monthly	
26	TATA Capital Financial Services Limited	TL-1	5.00	3.00	Principal & Interest Monthly	Hypothecation of specific receivables
		TL-2	10.95	9.11	Principal & Interest Monthly	Hypothecation of specific receivables
27	UGRO Capital Limited	TL-1	5.00	1.15	Principal & Interest Monthly	Hypothecation of specific receivables
28	HDFC Limited	TL-2	10.00	1.63	Principal & Interest Monthly	Hypothecation of specific receivables
29	Small industries development Bank of India	TL - 1	30.00	23.34	Principal & Interest Monthly	Hypothecation of specific receivables
	Total		939.95	592.71		

(b) **Cash Credit/Working Capital as on September 30, 2020**

(Rs. in Crores)

Sr no.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Outstanding as on June 30, 2020	Repayment Date/ Schedule
1	RBL Bank Ltd	CC	10.00	-	On-Demand
2	IDFC First Bank Ltd	CC	10.00	-	On-Demand
Total			20.00	-	

(c) **Details of Unsecured Loan Facilities (as on 30.09.2020):**

NIL

(d) **Details of Non-Convertible Debentures: (as on 30.09.2020):**

(Rs. in Crs.)

Debenture Series Name	Ten or (In Months)	Amount	Date of Amount Received	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecure d	Security
Incofin Investment Managers-Series 1	36 Months	23.00	26-Mar-18	26-Mar-21	A- from CARE Ratings	Secured	Hypothecation of Specific receivables
CDC Emerging	48 Mo	35.00	16-Mar-18	16-Mar-22	A- from	Secured	Hypothecation of Specific

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Debenture Series Name	Ten or (In Month s)	Amou nt	Date of Amount Receive d	Redemptions Date/ Schedule	Credit Rating	Secured/ Unsecure d	Security
Markets Ltd-Series 2	nths				CARE Ratings		receivables
Aav Sarl-Series 3	36 Mo nths	19.00	13-Mar-18	15-Mar-21	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Aav Sarl & Masala-Series 7	36 Mo nths	41.60	31-Jul-19	31-Jul-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Microfinance Initiative for Asia (MIFA) Debt Fund - Series 4	36 Mo nths	32.00	28-Mar-18	30-Mar-21	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Microfinance Initiative for Asia (MIFA) Debt Fund- & Blueorchard Series 5	54 Mo nths	80.00	28-Mar-19	27-Sep-23	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
UTI International Wealth Creator-Series 8	72 Mo nths	86.00	20-Aug-19	20-Aug-25	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Punjab & Sind Bank - Series 9A	18 Mo nths	25.00	16-Jul-20	14-Jan-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
State Bank of India - Series 9B	18 Mo nths	20.00	05-Aug-20	05-Feb-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Bank of Maharashtra - Series 9C	18 Mo nths	50.00	12-Aug-20	12-Feb-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Bank of India - Series 9D	18 Mo nths	50.00	03-Sep-20	03-Mar-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Indian Bank - Series 9E	18 Mo nths	50.00	28-Sep-20	28-Mar-22	A- from CARE Ratings	Secured	Hypothecatio n of Specific receivables
Total		511.60					

(e) List of Top 10 Debenture Holder(s) (as on 30.09.2020):

(Rs. in Crs)

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Name of the Debenture Holder	Issue Amount	Outstanding Amount
UTI International Wealth Creator 4	86.00	86.00
Microfinance Initiative for Asia (MIFA) Debt Fund	72.00	72.00
Bank of Maharashtra	50.00	50.00
Bank of India	50.00	50.00
Indian Bank	50.00	50.00
BlueOrchard Microfinance Fund	40.00	40.00
Aav Sarl	39.80	39.80
CDC Emerging Markets Ltd	35.00	35.00
Punjab & Sind Bank	25.00	25.00
Incofin Investment Managers	23.00	23.00

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided

- (f) **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc) on behalf of whom it has been issued. (if any):**

NIL

- (g) **Details of Commercial Paper:**

NIL

- (h) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 30.09.2020:**

NIL

- (i) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years:**

NIL

- (j) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

- (k) **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

- a) statutory dues: There is no material litigation which will impact the business of the Company. NIL
- b) debentures and interest thereon; NIL

- c) deposits and interest thereon; NIL
- d) loan from any bank or financial institution and interest thereon. NIL

5.10 Disclosures With Regard To Litigation

A. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed

NIL

B. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Disclosure Document in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Disclosure Document and if so, section-wise details thereof for the company and all of its subsidiaries.

NIL

C. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

Nil.

5.11 Details of Promoters of the Company:

Mr. D. Arulmany is the Managing Director & Chief Executive Officer of Veritas Finance Private Limited with over twenty-five years of experience in financial services and capital markets.

Before starting Veritas Finance, he was the initial investor and Chief Executive Officer of affordable finance HFC, Aptus Value Housing Finance Limited, Chennai since its inception in 2010. He was instrumental in setting up the team and scaling up the business across States of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana apart from union territory of Puducherry towards both housing loans as well as loans against property based on cash flow assessment for MSMEs.

Earlier to this, he was Head of Business at PINC focused on private wealth management in Mumbai and before that he had worked with Chennai-based Cholamandalam Investment & Finance Limited as Chief Marketing Officer for their Vehicle Finance Division & later as Head of Business in its subsidiary Cholamandalam Distribution Services Limited, (part of Murugappa Group) for over fifteen years.

He is a Post Graduate in Rural Management from (PGDRM) IRMA and has done his GMP from University of Michigan.

(a) Details of Promoter Holding in Company as on latest quarter end, i.e. 30.09.2020:

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Sl.	Name of Shareholders	Total No. of Equity shares	No .of shares held in Demat form	Total Shareholding as % of total no. of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Mr. D Arulmany	1,66,48,744	1,66,48,744	15.85	-	-

5.12 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Note: Financial Information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009

Please refer Annexure V

5.13 Abridged version of Latest Audited/ Limited Review Half-yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

Please refer Annexure V

5.14 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.15 Names of the Debentures Trustees and Consents thereof.

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

5.16 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned a rating of "CARE A-" (pronounced as "CARE A Minus") with 'stable' outlook to the Debentures. Instruments with this rating are considered

to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

- 5.17 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Not Applicable

- 5.18 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

- 5.19 Other details:**

- (a) **Debenture Redemption Reserve (“DRR”) Creation:**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

- (b) **Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable RBI guidelines.

- (c) **Application process:**

The application process for the Issue is as provided in Section 8 of this Information Memorandum.

- 5.20 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
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1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated January 20, 2021, authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated July 08, 2020 authorizing the issue of non-convertible debentures by the Company.
4	Copies of Annual Reports of the Company for the last three financial years.
5	Credit rating letter from the Rating Agency dated January 19, 2021
6	Letter from Catalyst Trusteeship Limited dated January 20, 2021 giving its consent to act as Debenture Trustee.
7	Letter for Register and Transfer Agent.
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

5.21 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Clause 5.36 of this Information Memorandum.

5.22 Issue Size

The aggregate issue size for the Debentures is of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

5.23 Price at which the security is being offered

Each Debenture has face value of Rs.10.00 Lakh each.

5.24 Name and address of the valuer who performed valuation of the security offered

The security being in the nature of debentures and being issued at par, are not required to be valued by a valuer.

5.25 Underwriting

The present Issue of Debentures is on private placement basis and has not been underwritten.

5.26 Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects

This being an Issue of NCDs, promoters or director's contribution is not required.

5.27 Objects & Utilization of the Issue Proceeds

The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending and for regular business purpose including refinancing of existing debt and shall

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not be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.28 Principle Terms of Assets charged as Security

The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables (“Company’s Receivables”) to be executed between the Company and the Debenture Trustee as described herein.

The Issuer undertakes:

1. Company’s Receivables must be standard
2. Company’s Receivables are existing at the time of selection, and have not been terminated or prepaid
3. Company’s Receivables should not have been restructured or rescheduled
4. Company’s Receivables are free from all Encumbrances and are not subject to any lien or charge;
5. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.
6. The Company’s Specific Receivables being charged must comply with all extant ‘know your customer’ norms specified by RBI;
7. The Company’s Receivables generated from lending to Issuer’s associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company’s Specific Receivables generated from the lending to Issuer’s associate/s /subsidiary/s/ Related Party.

The Company undertakes to maintain the Minimum-Security Cover on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs.

Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 60 days from the day such cover falls below the required cover.

The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.

The Issuer shall execute Debenture Trust Deed and Deed of within three months from the Issue Closure Date. If the Issuer fails to execute the Debenture Trust Deed & Deed of Hypothecation, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum above the applicable Interest Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Deemed Date of Allotment until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.

5.29 Minimum Subscription

As the current Issue of NCDs is being made on private placement basis, the requirement of minimum subscription as described in the SEBI Guidelines shall not be applicable and therefore the Company shall not be liable to refund the Issue subscription(s)/proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

5.30 Right to Re-purchase and Re-issue the Debenture

The Company, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place.

Further the Company, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

5.31 Status of Debentures

The Debentures shall rank pari passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall also, as regards the principal amount of the Debentures, interest and all other monies secured in respect of the Debentures, rank pari passu with all other present and future holders of debentures issued by the Company in the same category.

5.32 Disclosure Clause

In the event of default in the repayment of the principal and/or interest on the NCDs on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or the Reserve Bank of India and/or SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement

5.33 Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

5.34 Force Majeure Event

In case of happening of any force majeure event not limited to earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, epidemic, pandemic acts of God, war, terrorism, economic crisis, political crises, changes in governmental regulation, hostilities, riots, or a similar occurrence the Debenture holder shall have right but not and obligation to accelerate the NCDs

5.35 Interpretation

The terms and conditions mentioned in this disclosure document are to be read and understood in conjunction with the terms contained in the other transaction documents to be executed by the Company of this Issue. PROVIDED THAT, in the event of any conflict between this Disclosure Document and/or the Term Sheet(s), the Term Sheet shall prevail for the purposes of the series of Debentures issued thereunder. PROVIDED FURTHER THAT, in the event of any conflict between this Disclosure Document, the Term Sheet(s) and//or the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.

5.36 Issue Details

Security Name	10.58% VFPL25012024
Issuer	Veritas Finance Private Limited (Veritas/Issuer/ Company)
Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Objects & Details of the utilization of the Proceeds	<ul style="list-style-type: none">• The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes and other general corporate purposes including refinancing of existing

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	<p>debt.</p> <ul style="list-style-type: none"> • The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, or investment in the real estate sector. • The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.
Rating of Instrument	<p>“CARE A-/Stable” by CARE Ratings Ltd</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i></p>
Debenture Trustee	Catalyst Trusteeship Limited
Registrar & Transfer Agent	KFIN Technologies Private Limited
Issue Size	Rs. 25,00,00,000/- (Rupees Twenty Five Crores only)
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Tenor	36 Months from the Deemed Date of Allotment
Coupon Type	Fixed
Coupon Rate	10.58% p.a.
Coupon Payment Frequency	<p>Quarterly from date of issue till put / call option or maturity dates, if the option is exercised.</p> <p>Coupon will be paid on outstanding principal, as on the date of coupon payment.</p>
Coupon Payment dates	The Coupon shall be payable on Quarterly basis from the Deemed Date of Allotment and on Redemption as mentioned in Annexure below subject to Business Day Convention:
Coupon Reset Process	N. A
Earlier Redemption	Other than for put/call options, Issuer has a right to do early redemption of the debentures, subject to mutual agreement & terms and with a notice period of 60 days at the face value at the time of issuance.
Step Up/Step Down Coupon Rate	<p>In the event of rating downgrade of the Debentures by any rating agency, the Coupon will be stepped up by 0.25% (Zero Decimal Point Two Five Percent) for every notch of rating downgrade, over and above the prevailing Coupon Rate.</p> <p>In case of any upgrade, there will be step-down of 0.25% for every notch of rating upgrade, below the effective coupon rate. Such a Step Down will only be applicable from a credit rating of A+, by any rating agency.</p> <p>Such enhanced/reduced Coupon Rate shall be applicable with the</p>

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	<p>effective date of interest reset from the 1st day of next calendar month based on the date of issue of the rating upgrade/downgrade letter, by any rating agency, till the next Coupon Reset Date or the Maturity Date, as the case may be.</p> <p>In case of any breach in financial covenant the coupon will be step-up by 0.25%, unless the investor exercises the Early Redemption option. If the investor agrees to a coupon step up, the revised coupon will be applicable from 1st day of next quarter. If the investor chooses for an early redemption due to a financial covenant breach, at the end of the 60 days of a cure period, the enhanced coupon will be applied from the 1st day of next quarter till the redemption.</p>
Redemption Date	At the end of 36 months from the Deemed Date of Allotment i.e. 25 th January 2024.
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Redemption	Bullet, At Par
Redemption Premium/ Discount	N.A.
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put Date	27 th January, 2022 27 th January, 2023
Put Price	At Face value
Put Option Notice	60 days prior to the Put Option date
Call Date	27 th January, 2022 27 th January, 2023.
Call Price	At Face value
Call Option Notice	60 days prior to the Call Option date
Put Notification Time	60 days
Call Notification Time	60 days
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	To be more specifically set out in the Debenture Trust Deed. All other Covenants prescribed by/commercially agreed with the proposed investors are set out in 5.36 (issue details). Please also refer Section 7 (Transaction Documents and key terms) for the covenants
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/mortgage etc.). Date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the	<p>The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by:</p> <ul style="list-style-type: none"> • Exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables (“Company’s Receivables”) to be executed between the Company and the Debenture Trustee as described herein. <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> i. Company’s Receivables must be standard ii. Company’s Receivables are existing at the time of

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<p>debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Information Memorandum.</p>	<p>selection, and have not been terminated or prepaid</p> <ul style="list-style-type: none"> iii. Company's Receivables should not have been restructured or rescheduled iv. Company's Receivables are free from all Encumbrances and are not subject to any lien or charge; v. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines. vi. The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI; vii. The Company's Receivables generated from lending to Issuer's associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party. The Company undertakes to maintain Minimum Security Cover of 1.0 times to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs. <p>The Security over the present and future receivables of the Company sufficient to maintain the Security Cover shall be created within 90 days from the Deemed Date of Allotment.</p> <p>Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 60 days from the day such cover falls below the required cover.</p> <p>The Company shall have option for providing additional/replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation within three months from the Issue Closure Date or any other extended period given by the Debenture Trustee & Debenture Holders. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription with agreed rate or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.</p>
<p>Material Adverse Effect definition</p>	<p>Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies</p>

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	thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document																		
Day Count Basis	Actual / Actual																		
Interest on Application Money	At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.																		
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 4 days from the Issue Closure Date. In case of delay in listing of the Debentures beyond 4 Trading days from the Issue closure date, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the expiry of 30 days from the date of closure till the listing of such Debentures to the Debenture Holder. Further, be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange 																		
Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.																		
Issuance mode of the Instrument	Demat only																		
Trading mode of the Instrument	Demat only																		
Manner of bidding in the issue	Closed Bidding																		
Manner of allotment in the issue	Uniform Yield Allotment																		
Settlement Cycle	T+1																		
Settlement mode of the Instrument	<p>The Pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:</p> <table border="1"> <tr> <td>Name of the Bank</td> <td>ICICI BANK</td> </tr> <tr> <td>Beneficiary Name</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> <tr> <td>Account Number</td> <td>ICCLEB</td> </tr> <tr> <td>IFSC Code</td> <td>ICIC0000106</td> </tr> <tr> <td>Mode</td> <td>NEFT/RTGS</td> </tr> </table> <table border="1"> <tr> <td>Name of the Bank</td> <td>YES BANK</td> </tr> <tr> <td>Beneficiary Name</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> <tr> <td>Account Number</td> <td>ICCLEB</td> </tr> <tr> <td>IFSC Code</td> <td>YESB0CMSNOC</td> </tr> </table>	Name of the Bank	ICICI BANK	Beneficiary Name	INDIAN CLEARING CORPORATION LTD	Account Number	ICCLEB	IFSC Code	ICIC0000106	Mode	NEFT/RTGS	Name of the Bank	YES BANK	Beneficiary Name	INDIAN CLEARING CORPORATION LTD	Account Number	ICCLEB	IFSC Code	YESB0CMSNOC
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	<table border="1"> <tr> <td>Name of the Bank</td><td>HDFC BANK</td></tr> <tr> <td>Beneficiary Name</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr> <tr> <td>Account Number</td><td>ICCLEB</td></tr> <tr> <td>IFSC Code</td><td>HDFC0000060</td></tr> <tr> <td>Mode</td><td>NEFT/RTGS</td></tr> </table>	Name of the Bank	HDFC BANK	Beneficiary Name	INDIAN CLEARING CORPORATION LIMITED	Account Number	ICCLEB	IFSC Code	HDFC0000060	Mode	NEFT/RTGS
Name of the Bank	HDFC BANK										
Beneficiary Name	INDIAN CLEARING CORPORATION LIMITED										
Account Number	ICCLEB										
IFSC Code	HDFC0000060										
Mode	NEFT/RTGS										
Depositories	NSDL/CDSL										
Undertaking	The Issuer hereby undertakes that the Security to be created on the Hypothecated Assets are free from all Encumbrances and are not subject to any lien or charge										
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in the manner as may be specified by SEBI from time to time and same shall be informed to the Debenture Trustee. The recovery expense fund shall be utilised for the activities as may be permitted by the applicable regulations										
Business Day	Any being a day excluding Saturdays, Sundays or public holiday in Mumbai/Chennai										
Business Day Convention	If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.										
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) Calendar days prior to any Due Date.										
Transaction Documents	<ul style="list-style-type: none"> i. Debenture Trust Deed, ii. Deed of Hypothecation iii. Debt Disclosure Document; iv. PAS-4 <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>										
Reporting Covenants	<ol style="list-style-type: none"> 1. <i>Quarterly Reports – within 45 (Fourty Five) calendar days from the end of each financial quarter</i> <ol style="list-style-type: none"> a) Information on financials b) List of Board of Directors c) Shareholding Pattern d) Capital Adequacy position e) DPD Details f) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer/Treasury Head/Authorised signatory as per board resolution 										

	<ol style="list-style-type: none">2. Provisional Financials – within 30 (Thirty) calendar days3. Annual Reports – within 180 (One hundred and eighty) calendar days from the end of each financial year<ol style="list-style-type: none">a) Audited financial statements within 90 calendar days from the date of board meeting in which it was adopted.4. Event Based Reports – Within 15 (Fifteen) Business Days of the event occurring<ol style="list-style-type: none">a) Change in Shareholding structureb) Change in Board compositionc) Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirementsd) Change in Key managerial person.e) Board approval of annual business planf) Any fraud amounting to more than 1.0% of Gross Loan Portfoliog) Change in the constitutional documents of the Companyh) Material Adverse Effecti) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.j) Winding up proceedingsk) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.l) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer if it crosses more than Rs. 50 Crores other than any voluntary prepayments initiated by Veritas or call / put option on each NCD transactions.m) IBC related application/petition
Financial Covenants	To be prescribed in the Transaction Documents. Including but not limited to: <ol style="list-style-type: none">1. Security cover 1.00x (Standard receivables)2. Capital adequacy ratio to be maintained at a minimum 15 % level at all times. Moreover, the Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator (“RBI”) at all points in time (currently 15%)3. The Gross Debt/Equity ratio shall not be more than 3.5 times4. The Gross NPA shall be less than 5% for Mar’21 & 3.5% for Mar ‘22 onwards5. The Net NPA shall be less than 4% for Mar’21 & 3% for Mar’22 onwards6. Write offs during the year shall not exceed 3% of Asset Under Management7. No cumulative mismatches in ALM statement for all buckets up to 1 year. Unutilized bank lines shall not be taken into account while testing the same.8. Issuer shall maintain liquidity in the form of cash, fixed deposits and/or unutilized fund-based bank lines for debt maturities due over the next 60 calendar days.9. Total Net worth/ Net NPA minimum of 15 times;10. Current Ratio to be minimum 1.1 times.11. Mr D. Arulmamy to remain the Managing Director of the Issuer.

	<p>Post subscription to the NCDs, if in future company provides financial covenants, superior to the financial covenants on capital adequacy, Gross debt/Equity ratio and Gross NPA to any Mutual fund NCDs transactions, the same will be applicable for this issuance with effect from the next financial year and the same has to be informed to the debenture trustee and the lender within 15 days of such event.</p> <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each quarter.</p> <p>Breach of any financial covenant, Veritas would be provided a cure period of 60 (Sixty) calendar days. Any notice for early redemption, on account of a breach in financial covenant, would only commence post such a cure period of 60 days.</p> <p><i>For the purpose of this aforesaid clause, the following definitions may be relied upon:</i></p> <p><i>“Debt” shall mean aggregate of</i></p> <ul style="list-style-type: none">a) All long-term outstanding, whether secured or unsecured, plusb) Contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plusc) Any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debtd) Any amount raised by acceptance under any acceptance credit facilitye) Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis)f) Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s)g) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; <p><i>“Equity” shall mean issued and paid up Equity, compulsorily convertible instruments and Compulsorily convertible Preference Share Capital (+) all reserves (excluding revaluation reserves and pertaining to instruments which are not equity or compulsorily convertible) (-) any dividend declared (+) deferred tax liability (-) deferred tax assets (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</i></p> <p><i>“Gross NPA” shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal overdue) for 90 days</i></p>
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	<i>or more or any restructured loans if any.</i> <i>"Net NPA" shall mean the difference between (i) on the Company's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets.</i>
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Debt Disclosure Document 2. Credit Rating Letter & Rationale 3. Trustee Consent Letter 4. Resolution of the Company's board of directors authorizing the issuance of debentures; 5. Resolution of the shareholders of the Company under 180(1)(c) of the Act 6. Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> i. the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series; ii. the Company will ensure listing of Debentures on the BSE within stipulated timelines; iii. the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5; iv. Execution of Deed of Hypothecation & Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013 v. Filing CHG-9 Form with ROC within stipulated timelines vi. Execution of any other documents as customary for transaction of a similar nature and size.
Default Interest Rate/Additional Interest Rate	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ol style="list-style-type: none"> i. If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures

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	<p>are fully redeemed.</p> <p>ii. If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p>
Event of Defaults (including manner of voting/conditions of joining Inter Creditor Agreement)	<p>As mentioned Clause 7.7. of this document</p> <p>The manner of instructing the Debenture Trustee to call/invoke an event of default shall be more particularly set out in the Debenture Trust Deed. No voting/inter-creditor agreement is proposed to be entered into for the proposed issue of debentures. All voting requirements and requirements for constitution of majority of debenture holders for various purposes relating to the Debenture Holders shall be more particularly set out in the Debenture Trust Deed.</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk factors pertaining to the issue	Please refer Section 3 (Risk Factors)
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Chennai and as more particularly provided for in the Debenture Trust Deed.
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> • Trustee fees • Rating fees • Stamping in relation to all Transaction Documents <p>Any other reasonable transaction related expense incurred by the Debenture Holders</p>
Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> • Relevant taxes, duties and levies are to be borne by the Issuer. • The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.

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Issue Timing	
Issue Opening Date	January 25, 2021
Issue Closing Date	January 25, 2021
Issue Pay-in Date	January 27, 2021
Issue Deemed Date of Allotment	January 27, 2021

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.
3. While the debt securities are secured to the tune of the prescribed security cover in respect of the principal and interest amount or as per the terms of the offer document/information memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on market scenario prevalent at the time of enforcement of security.

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter:** NIL
- (B) **The year in which the entity is declared as a Wilful Defaulter:** NIL
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** NIL
- (D) **Name of the entity declared as a Wilful Defaulter:** NIL
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters:** NIL
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** NIL

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations, Warranties and Covenants of the Issuer

7.2.1 Representations and Warranties

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Deed and during the term of the Debentures.

(a) *Status*

- i. It is a company, duly incorporated, registered and validly existing under the Laws of India.
- ii. It is registered with RBI as a non-banking financial company.
- iii. It and each of its subsidiaries (as defined under the Act) has the power to own its Assets and carry on its business as it is being conducted.

(b) *Binding obligations*

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) *Non-conflict with other obligations*

The entry into and performance by it of, the transactions contemplated by the Transaction Documents do not and will not conflict with:

- i. any Law or regulation applicable to it;
- ii. its Constitutional Documents; or
- iii. any agreement or instrument binding upon it or any of its Assets.

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(d) Power and authority

It has the power to issue the Debentures and enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(e) Validity and admissibility in evidence

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- i. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- ii. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- iii. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(f) No default

No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

(g) Pari passu ranking

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior creditors, except for obligations mandatorily preferred by Law applying to companies generally.

(h) No proceedings pending

Except as disclosed by the Company in its Information Memorandum/Disclosure Document, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

(i) No misleading information

- (A) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (B) It has disclosed all information in the Information Memorandum/Disclosure Document that is relevant for the Applicants to apply for subscription of the Debentures.

(j) Compliance

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- (i) The Company has complied with Law and there has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.
- (ii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC and obtain all consents and approvals required for the completion of the Issue.

(k) Assets

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) Financial statements

- i. Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2020 were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- ii. Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2020, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.
- iii. It has disclosed all its borrowings from various banks and financial institutions in the Debt Disclosure Document.

(m) Solvency

- i. The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the applicable Law, nor in any such case, will it become so in consequence of entering into this Deed or any other Transaction Document.
- ii. The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its indebtedness.
- iii. The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- iv. The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(n) No immunity

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

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(o) Legal and Beneficial Ownership

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN: U65923TN2015PTC100328 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(p) Compliance with Laws

The Company and its affiliates are in compliance in all respects with all applicable Laws, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(q) Anti-terrorism Laws

The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti-Money Laundering.

(r) No Corrupt Practices

Neither the Company nor its Promoter(s) or affiliates have indulged in any corrupt practices pertaining to the business such as fraud, misappropriation of financial and other resources or gains unreported in the audited financial statements

(s) Taxation

- (i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;
- (ii) The Company is not overdue in the filing of any Tax returns.
- (iii) No material claims are likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect, as in the opinion of the Legal Counsel of the Company.

(t) Disclosures in Information Memorandum/Disclosure Document

The extent of disclosures made in the Information Memorandum/Disclosure Document is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) Audit

The Company annual accounts are audited by an auditor from a reputable firm of independent chartered accountants.

(v) Good Business Standard

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The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(w) Proper book-keeping and accounting

The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) Employees

The Company is in compliance with all obligations under the applicable labour laws and other applicable Laws in relation to its employees.

(y) Compliance with RBI/SEBI Regulations and the Act's Requirements

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable to issue of unsecured debt/bonds. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Deed and the Debenture Holders shall have no right to raise any objection thereto.

7.2.2 Affirmative Covenants

The Company shall:

1. To utilise the proceeds of this issue in accordance with applicable laws and regulations
2. To comply with corporate governance, fair practices code prescribed by the RBI
3. To comply with latest regulatory guidelines, including on LCR, if applicable
4. Notification of any potential Event of Default or Event of Default;
5. Obtain, comply with and maintain all licenses / authorizations
6. Provide details of any material litigation, arbitration or administrative proceedings
7. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes
8. Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them, during the business hours of the issuer with prior reasonable notice.
9. Comply with any monitoring and/or servicing requests from Debenture Trustee
10. Post subscription to the NCDs, if in future company provides financial covenants, superior to the financial covenants on capital adequacy, Gross debt/Equity ratio and Gross NPA to any Mutual fund transactions, the same will be applicable for this issuance with effect from the next financial year and the same has to be informed to the debenture trustee and the lender within 15 days of such event.

7.2.3 Negative Covenants

The Issuer shall not without the prior written permission of the Debenture Holders and Debenture Trustee, do or undertake to do any of the following:

1. Change in promoter
2. Change of Mr D. Arulmaly's position as the Managing Director of the Issuer
3. M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders

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4. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.
5. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written consent;
6. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee
7. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee unless required for statutory compliance
8. Any sale of assets(other than in the ordinary course of business)/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the Debenture Holders
9. No dividend, share buy-back, if an Event of Default has occurred and is subsisting
10. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of Debenture Holders

7.3 Register of Debenture Holders

A Register of Debenture Holders shall be maintained at the registered office of the Company or with their Registrar and the Register of Debenture Holders/ the Register of Beneficial Owners, shall be closed fifteen (15) days prior to each Interest Payment Date, the Final Redemption Date or any other payment date by acceleration.

In case of dissolution/bankruptcy/insolvency/winding up of Debenture Holders, the debenture certificates shall be transmittable to the legal representative(s) / successor(s) or the liquidator as the case may be in accordance with the applicable provisions of Law on such terms as may be deemed appropriate by the Company.

7.4 Future Borrowings

The Company shall be entitled to make further issue of secured/unsecured non-convertible debentures and/or to borrow and/or to raise term loans or raise further funds, in any manner as deemed fit by the Company, from time to time from any persons/banks/financial institutions/body corporate or any other agency as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities.

The Company may also issue secured/unsecured non-convertible debentures under the same ISIN(s) for the current and the future issues in accordance with the SEBI circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017 on "Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and any further clarification/amendments/circular issued thereafter. The Company reserves the right to make multiple issuances under the same ISIN with said circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017

7.5 Costs

All expenses incurred by the Debenture Trustee prior to or following the occurrence of an Event of Default, including in connection with:

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- (a) collection of amounts due under the Transaction Documents; or
 - (b) engaging all intermediaries; or
 - (c) all expenses in relation to issue of Debentures; or
 - (d) legal costs; or
 - (e) stamp duty on any Transaction Documents,
- shall be payable by the Company.

7.6 Discretionary Audit

The Company agrees to the Debenture Trustee or any Person authorised by it and/or any Debenture Holder or any Person authorised by it conducting an audit on the review of collection standards, management, governance, internal systems and processes, and data integrity of the Company at any time on or prior to the Final Redemption Date. The scope of such audit shall *inter alia* cover visit to operational (field) areas of the Company as well as the head office and/or any regional or state level or other branch offices and discussions with employees of the Company as well as with clients of the Company.

7.7 Events of Defaults

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents:

1. Breach of any financial covenant
2. Non-payment of any of the dues under this Issuance,
3. Default or trigger of event of default on any other indebtedness (cross default) and the event of default is enforced by the other lender.
4. Misrepresentation or misleading information in any of the Transaction Documents where such misrepresentation may lead to a Material Adverse Effect.
5. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;
6. Insolvency, winding up, liquidation.
7. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company;
8. Depreciation in the value of assets offered as security to such an extent that they cease being performing, there is a requirement to provide further security to their satisfaction and such additional security is not provided within 15 (Fifteen) Business Days of written notice served by the Debenture Trustee;
9. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof and such Hypothecated Assets are not replaced within 15 (Fifteen) Business Days of attachment;

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10. Creditors' processes initiated against the company
 - a. If initiated by a creditor that is not a lender / debt investor, cure period of 90 days
11. Repudiation of Transaction Documents by the Issuer.
12. Cessation of business.
13. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer.
14. The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;
15. Promoters or key management personnel of the Company being declared wilful defaulter
16. The promoter/s and/or the directors of the Company are convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;
17. Erosion of 50% or more of the Company's net worth
18. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;
19. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.
20. Change in management control without prior written consent from the Debenture Holders (management control to be defined in the Debenture Trust Deed)
21. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;
22. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days
23. Any failure by the Company to comply with any of the provisions of the Transaction Documentation in relation to the security including but not limited to the failure by the Company to provide additional or alternate security to the satisfaction of the Debenture Trustee;
24. In the opinion of the Debenture Trustee, the security is in jeopardy and the Issuer does not replace such assets within 15 (Fifteen) Business Days;

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25. Any reference to Insolvency and Bankruptcy Code / NCLT by any financial creditor(s)/other entities, and such petition not dismissed within 3 calendar days
26. Application of insolvency petition under bankruptcy code/NCLT by the Issuer
27. If any time during the tenor of the Debentures, the rating of instrument is downgraded to BBB- (Triple B minus) or below by any rating agency
28. Breach of the following covenants:

Affirmative Covenants – (i) Preserve corporate status; authorisations, (ii) Payment of Stamp Duty, (iii) Handling Investor grievances, (iv) Compliance with Investor Education and Protection Fund requirements, (v) Regulatory Filings, (vi) Regulatory requirements in case of a Foreign Investor, (vii) Maintenance of Books of Account and (viii) Corporate Governance; Veritas to revert on a diluted version

Post subscription to the NCDs, if in future company provides financial covenants, superior to the financial covenants on capital adequacy, Gross debt/Equity ratio and Gross NPA to any Mutual fund transactions, the same will be applicable for this issuance with effect from the next year and the same has to be informed to the debenture trustee and the lender within 15 days of such event.

Negative Covenants - (i) Change of business; Role of Promoter, (iii) Dividend distribution in case of default

Upon occurrence of any of the aforesaid Event of Default after completion of cure period, the Debenture Trustee may by a notice (unless instructed otherwise by the any of the Debenture Holders) in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:

- i. require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid Coupon, and other costs, charges and expenses incurred under or in connection with the Transaction Documents;
- ii. declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable)
- iii. accelerate the redemption of the Debentures;
- iv. enforce such security in such a manner as the Debenture Holders may deem fit;
- v. Appoint a nominee director in accordance with the applicable Laws;
- vi. Exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

If any time during the tenor of the NCDs, any of the Events of Default occur, the Debenture Trustee shall have the right, but not an obligation, to require the Issuer to redeem the Debentures.

The NCDs along with the accrued interest shall become due and payable within 30 (Thirty) days upon receipt of written notice from Debenture Trustee of happening of any of the Events of Default.

For the purpose of clarity, for any breach of financial covenants, issuer would be provided a cure period of 60 (Sixty) calendar days. Post such an expiry of 60 days, would the Debenture Trustee provide a notice of Early Redemption to issuer and the above mentioned time line of 30 days, be effective.

7.8 Dividend

As long as Event of Default subsists, then until the rectification of the Event of Default or until the redemption of the Debentures in full to the satisfaction of the Debenture Trustee, the Company shall not, without the prior written consent of the Majority Debenture Holders, declare or pay any dividend or make any distribution of its share capital or purchase or redeem or otherwise acquire any part of its own share capital or in any other way transfer funds from the Company to the shareholders.

7.9 Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has happened, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such Event of Default, or of such event.

7.10 Right to Disclose/Publish the Names of the Company and its Directors as Defaulters

In the event of the Company committing default in the repayment of any instalment in relation to the Debentures or the payment of interest on the applicable Due Dates, the Debenture Holders/Debenture Trustee shall have an unqualified right to disclose the name of the Company and its directors to RBI/or any other statutory/regulatory authority. The Trustee and/or RBI and/or any other Governmental Authority shall have the right to publish the name of the Company and its directors as defaulters in such manner and through such medium as they in their absolute discretion may think fit.

Information Memorandum
Date: January 22, 2021

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8. OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

1.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

1.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

1.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture

Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

1.4 Sharing of Informations

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

1.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

1.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

1.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

1.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery(c) in the case of facsimile at the time when dispatched with a

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report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

1.9 Issue Procedure through EBP Platform:

- **Bidding Process**

This Information Memorandum/Disclosure Document has been drafted in compliance with the SEBI ILDS Regulations, the Memorandum and Articles of Association and all other Applicable Laws. This section applies to all Eligible Participants. Please note that all Eligible Participants are required to make payment of the full application amount in accordance with the Operational Guidelines.

- **Who can bid?**

All Eligible Participants comprising of investors specifically mapped by the Issuer on the BSE EBP platform, are eligible to bid for this Issue.

All Eligible Participants are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue in accordance with the norms approved by the Government of India, RBI or any other statutory body from time to time, including but not limited to the Operational Guidelines in relation to the relevant EBP for investing in this Issue.

The final subscription to the Debentures shall be made by the Eligible Investors through EBM as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP during the Issue period.

- **Right to Accept or Reject Bids**

The Issuer reserves its full, unqualified and absolute right to accept or reject any application for bid, in part or in full, without assigning any reason thereof in accordance with the Operational Guidelines.

- **Manner of Bidding**

The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.

- **Manner of settlement**

Settlement of the Issue will be done through the escrow account of the Issuer and the account details are given in the section on ‘Payment Mechanism’ of this Information Memorandum/Disclosure Document.

- **Provisional or Final Allocation**

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

- **Method of Allotment**

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The allotment will be done on the basis as mentioned in the term sheet in line with EBP Guidelines.

- **Settlement cycle**

The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day where T is the Bidding day. For further, details, please see below section named ‘Settlement Process’.

- **How to bid?**

All Eligible Participants will have to register themselves as a one-time exercise (if not already registered) under the BSE EBP platform offered by BSE for participating in the electronic book mechanism. Eligible Participants will also have to complete the mandatory KYC verification process.

Eligible Participants should refer to the Operational Guidelines.

The details of the Issue shall be entered on the BSE EBP platform by the Issuer at least 2 (two) working days prior to the Issue / Bid Opening Date, in accordance with the Operational Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the BSE – EBP platform, at least 1 (one) working day before the start of the Issue / Bid Opening Date. A bidder will only be able to enter the amount while placing their bids in the BSE – EBP platform, since the proposed issue is a fixed rate/coupon issue.

Payment Mechanism

Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL)

List of Designated Banks is as under:

Name of the Bank	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LIMITED
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“**Pay-in Time**”). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

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Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary A/C Name:	VERITAS FINANCE PRIVATE LIMITED
Bank Account No.	409000590610, Current Account
IFSC CODE:	RATN0000180
Bank Name	RBL Bank Limited
Branch Address:	Nungambakkam Branch

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.

Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder.

The Company shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).

Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the Operational Guidelines. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public

1.10 Eligible Investors

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investors"):

- (a) Mutual Funds
- (b) Non-banking financial companies
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Portfolio Investors (FPIs)
- (g) Foreign Institutional Investors (FIIs)
- (h) Qualified Foreign Investors (QFIs)
- (i) Insurance Companies

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- (j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

1.11 Procedure for Applying for Dematerialized Facility

- (c) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (d) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (e) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (f) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (g) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (h) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (i) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (j) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

1.12 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

1.13 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemptions.

1.14 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

1.15 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (k) SEBI registration certificate
- (l) Resolution authorizing investment and containing operating instructions
- (m) Specimen signature of authorized signatories.

1.16 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (n) Memorandum and Articles of Association or other constitutional documents
- (o) Resolution authorising investment
- (p) Certified true copy of the Power of Attorney to custodian
- (q) Specimen signatures of the authorised signatories
- (r) SEBI registration certificate (for Mutual Funds)
- (s) Copy of PAN card
- (t) Application Form (including EFT/RTGS details)

1.17 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

1.18 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

1.19 Mode of Payment

All payments must be made through transfers / NEFT/RTGS as set out in the Application Form.

1.20 Effect of Holidays

In case any Coupon Payment Date or the due date for the performance of any event, falls on a day which is not a Business Day, the payment to be made shall be made on the next Business Day. When the Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day which is not a Business Day, all payments to be made on the Maturity Date (including accrued Coupon) shall be made on the immediately preceding Business Day.

1.21 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If the applicable rate of TDS is modified and results in a reduction of the net interest received by the Debenture Holders, the Issuer must give written notice to the Debenture Holders as soon as it becomes aware of such change.

The detailed provisions with respect to Tax Deduction at Source are set out in paragraph 2.6 (*Change of Tax Deducted at Source*) of Schedule II of the Debenture Trust Deed.

1.22 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 5 (Five) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

1.23 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is January 27, 2021 by which date the Investors would be intimated of allotment.

1.24 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

1.25 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

1.26 Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate (net of Taxes, if applicable) from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

1.27 PAN Number

Every applicant should mention its Permanent Account Number (“PAN”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

1.28 Redemption

The face value of the Debentures will be redeemed at par.

If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.

The Debenture holders may at the request of the Company in suitable circumstances and also in the absolute discretion of the Debenture holders, subject to the statutory guidelines as may be applicable for the purpose, revise / pre-pone / postpone redemption of the Debentures. Or any part thereof on such terms and conditions as may be decided by the Company in consultation with the Debenture holders (see Modification of Rights).

1.29 Payment on Redemption

Payment on redemption will be made in accordance with the instructions of the Debenture Holder(s) by way of electronic funds transfer through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the

Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

9. DECLARATION

- a. The Company has complied with the provisions of the Act and the rules made thereunder;
- b. The compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- c. The monies received under the offer shall be used only for the purposes and objects indicated in the Information Memorandum/Disclosure Document.

I am authorized by the Board of Directors of the Company vide resolution dated January 20, 2021 to sign this form and declare that all the requirements of the Act and rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Veritas Finance Private Limited


Authorised Signatory

Name: Mr. Arulmany
Title: Managing Director
Date: January 22, 2021

ANNEXURE I: TERM SHEET

As provided in Clause 5.36 above.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY



CARE/CRO/RL/2020-21/1719

Shri D. Arulmany
MD & CEO
Veritas Finance Private Limited
SKCL Central Square 1, South Wing Unit C28 - C35, CIPET Road,
Thiru Vi Ka Industrial Estate, Guindy,
Chennai, Tamil Nadu 600032

January 19, 2021

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

Please refer to our letter no. CARE/CRO/RL/2020-21/1420 dated October 16, 2020 and your request for revalidation of the rating assigned to the Non-Convertible Debenture issue of your company, for a limit of Rs.220 crore.

2. Our Rating Committee has reviewed the following rating(s):

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1	Non-Convertible Debenture issue-V	220*	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
	Total Instruments	220 (Rs. Two hundred twenty crore only)		

* unutilised portion of Rs.25 crore as on January 11, 2021

3. The proposed NCDs would have tenure of upto 8 Years.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457
Email: care@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax : +91-44-2849 7812

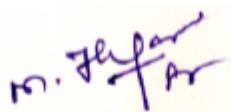
CIN-L67190MH1993PLC071691

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours Faithfully,



Thamaraiselvan M
Analyst
thamaraiselvan.m@careratings.com



Ravi Shankar R
Manager
ravi.s@careratings.com

CARE Ratings Ltd.

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76 • Tel./ Fax : +91-44-2849 7812

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST

Believe in yourself... Trust us!



CL/MUM/20-21/DEB/932

20-Jan-2021

Mr Suchindran VG

Veritas Finance Private Limited

Veritas Finance Private Limited

SKCL Central Square 1, South Wing Unit # C28 - C35,
CIPET Road, Thiru Vi Ka Industrial Estate, Guindy,
Chennai, Tamil Nadu – 600032

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating upto Rupees 25 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable non-convertible debentures aggregating upto Rs.25 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

We accept the above terms

For Veritas Finance Private Limited

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED | CATALYST TRUSTEESHIP LIMITED

Mumbai Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kurla, Santacruz (East), Mumbai 400 082. Tel +91 (022) 4922 0555. Fax +91 (022) 4922 0509.
Regd. Office: GDA House, Plot No. 8G, Bhushan Colony (Burg), Powai East, Pune 411 038. Tel +91 (020) 25290001. Fax +91 (020) 25290275.
Delhi Office: Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001. Tel 011 630 29101/02.
CIN No. U74999PN1997PLC0262. Email: dt@cttrustee.com. Website: www.catalysttrustee.com
Pune | Mumbai | Bangalore | Delhi | Chennai

An ISO 9001 Company



ANNEXURE IV: APPLICATION FORM

VERITAS FINANCE PRIVATE LIMITED

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: April 13, 2015

Registered Office: SKCL Central Square 1, South Wing Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu – 600032.

Telephone No.: 044 – 4615 0011

Website: <http://www.veritasfin.in>

DEBENTURE SERIES APPLICATION FORM SERIAL NO.	1								
--	---	--	--	--	--	--	--	--	--

ISSUE OF UPTO 250 (TWO HUNDRED AND FIFTY) SECURED RATED LISTED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF VERITAS FINANCE PRIVATE LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH AGGREGATING UPTO RS. 25,00,00,000/- (RUPEES TWENTY FIVE CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures __ In words __

Amount Rs. __/- in words Rupees _____ Crores only

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Veritas Finance Private Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

--	--

APPLICANT'S ADDRESS

ADDRESS	
STREET	
CITY	

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

PIN		PHONE		FAX	
-----	--	-------	--	-----	--

APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT _____

WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature _____

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account:	
(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

The Company understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and (ii) the hedging price being acceptable to the Applicants.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____
(Note : Cheque and Drafts are subject to realisation)	

-----(TEAR HERE)-----									
- ACKNOWLEDGMENT SLIP -									
(To be filled in by Applicant) SERIAL NO.	1								

Received from _____
Address _____
Cheque/Draft/UTR # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debenture

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

Veritas Finance Private Limited

Balance sheet as at 31 March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

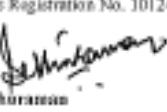
Particulars	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	42,244.86	10,998.94	12,086.65
Bank balances other than cash and cash equivalents	5	4,697.98	2,577.63	168.58
Loans	6	127,932.22	73,664.77	32,901.02
Investments	7	6,318.13	14,503.91	-
Other financial assets	8	402.65	330.44	162.70
		181,595.84	102,025.69	45,318.95
Non-financial assets				
Current tax assets (net)	9	121.59	57.93	78.29
Deferred tax assets (net)	10.2	1,103.70	595.98	207.99
Property, plant and equipment	10.1	910.35	886.05	331.98
Right of use assets	10.2	1,291.21	1,267.02	701.39
Intangibles assets	10.3	614.02	279.36	165.86
Intangibles assets under development	10.4	34.43	284.48	0.51
Other non-financial assets	11	186.60	139.88	76.83
		4,261.50	3,510.70	1,562.85
Total		185,857.74	105,536.39	46,381.80
LIABILITIES AND EQUITY				
Financial liabilities				
Trade payables	12	-	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		264.21	86.71	54.75
Debt securities	13	38,704.88	19,209.59	10,882.71
Borrowings (other than debt securities)	14	62,277.22	40,252.99	18,644.18
Other financial liabilities	15	1,405.39	1,390.33	707.94
		102,581.70	60,939.62	30,289.58
Non-financial liabilities				
Current tax liabilities	16	-	20.48	-
Provisions	17	147.91	63.70	20.52
Other non-financial liabilities	18	919.27	622.26	227.59
		1,087.18	706.44	248.11
Equity				
Equity share capital	19	10,003.80	8,145.69	5,190.64
Other equity	20	72,175.06	35,744.64	11,153.47
		82,178.86	43,890.33	16,344.11
Total		185,857.74	105,536.39	46,381.80

Significant accounting policies 3

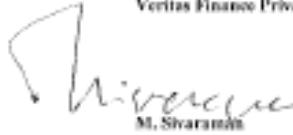
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022


S. Sethuraman
Partner
Membership No.: 203491

for and on behalf of the board of directors of
Veritas Finance Private Limited


M. Shivaraj
Director
DIN : 02045100

D. Arunoday
Managing Director and Chief Executive Officer
DIN : 00009981

V. G. Sarbindra
Chief Financial Officer

N. A. Madhavi
Company Secretary
Membership No.: A38470

Place : Chennai
Date : 15 June 2020

Place : Chennai
Date : 15 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

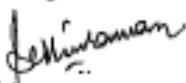
Veritas Finance Private Limited

Statement of profit and loss for the year ended 31 March 2020

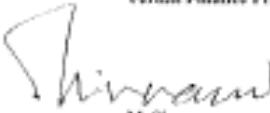
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Interest income	21	25,952.87	12,919.26
Fee income	22	541.20	293.18
Net gain on fair value changes	23	1,064.03	374.51
Total revenue from operations		27,558.10	13,568.95
Other income	24	9.57	3.32
Total income		27,567.67	13,572.27
Expenses			
Finance costs	25	10,627.39	4,040.83
Impairment on financial instruments	26	1,510.27	447.41
Employee benefits expenses	27	7,864.84	4,635.78
Depreciation and amortization	28	1,246.20	822.44
Other expenses	29	1,937.56	1,283.35
Total expenses		23,186.26	11,229.81
Profit before tax		4,381.41	2,342.46
Tax expense	30		
Current tax		1,544.42	1,023.69
Deferred tax		(497.25)	(386.76)
		1,047.17	636.93
Profit after tax for the year		3,334.24	1,705.53
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit obligation		41.61	4.23
Income tax relating to items that will not be reclassified to profit or loss	30.1	(10.47)	(1.23)
Other comprehensive income for the year		31.14	3.00
Total comprehensive income for the year, net of income tax		3,365.38	1,708.53
Earnings per equity share of Rs. 10 each	35		
- Basic		10.58	5.70
- Diluted		10.03	2.23
Significant accounting policies	3		
The notes referred to above form an integral part of the financial statements			
As per our report of even date attached			

for B S R. & Co. LLP
Chartered Accountants:
Firm's Registration No. 10124897W-100022


S. Selvaraman
Partner
Membership No. : 201491

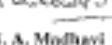
for and on behalf of the board of directors of
Veritas Finance Private Limited


M. Sharman
Director
DIN : 02045100

D. Arulmani
Managing Director and Chief Executive Officer
DIN : 90009981

V. G. Seethiyan

V. G. Seethiyan
Chief Financial Officer


N. A. Madhavi

N. A. Madhavi
Company Secretary
Membership No. : A38470

Place : Chennai
Date : 15 June 2020

Place : Chennai
Date : 15 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited

Cash flow statement for the year ended 31 March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit before tax for the year		4,181.41	2,342.46
<i>Adjustments for:</i>			
Depreciation and amortisation	28	1,246.20	823.44
Impairment on financial instruments	26	1,910.27	447.41
Stock based payment to employees	27	204.94	92.16
Change in fair value of financial assets designed as FVTPL	23	(12.64)	(3.91)
Interest income on security deposit	21	(22.97)	(15.63)
Profit on disposal of leased assets	24	(2.79)	(0.16)
Finance costs	25	10,627.39	4,040.83
(Gain) / loss on sale of PPE	24	(0.04)	0.15
Interest income on fixed deposits	21	(798.57)	(461.45)
Gain on sale of investments, net	23	(1,051.39)	(370.60)
Operating cash flow before working capital changes		16,481.81	6,893.90
Changes in working capital			
Increase in loans		(35,377.72)	(41,211.16)
Increase in other financial assets		(17.53)	(186.24)
Increase in other non-financial assets		(46.72)	(63.05)
Increase in trade payables		117.50	31.96
Increase in other financial liabilities		(63.30)	58.14
Increase in provisions		62.60	38.95
Increase in other non-financial liabilities		297.01	394.67
Cash used by operations		(39,398.43)	(24,843.53)
Finance costs paid		(9,651.07)	(3,398.36)
Direct taxes paid (net)		(1,628.56)	(862.83)
Net cash used by operations	(A)	(50,678.06)	(28,624.74)
Cash flows from investing activities			
Purchase of fixed assets		(827.83)	(1,396.08)
Proceeds from sale of fixed assets		1.03	0.49
Increase in bank balances other than cash and cash equivalents		(2,170.35)	(2,359.03)
Interest received on bank balances other than cash and cash equivalents		798.57	461.45
Purchase of investments		(364,790.13)	(216,900.00)
Proceeds from sale of investments		314,039.95	212,770.80
Net cash generated from / (used in) investing activities	(B)	7,051.23	(17,422.55)
Cash flows from financing activities			
Proceeds from issue of preference shares including securities premium		12,245.84	23,745.66
Proceeds from issue of equity shares including securities premium		2,998.80	2,366.19
Payment of lease liabilities		(627.15)	(418.66)
Payment of share issue expenses		(463.45)	(339.72)
Proceeds from debt securities		18,760.00	8,000.00
Proceeds from borrowings (other than debt securities)		44,095.81	33,500.00
Repayment of borrowings (other than debt securities)		(22,135.60)	(11,873.25)
Net cash generated from financing activities	(C)	74,872.75	54,939.62
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)		31,345.92	(1,487.71)
Cash and cash equivalents at the beginning of the year		10,938.94	12,086.65
Cash and cash equivalents at the end of the year		42,244.86	10,938.94



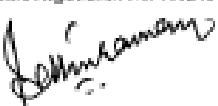
Veritas Finance Private Limited
Cash flow statement for the year ended 31 March 2020
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Notes to cash flow statement			
Components of cash and cash equivalents:	4		
Cash on hand		19.13	37.12
Balances with banks			
In current accounts		4,945.08	10,961.82
In deposit accounts (Original maturity less than three		37,884.45	-
		42,244.86	10,998.84
Significant accounting policies	5		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for B S R & Co, LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100522


S. Sathianarayanan
Partner
Membership No.: 203491

for and on behalf of the board of directors of
Veritas Finance Private Limited


M. Sivaraman
Director
DIN : 02045100

D. Arulnithy
Managing Director and Chief Executive Officer
DIN : 00089981

Place : Chennai
Date : 15 June 2020


V. G. Sachindran
Chief Financial Officer
Place : Chennai
Date : 15 June 2020

N. A. Madhavi
Company Secretary
Membership No. : A38470

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited
Balance Sheet as at 31 March 2019
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	8,145.69	5,190.64
Reserves and surplus	4	36,224.72	11,379.40
		44,370.41	16,570.04
Non-current liabilities			
Long-term borrowings	5	40,990.51	20,024.84
Long-term provisions	6	684.37	303.30
		41,674.88	20,328.14
Current liabilities			
Short-term borrowings	7	-	900.87
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	69.18	39.92
Other current liabilities	9	19,737.81	9,293.97
Short-term provisions	6	246.59	121.40
		20,053.58	10,356.16
TOTAL		106,098.87	47,254.34
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	10.1	886.05	331.98
- Intangible fixed assets	10.2	279.36	165.86
- Intangible fixed assets under development	10.3	284.48	0.51
Deferred tax asset (net)	11	369.53	126.29
Long-term loans and advances			
- Receivables under financing activities	12	60,131.18	26,953.86
- Other loans and advances	13	365.18	227.79
Other non-current assets	14	-	107.61
		62,315.78	27,913.90
Current assets			
Short-term investments	15	14,475.91	-
Short-term loans and advances			
- Receivables under financing activities	12	14,390.15	6,549.16
- Other loans and advances	13	213.32	108.48
Cash and bank balances	16	13,498.94	12,129.44
Other current assets	17	1,204.77	553.36
		43,783.09	19,340.44
TOTAL		106,098.87	47,254.34

Significant accounting policies
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022


K Raghuram
Partner
Membership No. : 211171

Place : Chennai
Date : 26 April 2019

for and on behalf of the board of directors of
Veritas Finance Private Limited

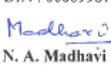

M. Sivaraman
Director
DIN : 02045100


N. Mohanraj
Director
DIN : 00181969


V. G. Suchindran
Chief Financial Officer

Place : Chennai
Date : 26 April 2019


D. Arulmani
Managing Director and
Chief Executive Officer
DIN : 00009981


N. A. Madhavi
Company Secretary
Membership No. : A38470

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

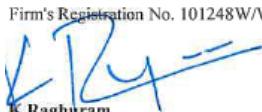
Veritas Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2019

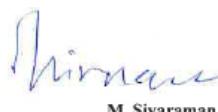
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	18	13,262.46	5,369.14
Other income	19	830.28	125.56
Total revenue		14,092.74	5,494.70
EXPENSES			
Employee benefits	20	4,606.18	1,982.25
Finance costs	21	3,998.12	1,790.43
Depreciation and amortisation	22	456.62	122.46
Other expenses	23	1,713.54	617.77
Provision and loan losses	24	490.22	331.85
Total expenses		11,264.68	4,844.76
Profit before tax		2,828.06	649.94
Tax expense:			
Current tax	25	1,022.46	170.04
Deferred tax		(243.24)	(126.29)
Net tax expense		779.22	43.75
Profit after tax for the year		2,048.84	606.19
Earnings per equity share of Rs. 10 each	31		
- Basic		6.85	2.50
- Diluted		2.68	1.14
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			
As per our report of even date attached			

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

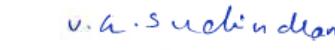

K. Raghu Ram
Partner
Membership No. : 211171

for and on behalf of the board of directors of
Veritas Finance Private Limited

 M. Sivaraman
Director
DIN : 02045100

 N. Mohanraj
Director
DIN : 00181969

 D. Arumainay
Managing Director and
Chief Executive Officer
DIN : 00009981

 V.G. Suchindran
Chief Financial Officer

 N.A. Madhavi
Company Secretary
Membership No. : A38470

Place : Chennai
Date : 26 April 2019

Place : Chennai
Date : 26 April 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	2,828.06	649.94
<i>Adjustments for:</i>		
Depreciation and amortisation	456.62	122.46
Contingent provision against standard assets	411.31	241.12
Provision for non-performing assets	31.29	49.21
Provision for diminution in the value of investments	24.09	-
Finance costs	3,998.12	1,790.43
Loss assets written off	47.62	41.52
Loss on sale of fixed assets	0.15	-
Interest income on fixed deposits (free of lien)	(458.09)	-
Gain on sale of current investments, net	(370.60)	(115.58)
Operating cash flow before working capital changes	<u>6,968.57</u>	<u>2,779.10</u>
Changes in working capital		
Increase in receivables under financing activities	(41,065.93)	(24,313.98)
Increase in loans and advances	(243.62)	(171.03)
Increase in other assets	(623.78)	(422.23)
Increase in trade payables	29.26	30.68
Increase in other current liabilities	442.02	329.38
Increase in other provisions	43.18	6.73
Cash used by operations	<u>(34,450.30)</u>	<u>(21,761.35)</u>
Finance costs paid	(3,570.97)	(1,720.20)
Direct taxes paid (net)	(1,000.59)	(241.40)
Net cash used by operations	<u>(39,021.86)</u>	<u>(23,722.95)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,396.08)	(357.20)
Proceeds from sale of fixed assets	0.49	-
Increase in other bank balances	(2,345.79)	(53.40)
Interest received on fixed deposits	430.46	-
Purchase of current investments	(226,900.00)	(93,130.00)
Proceeds from sale of current investments	212,770.60	93,245.58
Net cash used in investing activities	<u>(17,440.32)</u>	<u>(295.02)</u>
Cash flows from financing activities		
Proceeds from issue of preference shares	23,745.06	11,999.91
Proceeds from issue of equity shares	2,366.19	0.09
Share issue expenses	(359.72)	(45.24)
Proceeds from long-term borrowings	41,500.00	30,998.50
Repayments of long-term borrowings	(10,972.38)	(7,713.40)
Repayment of short-term borrowings, net	(900.87)	(782.47)
Net Cash generated from financing activities	<u>(55,378.28)</u>	<u>34,457.39</u>
Net (decrease) / increase in cash and cash equivalents (A) + (B) + (C)	<u>(1,083.90)</u>	<u>10,439.42</u>
Cash and cash equivalents at the beginning of the year	12,082.84	1,643.42
Cash and cash equivalents at the end of the year	<u>10,998.94</u>	<u>12,082.84</u>



Veritas Finance Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2019	As at 31 March 2018
Notes to cash flow statement	16		
Components of cash and cash equivalents:			
Cash on hand		37.12	8.55
Balances with banks			
- Current accounts		10,961.82	2,474.29
- Deposit accounts with original maturity of 3 months or less		-	9,600.00
		10,998.94	12,082.84

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022


K. Raghuram
Partner
Membership No. : 211171

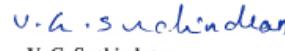
for and on behalf of the board of directors of
Veritas Finance Private Limited


M. Sivaraman
Director
DIN : 02045100


N. Mohanraj
Director
DIN : 00181969


D. Arulmuni
Managing Director and
Chief Executive Officer
DIN : 00009981

Place : Chennai
Date : 26 April 2019


V. G. Suchindran
Chief Financial Officer


N. A. Madhavi
Company Secretary
Membership No. : A38470

Place : Chennai
Date : 26 April 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited

Balance Sheet as at 31 March 2018

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	5,190.64	2,610.00
Reserves and surplus	4	11,379.40	1,399.09
		<u>16,570.04</u>	<u>4,009.09</u>
Non-Current Liabilities			
Long-term borrowings	5	20,024.84	3,077.38
Long-term provisions	6	303.30	94.08
		<u>20,328.14</u>	<u>3,171.46</u>
Current Liabilities			
Short-term borrowings	7	900.87	1,683.34
Trade payables			
- dues to micro and small enterprises		-	-
- dues to others	8	39.92	9.24
Other current liabilities	9	9,293.97	2,556.72
Short-term provisions	6	121.40	33.56
		<u>10,356.16</u>	<u>4,282.86</u>
TOTAL		<u>47,254.34</u>	<u>11,463.41</u>
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	10.1	331.98	140.17
- Intangible fixed assets	10.2	165.86	37.70
- Intangible fixed assets under development	10.3	0.51	85.74
Deferred tax asset (net)	11	126.29	-
Long-term loans and advances			
- Receivables under financing activities	12	26,953.86	7,592.37
- Other loans and advances	13	227.79	54.47
Other non-current assets	14	107.61	68.84
		<u>27,913.90</u>	<u>7,979.29</u>
Current assets			
Short-term loans and advances			
- Receivables under financing activities	12	6,549.16	1,638.19
- Other loans and advances	13	108.48	39.41
Cash and bank balances	15	12,129.44	1,673.92
Other current assets	16	553.36	132.60
		<u>19,340.44</u>	<u>3,484.12</u>
TOTAL		<u>47,254.34</u>	<u>11,463.41</u>

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

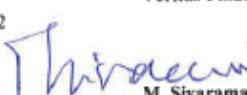
for B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022


K. Raghu Ram
Partner
Membership No. 211171

Place : Chennai
Date : 27 April 2018

for and on behalf of the board of directors of
Veritas Finance Private Limited


M. Sivaraman
Director
DIN : 02045100


N. Mohanraj
Director
DIN: 00181969


D. Arulmani
Managing Director and
Chief Executive Officer
DIN : 00009981



V. G. Suchindran
Chief Financial Officer
Place : Chennai
Date : 27 April 2018


Priyanka Misser
Company Secretary

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	Year ended 31 March 2018	Year ended 31 March 2017
REVENUE			
Revenue from operations	17	5,369.14	1,168.60
Other income	18	125.56	98.42
Total revenue		5,494.70	1,267.02
EXPENSES			
Employee benefits expense	19	1,982.25	791.82
Finance costs	20	1,790.43	330.33
Depreciation and amortization	21	122.46	41.76
Other expenses	22	617.77	278.88
Provision and loan losses	23	331.85	107.80
Total expenses		4,844.76	1,550.59
Profit/ (Loss) before tax		649.94	(283.57)
Tax expense:			
- Current tax		187.78	-
MAT for the year		(17.74)	-
Less: MAT Credit entitlement			
- Deferred tax		(126.29)	-
Net tax expense		43.75	-
Profit/ (Loss) after tax for the year		606.19	(283.57)

Earnings per equity share of Rs. 10 each	28		
- Basic		2.50	(1.86)
- Diluted		1.14	(1.86)
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			
As per our report of even date attached			

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

K. Raghuram
Partner
Membership No. 211171

for and on behalf of the board of directors of
Veritas Finance Private Limited

M. Sivaraman
Director
DIN : 02045100

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Managing Director and
Chief Executive Officer
DIN : 00009981

V. G. Suchindran

V. G. Suchindran
Chief Financial Officer
Place : Chennai
Date : 27 April 2018

Priyanka I Misser

Priyanka I Misser
Company Secretary

Place : Chennai
Date : 27 April 2018

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited

Cash Flow Statement for the year ended 31 March 2018

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit / (Loss) before tax	649.94	(283.57)
<i>Adjustments for:</i>		
Depreciation and amortization	122.46	41.76
Contingent provision for standard assets	241.12	85.31
Provision for non-performing assets	49.21	22.42
Finance costs	1,790.43	330.33
Loss assets written off*	41.52	0.07
Loss on sale of fixed assets (net)	-	0.38
Gain on sale of current investments	(115.58)	(98.35)
Operating cash flow before working capital changes	<u>2,779.10</u>	<u>98.35</u>
Changes in working capital		
Increase in receivables under financing activities	(24,313.98)	(8,619.50)
Increase in loans and advances	(171.03)	(50.92)
Increase in other assets	(422.23)	(125.10)
Increase in trade payables	30.68	6.88
Increase in other current liabilities	329.38	211.19
Increase in other provisions	6.73	12.87
Cash used by operations	<u>(21,761.35)</u>	<u>(8,466.23)</u>
Finance costs paid	(1,720.20)	(321.53)
Direct taxes paid (net)	(241.40)	(5.40)
Net cash used by operations	(A) <u>(23,722.95)</u>	(8,793.16)
Cash flows from investing activities		
Purchase of fixed assets	(357.20)	(202.84)
Proceeds from sale of fixed assets	-	0.22
Fixed deposits with banks and others (net)	(53.40)	800.00
Purchases of current investments	(93,130.00)	(47,675.00)
Proceeds from sale of current investments	93,245.58	47,773.35
Net cash (used in)/ provided by investing activities	(B) <u>(295.02)</u>	<u>695.73</u>
Cash flows from financing Activities		
Proceeds from issue of preference shares	11,954.67	-
Proceeds from issue of equity shares (net)	0.09	125.00
Proceeds from long term borrowings	30,998.50	6,000.00
Repayments of long term borrowings	(7,713.40)	(597.10)
Short term borrowings during the year (net)	(782.47)	1,683.34
Net Cash provided by financing activities	(C) <u>34,457.39</u>	<u>7,211.24</u>
Net increase/ (decrease) in cash and cash equivalents (A) + (B) + (C)	10,439.42	(886.19)
Cash and cash equivalents at the beginning of the year	1,643.42	2,529.61
Cash and cash equivalents at the end of the year	12,082.84	1,643.42



Veritas Finance Private Limited
Cash Flow Statement for the year ended 31 March 2018
(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	As at 31 March 2018	As at 31 March 2017
Notes to cash flow statement		
I Components of cash and cash equivalents: (excluding deposits under lien)		
Cash on hand	8.55	0.43
Balances with banks		
- Current accounts	2,474.29	1,642.99
- Deposit accounts with original maturity of 3 months or less	9,600.00	-
	12,082.84	1,643.42

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

K Raghuram
Partner
Membership No. 211171

for and on behalf of the board of directors of
Veritas Finance Private Limited

M. Sivaraman
Director
DIN : 02045100

N. Mohanraj
Director
DIN: 00181969

D. Arufmanay
Managing Director and
Chief Executive Officer
DIN : 00009981

Place : Chennai
Date : 27 April 2018

V.G. Suchindran
V. G. Suchindran
Chief Financial Officer
Place : Chennai
Date : 27 April 2018

Priyanka Misser
Priyanka I Misser
Company Secretary

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

Limited review report

**To Board of Directors of
Veritas Finance Private Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Veritas Finance Private Limited ("the Company") for the half year ended results for the period from 1 April 2020 to 30 September 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 ("Act"), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. LLP

Limited review report

Veritas Finance Private Limited

Page 2 of 2

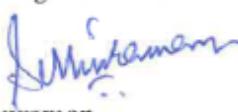
5. As described in Note 6 to the Statement, in respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit have been granted, the staging of those accounts as at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package.

Further no additional borrower accounts have been classified as impaired (non-performing assets) which were not declared as non-performing till 31 August 2020, in view of the Supreme Court interim order dated 3 September 2020. However, the Company has made the provision on such borrower accounts as per the requirement of Ind AS.

The extent of impact of the COVID - 19 pandemic will impact the Company's financial performance including the Company's estimates of impairment of loans, are dependent on future developments which cannot be predicted with any degree of certainty.

Our conclusion is not modified in respect of this matter.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022


S Sethuraman
Partner
Membership No: 203491
UDIN: 20203491AAAAEK2591

Place : Chennai
Date : 27 October 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited
CIN: U65923TN2015PTC100328
Regd. Office: SKCL Central Square I, South Wing, 1st Floor, Unit C28-C35, CIPET Road,
Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032
Statement of unaudited financial results for the half year ended 30 September 2020

(All amounts are in INR in lakhs, except share data and stated otherwise)

Particulars	Half year ended		Year ended
	30 September 2020	30 September 2019	31 March 2020
	Unaudited	Unaudited	Audited
Revenue from operations			
Interest income	16,996.56	11,147.95	25,952.87
Fee income	138.07	253.82	541.20
Net gain on fair value changes	295.09	647.89	1,064.03
Total revenue from operations	17,429.72	12,049.66	27,558.10
 Other income	 40.43	 0.03	 9.57
Total income	17,470.15	12,049.69	27,567.67
 Expenses	 	 	
Finance costs	5,926.80	4,500.66	10,627.39
Impairment on financial instruments (refer note 6)	2,437.74	654.33	1,510.27
Employee benefits expenses	3,612.09	3,878.59	7,864.84
Depreciation and amortization	668.58	571.16	1,246.20
Other expenses	731.78	918.52	1,937.56
Total expenses	13,376.99	10,523.26	23,186.26
 Profit before tax	 4,093.16	 1,526.43	 4,381.41
 Tax expense			
Current tax	1,651.00	643.00	1,544.42
Deferred tax	(604.69)	(205.11)	(497.25)
	1,046.31	437.89	1,047.17
 Profit after tax for the period / year	 3,046.85	 1,088.54	 3,334.24
 Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of the defined benefit obligation	176.55	18.41	41.61
Income tax relating to items that will not be reclassified to profit or loss	(44.44)	(4.63)	(10.47)
Other comprehensive income for the period / year	132.11	13.78	31.14
 Total comprehensive income for the period / year, net of income tax	 2,914.74	 1,074.76	 3,303.10
 Earnings per equity share of Rs. 10 each			
- Basic	8.70	2.60	10.58
- Diluted	3.19	1.22	3.63
	Not annualised	Not annualised	Annualised

See accompanying notes to the unaudited financial results



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Veritas Finance Private Limited

CIN: U65923TN2015PTC100328

Regd. Office: SKCL Central Square I, South Wing, 1st Floor, Unit C28-C35, CIPET Road,
Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032

Statement of unaudited assets and liabilities as at 30 September 2020

(All amounts are in INR in lakhs, except share data and stated otherwise)

Particulars	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	8,032.08	42,244.86
Bank balances other than cash and cash equivalents	31,944.46	4,697.98
Loans	130,828.41	127,932.22
Investments	23,316.55	6,318.13
Other financial assets	402.57	402.65
	194,524.07	181,595.84
Non-financial assets		
Current tax assets (net)	-	121.59
Deferred tax assets (net)	1,752.83	1,103.70
Property, plant and equipment	685.83	910.35
Right of use assets	1,137.57	1,291.21
Intangibles assets	509.56	614.02
Intangibles assets under development	40.25	34.43
Other non-financial assets	215.07	186.60
	4,341.11	4,261.90
Total Assets	198,865.18	185,857.74
LIABILITIES AND EQUITY		
Financial liabilities		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises	234.84	204.21
Debt securities	51,505.72	38,704.88
Borrowings (other than debt securities)	59,301.78	62,277.22
Other financial liabilities	1,319.67	1,405.39
	112,362.01	102,591.70
Non-financial liabilities		
Current tax liabilities	278.89	-
Provisions	460.63	167.91
Other non-financial liabilities	450.81	919.27
	1,190.33	1,087.18
Equity		
Equity share capital	10,003.80	10,003.80
Other equity	75,309.04	72,175.06
	85,312.84	82,178.86
Total Liabilities and Equity	198,865.18	185,857.74

See accompanying notes to the unaudited financial results



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Veritas Finance Private Limited
CIN: U65923TN2015PTC100328
Regd. Office: SKCL Central Square 1, South Wing, 1st Floor, Unit C28-C35, CIPET Road,
Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032

Notes:

- 1 Veritas Finance Private Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("the RBI").
- 2 The unaudited financial results for the half year ended 30 September 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 27 October 2020. The above results have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review report.
- 3 These unaudited financial results has been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard (Ind AS) 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 ("The Act"), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 4 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 5 Other equity includes statutory reserve as per section 45IC of the Reserve Bank of India Act, 1934, balance in securities premium, Employee Stock Option Plan reserve and retained earnings.
- 6 The impact of COVID-19 on the economy continues to be uncertain and would be dependent upon future developments including various measures taken by the Government, Regulator, responses of businesses, consumers etc. Hence, the extent to which COVID-19 pandemic will impact the company's business, cash flows and financial results, is dependent on such future developments, which cannot be predicted with any degree of certainty.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 – Regulatory Package' and guidelines issued thereto, the Company has granted moratorium upto six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers on a suo-moto basis. Having regard to the guidance provided by the RBI and the Institute of Chartered Accountants of India, in the assessment of the Company, extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory Package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Accordingly, in respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit have been granted, the staging of those accounts as at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package.

Further no additional borrower accounts have been classified as impaired (non-performing assets) which were not declared as non-performing till 31 August 2020, in view of the Supreme Court interim order dated 3 September 2020. However, the Company has made the provision on such borrower accounts, as per the requirement of Ind AS.

In addition to the indicators available during the moratorium period, the Company has also used potential stress on probability of default and exposure at default on the expected credit losses on loans and accordingly recognized an expected credit loss on loans of INR 2,437.74 lakhs during the period. The impact assessment of COVID-19 is a continuing process given its uncertainty in nature and duration, this may have corresponding impact in the financial position. The Company will continue to monitor any material changes to the future economic conditions

- 7 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Company. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will give appropriate impact in the financial results once the code becomes effective and related rules to determine the financial impact are notified.



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Notes:

- 8 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 30 September 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 9 The Company has elected to exercise the option permitted under section I 15BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the half year ended 30 September 2019 and continued to apply the concessional tax rate thereafter.
- 10 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme is not expected to have a material impact on the financial results of the Company.
- 11 Previous period's / year's figures have been regrouped/ reclassified wherever necessary, to confirm with the current period presentation.

Place : Chennai
Date : 27 October 2020

D. Arulmuni
Managing Director and Chief Executive Officer



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ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

<u>Illustration of Bond Cash Flows</u>	
Company	Veritas Finance Private Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Date of Allotment	Deemed Date of Allotment: January 27, 2021
Maturity Date	January 25, 2024
Coupon Rate	10.58% (Ten Decimal Point Five eight Percent) per annum.
Frequency of the Coupon Payment with specified dates	Quarterly
Day Count Convention	Actual/Actual

Scenario 1: In case Put Option / Call Option is not exercised during the Tenure of the NCDs

Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Pay-in Date	January 27, 2021			(10,00,000)
1 st Coupon	April 27, 2021	90	26,088	
2 nd Coupon	July 27, 2021	91	26,378	
3 rd Coupon	Oct 27, 2021	92	26,667	
4 th Coupon	January 27, 2022	92	26,667	
5 th Coupon	April 27, 2022	90	26,088	
6 th Coupon	July 27, 2022	91	26,378	
7 th Coupon	Oct 27, 2022	92	26,667	
8 th Coupon	January 27, 2023	92	26,667	
9 th Coupon	April 27, 2023	90	26,088	
10 th Coupon	July 27, 2023	91	26,378	
11 th Coupon	Oct 27, 2023	92	26,667	
12 th Coupon	January 25, 2024	90	26,088	
Principal	January 25, 2024			10,00,000

Scenario 2: In case Put Option / Call Option is exercised on the Put Option Date / Call Option Date being January 27, 2022:

Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Pay-in Date	January 27, 2021			(10,00,000)
1 st Coupon	April 27, 2021	90	26,088	
2 nd Coupon	July 27, 2021	91	26,378	
3 rd Coupon	Oct 27, 2021	92	26,667	
4 th Coupon	January 27, 2022	92	26,667	
Principal	January 27, 2022			10,00,000

Scenario 3: In case Put Option / Call Option is exercised on the Put Option Date / Call Option Date being January 27, 2023:

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Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Pay-in Date	January 27, 2021			(10,00,000)
1 st Coupon	April 27, 2021	90	26,088	
2 nd Coupon	July 27, 2021	91	26,378	
3 rd Coupon	Oct 27, 2021	92	26,667	
4 th Coupon	January 27, 2022	92	26,667	
5 th Coupon	April 27, 2022	90	26,088	
6 th Coupon	July 27, 2022	91	26,378	
7 th Coupon	Oct 27, 2022	92	26,667	
8 th Coupon	January 27, 2023	92	26,667	
Principal	January 27, 2023			10,00,000