

# Board's Report

Dear Shareholders,

Your Directors have immense pleasure in presenting the tenth annual report of your Company together with the audited financial statements for the financial year ended March 31, 2025, which is the ninth full year of operations of the company.

## Financial Results:

The highlights of the Financial Statements of the Company for the financial years 2024-25 and 2023-24 are as under:

Particulars	2024-25	2023-24
Income from Operations	1,557.40	1,123.80
Less: Employee cost	407.11	291.61
Finance Cost	483.09	315.62
Other Operating Cost	249.98	170.05
Profit/(Loss) before Depreciation & Tax	417.22	346.52
Less: Depreciation	28.89	23.56
Profit/(Loss) Before Tax	388.32	322.96
Less: Tax Expenses	93.21	77.91
Profit/(Loss) After Tax	295.11	245.05
Other comprehensive income for the year	-2.92	0.44
Total comprehensive income for the year	292.19	245.49
Add: Brought forward Profit / (Loss)	482.17	285.69
Less: Transfer to Statutory Reserve under Section 45-IC of the RBI Act, 1934	59.02	49.01
Add: Transfer on account of lapse of ESOP options	0.43	-
Balance Carried Forward	715.77	482.17

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

During the year under review, the Company has successfully grown its Loan Assets under Management from ₹ 5,723.79 Crores to ₹ 7,348.64 Crores, the Net Worth increased from ₹ 2,329.55 Crores to ₹ 2,783.17 Crores, the Interest Income increased from ₹ 1,057.06 Crores to ₹ 1,474.46 Crores and the Customer Base increased from 176,341 customers to 2,11,389 customers.

## State of Company's Affairs:

During FY 2024-25, the Net Profit before tax (PBT) of the Company was at ₹ 388.32 Crores as against ₹ 322.96 Crores in the FY 2023-24 and the Net Profit after tax was ₹ 295.11 Crores as against ₹ 245.05 Crores in the FY 2023-24.

## Share Capital:

As on March 31, 2025, the authorised share capital of the Company was ₹ 202 Crores consisting of equity share capital.

During the FY 2024-25, the following changes took place in the share capital of the Company:

- In May 2024, July 2024, January 2025 and March 2025 the Company has raised ₹ 0.76 Crores (₹ 0.05 crores of share capital and ₹ 0.71 Crores of share premium) upon exercise of stock options by our employees under the company's various employees stock option schemes.
- In July 2024, the Company converted the Partly Paid Equity Shares into Fully Paid Equity Shares totalling to 42,13,262 equity shares with face value of ₹ 10/- each.
- In August 2024, 8,00,000 partly paid equity shares with face value of ₹ 10/- each, wherein ₹ 1/- was paid-up per share, were forfeited. As of March 31, 2025, the said shares remain forfeited.

Accordingly, your Company has one class of paid-up equity share capital which stood at ₹ 131.28 Crores as on March 31, 2025.

The equity shares issued and allotted as mentioned above were without differential rights.

## Dividend:

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

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

## Transfer to Reserves:

As required by Reserve Bank of India, the Company has made a transfer of ₹ 59.02 Crores to statutory reserves constituting 20% of the profits made during the year under review.

## Deposits:

The Company is registered as a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), and no deposit was accepted from the public for the year ended March 31, 2025.

## Capital Adequacy Ratio:

The Company had a Capital to Risk Adjusted Assets ratio of 37.82% against the statutory requirement of 15% due to higher capital base and lower leverage.

### Operational Highlights:

Some of the highlights for the year ended March 31, 2025, are:

- 1) The Company disbursed ₹ 3,933.12 Crores during the period resulting in the assets under management of ₹ 7,348.64 Crores.
- 2) During the year ended March 31, 2025, 9 branches were opened and accordingly, the Branch Network has increased to 391 branches across ten states of Tamil Nadu, West Bengal, Karnataka, Odisha, Madhya Pradesh, Telangana, Andhra Pradesh, Jharkhand, Chhattisgarh, Bihar and union territory of Puducherry.
- 3) Veritas Service Centres (VSCs) – 65 VSCs were opened during the year ended March 31, 2025, and accordingly the total VSCs has been increased to 117 for the year ended March 31, 2025. Veritas Service Centres are opened as an extension of the branches for servicing the customers.

### Future Outlook:

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

### Credit Rating

During the period under review, the Company got a rating outlook change to “CARE A+” with positive outlook (CARE Single A Plus) for the Long Term Bank loans and Non-Convertible Debentures.

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

### Issue of Listed Debt Securities:

Your Company has issued Series 17, Series 18 and Series 19 Secured, Rated, Listed, Fully Paid, Redeemable, Taxable, Non-Convertible Debentures aggregating to ₹ 300.00 Crores during the financial year under review. These debt securities are listed with BSE Limited and National Stock Exchange of India Limited.

Further, your Company has been very prompt in payment of its interest and principal obligations for the financial year ended March 31, 2025, and has complied with all the disclosure requirements stipulated under SEBI (LODR) Regulations, 2015.

### Securitization/Assignment of Loan Portfolio:

Your Company has actively tapped Securitization/Direct Assignment market which has helped diversify, create liquidity,

reduce the cost of funds and minimize the mismatches in asset liability management.

During the financial year under review, the Company has securitised receivables of ₹ 791.19 Crores for a sale consideration from Investors of ₹ 700.00 Crores. These Securitisation transactions were carried out in line with RBI guidelines on Securitization of Standard Assets and accounted in line with Indian Accounting Standards.

### Direct Assignment:

During the year, the Company has transferred receivables of ₹ 80.08 Crores for a sale consideration from Investors of ₹ 72.08 Crores. These Direct assignment transactions were carried out in line with RBI guidelines on Transfer of Loan Exposures and accounted in line with Indian Accounting Standards.

### Issuance of Commercial Papers:

As part of diversification process, during the period under review, your Company issued unlisted Commercial Papers amounting to ₹ 80.00 crores and the same was duly redeemed during the financial year itself.

### RBI Guidelines:

The Company is a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI). The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

The RBI has also announced various guidance measures to strengthen the regulatory framework in the NBFC sector, including the Scale Based Regulations. The Company strongly believes that this would make the sector more robust and resilient.

Pursuant to the extant Scale-Based Regulations, your Company falls under the ‘NBFC- ML (Non-banking financial company – Middle Layer)’ category.

The Company ensures compliance with the extant RBI guidelines including the Scale Based Regulations and has initiated appropriate steps to comply with these regulations as they become applicable.

### Other Statutory Compliances:

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

### Board of Directors:

#### During the year ended March 31, 2025:

- Mr. Abhijit Sen (DIN: 00002593), Mr. M. Sivaraman (DIN: 02045100) and Mr. N. Mohanraj Nair (DIN: 00181969,) ceased to be the Independent Directors with effect from May 21, 2024, on completion of their second and final tenure as Independent Directors of the Board.

- Mr. Raj Vikash Verma (DIN: 03546341) was appointed as an Additional Director (Independent Director) and Non- Executive Chairman of the Board with effect from July 16, 2024.
- Ms. Susan Thomas (DIN:09760548) was appointed as an Additional Director (Independent Director) with effect from July 16, 2024.
- Mr. Raj Vikash Verma (DIN: 03546341) and Ms. Susan Thomas (DIN:09760548) were later regularized as Non-Executive Directors (Independent Directors) in the Extra-Ordinary General Meeting of the Company held on September 30, 2024

There was no other change in the composition of the Board of Directors.

### Key Management Personnel:

Pursuant to the provisions of section 203 of the Companies Act read with the rules made there under, the following employees are the whole-time key managerial personnel of the company as on March 31, 2025:

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

Mr. V.G. Suchindran, Chief Financial Officer ('CFO') and Key Management Personnel ('KMP'), resigned from the Company with effect from September 13, 2024, and Ms. S V. Laxmi, was appointed as the Interim CFO and KMP with effect from September 16, 2024.

Subsequently, Mr. Naveen Raj R was appointed as the Chief Financial Officer and Key Management Personnel of the Company effective March 03, 2025.

In the light of the appointment of new CFO, Ms. S. V. Laxmi, was relieved from the position of Interim CFO and KMP with effect from March 02, 2025. She continues as the Vice President – Finance in the Company.

### Other Officers:

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

1. Ms. D. Kanchana Srikanth – Chief Compliance Officer effective October 01, 2023
2. Mr. R. Vijay Subramanian – Chief Risk Officer effective October 01, 2023
3. Mr. W. Christopher Robin – Head of Internal Audit effective January 02, 2024

### Statutory Auditors:

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

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

On the recommendation of the Audit Committee in their meeting held on April 25, 2024, the Board of Directors of the Company in their meeting held on April 25, 2024, recommended and the approval of the Members was accorded for the appointment of M/s. S.R. Batliboi and Associates LLP, Chartered Accountants (ICAI Firm Registration No.101049W/E300004) as Statutory Auditors of the Company from the date of conclusion of ninth AGM of the company till the date of conclusion of the twelfth AGM of the company to be held in the year 2027 as required under extant RBI regulations as applicable from time to time.

### Statutory Auditors' Report:

The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report on the Financial Statements for the financial year ended March 31, 2025. The said Auditors' Reports for the Financial Year ended March 31, 2025, on the Financial Statements of the Company forms part of this Annual Report.

Further, the Statutory Auditors have not reported any fraud in terms of Section 143(12) of the Companies Act, 2013.

### Secretarial Auditors and their Report:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020, and other applicable provisions, if any, of the Companies Act 2013, M/s. M Damodaran & Associates LLP, were appointed as the Secretarial Auditors of the Company for the financial year 2024 - 25.

The Secretarial Audit Report for the FY 2024-25 forms part of the Annual Report as 'Annexure-IV'. The Report of Secretarial Auditors is self-explanatory.

### Subsidiary / Joint Ventures / Associate Companies:

As on March 31, 2025, the Company does not have any subsidiaries, joint ventures, or associate companies.

### Material Changes and Commitments:

There are no material changes and commitments, affecting the financial position of the company which have occurred between

the end of the financial year of the company to which the financial statements relate and the date of the report.

### ISO Certifications:

Your company has the following ISO certifications:

- ISO/IEC 27001:2022 – Certified for the scope of work in the departments of IS, IT, Admin, HR, and Compliance
- ISO 9001: 2015 – for HR Support activities spanning recruitment till employee exit inclusive of employee engagement, training & development, Payroll, Performance management, benefits and compliance.
- ISO 30408:2016– Human Resource Management Guidelines on Human Governance
- ISO 18404 for the Operation & CRM Department

### Corporate Governance Report:

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

### Business Responsibility and Sustainability Reporting

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

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

### Committees:

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

### Internal Financial Controls:

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

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

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

### Annual Return as per the Companies Act 2013:

As per Section 134 (3) (a) of the Companies Act, 2013, annual return as referred to in Section 92(3) of the act, for the year

2024 – 25 will be uploaded on the website of the Company : <https://www.veritasfin.in/annualreturn.php>

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

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

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

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

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

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

The Company has no activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) Rules, 2014, does not arise. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the FY 2024-25, the Company has incurred Foreign expenditure of ₹ 0.25 Lakhs. However, there was no foreign earnings.

Particulars	Rs. in lakhs
Foreign Expenditure (Advertisement Expenses)	0.25
Foreign Earning	NIL

### Risk Management:

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

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

### **Risk Management, Audit, Compliance function:**

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

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

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

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

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

### **Corporate Social Responsibility (CSR):**

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

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

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

The Annual Report on CSR activities for the financial year ended March 31, 2025, is attached as 'Annexure V' to this Report.

### **Particulars of Employees:**

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

### **Formal Annual Performance Evaluation:**

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

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

### **Policy on Appointment, Evaluation, and Remuneration:**

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

This policy has also been duly amended in line with the Reserve Bank of India's Scale-based Regulations including detailed circulars issued thereunder from time to time. The aforesaid policy is available on the website of the Company.

### **Board Meetings Held During the Period:**

During the period, twelve meetings of the Board of Directors was held on April 25, 2024, July 16, 2024, July, August 13, 2024, September 06, 2024, October 29, 2024, November 13, 2024, December 19, 2024, January 09, 2025, January 17, 2025, February 05, 2025, March 03, 2025, and March 21, 2025.

### **Directors Responsibility Statement:**

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

- a. that in preparation of the annual financial statements for the year ended March 31, 2025, the Indian Accounting Standards (Ind-AS) and other applicable accounting standards have been followed along with proper explanations to material departures, if any.



- b. that the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended March 31, 2025.
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the Directors have prepared annual accounts on a going concern basis.
- e. that the Directors have established internal financial control systems for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management and tested by an independent firm conducting internal audits. Based on the periodical testing, the framework is strengthened from time to time, to ensure adequacy and effectiveness of internal financial controls.
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### Role of Independent Directors:

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

### Declaration given by Independent Directors:

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

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

### Registration of Independent Directors with Independent Director's Databank

The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, required all existing and those aspiring

to become independent directors to apply online to Indian Institute of Corporate Affairs (IICA) for inclusion of their names with the Independent Directors Databank.

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

Name of the Independent Director	Registration Number	Validity of Registration
Mr. Raj Vikash Verma	IDDB-DI-201912-003438	Lifetime
Mr. Mathew Joseph	IDDB-DI-202002-017395	February 26, 2030
Mr. Suresh Subramanian	IDDB-DI-202008-030314	Lifetime
Mr. Sankarson Banerjee	IDDB-DI-202211-045172	November 15, 2027
Ms. Susan Thomas	IDDB-DI-202407-061416	July 03, 2025

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

### Familiarisation Programme:

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

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

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

The details of familiarisation Programme imparted to the Independent Directors and the policy of the Company are available on the Company's website at [https://www.veritasfin.in/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.php](https://www.veritasfin.in/Familiarisation_Programme_for_Independent_Directors.php).

### Separate Independent Directors Meeting:

The Independent Directors convened a separate meeting without the presence of Non-Independent Directors and

members of the management to discuss all such issues as they may consider relevant. During the year under review, the meeting of Independent Directors was held on February 04, 2025.

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

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

Pursuant to Regulation 17(5) of SEBI Listing Regulations, the Company has adopted the Code of Conduct applicable to the Board of Directors and the Senior Management Personnel (Code). The Code provides guidance to the Board of Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Schedule V (D) of the SEBI Listing Regulations, 2015, the Company has also received a declaration from the Directors, the Key Management Personnel, and the Senior Management Personnel of the Company that they have complied to the Code of Conduct for the financial year ended March 2025.

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

### **Retirement by Rotation**

Ms. Priyamvada Ramkumar, Nominee Director retires by rotation and being eligible, offers herself for re-appointment at the 10th Annual General Meeting of the Company ensuing 10th Annual General Meeting.

### **Vigil Mechanism / Whistle Blower Policy:**

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

During the year under review, one complaint was received by the Company. All the complaints have been investigated and addressed as per the policy of the Company as of date were denied access to the Chairman of the Audit Committee.

### **Policy on Prevention of Sexual Harassment:**

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

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

Number of cases filed during the financial year: Nil

Number of cases disposed during the financial year: Nil

Numbers of cases pending as on March 31, 2025: Nil

### **Disclosure of Orders passed by Regulators or Courts or Tribunal:**

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

### **Penalties:**

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

The instances of penalties and fines imposed on the Company by other statutory authorities are detailed in the Corporate Governance Report.

### **Agreements Binding on Listed Entities:**

There are no agreements between shareholders, promoters, related parties, directors, or employees, either amongst themselves or with the Company, impacting management control, restrictions or liabilities that require disclosure to Stock Exchanges.

### **Employee Stock Option Scheme:**

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

Details of issue of Sweat Equity Shares

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

### **Maintenance of Cost Records**

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

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

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

### Human Resource Development Attracting and Retaining Top Performers

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

As of March 31, 2025, your Company had 7796 employees across branches, regional offices, and the head office.

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

**Investing in People:** Your Company invests heavily in employee development through training programs for frontline sales,

marketing, credit, and other staff, including KYC and FPC certifications. Your Company also offer a mix of on-the-job and off-the-job training opportunities.

### Employees Relationship:

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

### Secretarial Standards

During the FY 2024-25, the Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### General

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

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

### Acknowledgement

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

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

Date: April 30, 2025  
 Place: Chennai

**Raj Vikash Verma**  
 Chairman and Independent Director  
 DIN:03546341

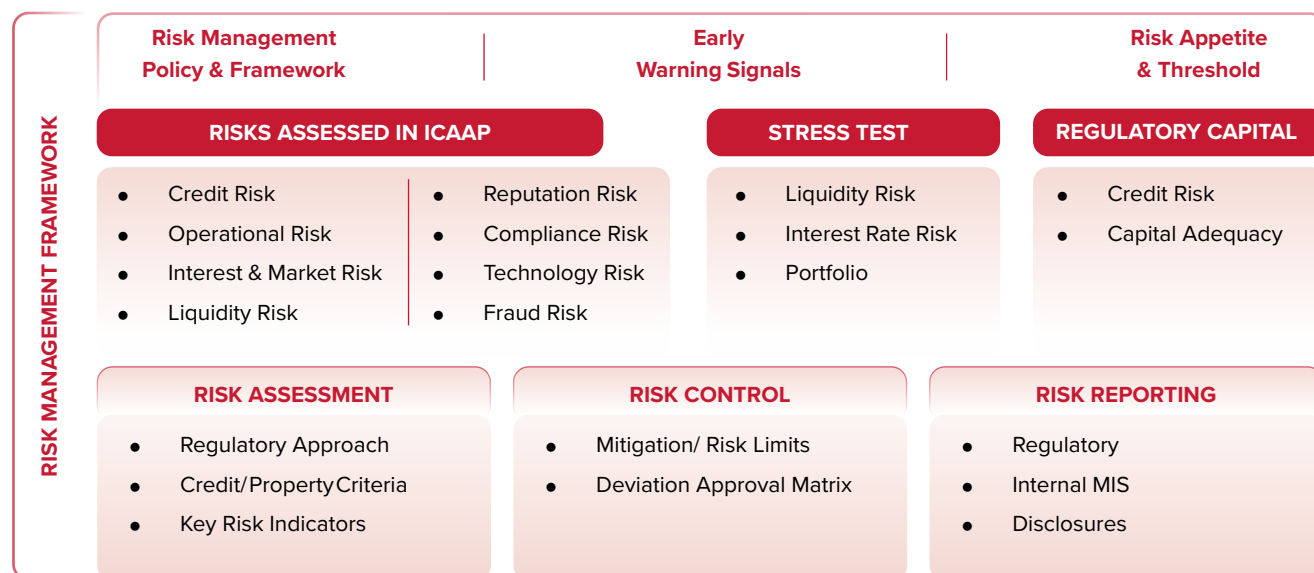
**D. Arulmany**  
 Managing Director & CEO  
 DIN: 00009981



## OUR ERM FRAMEWORK

At Veritas Finance, we have institutionalised an Enterprise Risk Management (ERM) Policy, which serves as a comprehensive, umbrella policy outlining the principles, structure, and processes for risk management across the organization.

The policy provides a unified approach in identifying, assessing, and mitigating risks, thereby fostering a risk-aware culture throughout the organisation. The active involvement of the Senior Management team in the implementation of the ERM framework ensures that risk management practices are effectively embedded across all business functions.



### Risk Management Structure & Board Governance

Our Risk Management Committee (RMC) plays a pivotal role in the Company's risk oversight framework, functioning in alignment with the RBI's Scale Based Regulations. The Committee meets once in every quarter during the year, adhering to a clearly articulated mandate as detailed in the Corporate Governance Report.

Our Board remains firmly committed to fostering a resilient and comprehensive risk management structure—one that proactively identifies and mitigates both systemic and company-specific risks. As part of this commitment, we have implemented the Internal Capital Adequacy Assessment Process (ICAAP), Enterprise Risk Management Framework & Operational Risk Management (ORM). This methodology facilitates the identification and evaluation of key risks, integration of a stress-testing framework, and the determination of capital adequacy requirements.

This ongoing process not only ensures a sound capital position but also supports the dynamic alignment of our business strategy with evolving risk parameters.



### Foresight and Governance of Emerging Risks:

At Veritas, we have a robust Early Warning System (EWS) framework designed to proactively detect patterns and anomalies in customer behaviour at an early stage. This enables us to take timely and preventive actions, thereby supporting effective credit risk management and helping maintain the overall quality and health of our lending portfolio in the form Collection Scorecard using ML Algorithms.

### Key Risk Indicators & Risk Appetite Statement:

We have instituted a clearly articulated Risk Appetite Statement (RAS), which defines the level and type of risk the Company is willing to accept in pursuit of its strategic objectives. In tandem, we have implemented a robust Key Risk Indicators (KRI) framework that enables ongoing monitoring of risk exposures. Timely and appropriate management action plans are initiated to address any breaches of the prescribed thresholds, thereby maintaining alignment with our defined risk appetite and ensuring the resilience of our operations.

Risk Types	Impact	Mitigation measures
<b>Credit Risk</b> 	We are exposed to credit default risks from borrowers and counterparties which can affect loan recovery and obligation fulfilment	<p>The Company effectively manages risks through in-house sourcing, a comprehensive credit decisioning process supported by scorecards, and a robust portfolio monitoring and collections framework.</p> <p>To ensure proactive management of credit quality and concentration risks, portfolio analysis and reporting are regularly conducted. Credit risk monitoring occurs at two distinct levels: account-level and portfolio-level.</p>
<b>Liquidity Risk &amp; Interest Rate Risk</b> 	As a retail-focused lender, our business is significantly impacted by the availability and cost of capital. Several micro and macroeconomic factors—such as inflation, economic growth, central bank policies, government regulations, and global events—can drive up lending rates which in turn, may affect the Company's overall profit margins	<p>To manage liquidity risk, we have a comprehensive Asset Liability Management Policy that identifies short-term liquidity gaps and outlines corrective actions.</p> <p>Our diversified lender portfolio includes public and private banks, NBFCs, and mutual funds.</p> <p>Our Company measures liquidity buffers along with monthly reporting of critical ratios and threshold levels to ensure adequate liquidity planning.</p>
<b>Compliance &amp; Regulatory Risk</b> 	Changes in regulatory framework and compliance requirements can significantly impact our business operations, reputation, and financial performance	<p>Our Compliance team works diligently to proactively identify and mitigate risks by continuously monitoring regulatory changes and adhering to elevated governance standards.</p> <p>We have implemented a risk-based Compliance Framework along with a comprehensive Compliance Management tool to support these efforts</p>
<b>Operational Risk</b> 	Disruptions to operations can arise from gaps in internal processes, technology failures, cyber security breaches, employee fraud, and other similar issues	<p>We have implemented a risk-based internal audit framework that thoroughly addresses any operational risks that may emerge during our processes.</p> <p>To manage operational risks effectively, the Company prioritizes the following core procedures:</p> <ul style="list-style-type: none"> <li>• Development of manuals and standard operating procedures, along with appropriate training for staff</li> <li>• Conducting internal audits of branches, with frequency and scope determined based on key risk factors.</li> <li>• Structured process for investigating fraud and taking action against employees involved in such activities.</li> <li>• Monitoring Key Risk Indicators, Risk Appetite Statement as per Operational Risk Management Guidelines</li> <li>• Third party risk monitoring is designed to assess, monitor and manage risks throughout the lifecycle of third-party engagements from vendor selection to contract termination</li> </ul>

Risk Types	Impact	Mitigation measures
<b>IT Risk, Cyber Security Risk</b> 	<p>This risk arises from potential inadequacies or failures in technical infrastructure and IT systems, which could adversely impact data availability, integrity, accessibility, and security.</p> <p>Cybersecurity Risk refers to the threat of cyberattacks—such as hacking, phishing, ransomware, or other malicious activities—targeting Veritas’s systems. Such incidents may disrupt operations, compromise sensitive internal data, or lead to unauthorized exposure of customer information</p>	<p>The company has detailed IT policies in line with regulatory guidelines. We have a robust access-control and log tracking for server security, cyber thefts, policies to ensure there is no breach in the privacy of information of customers. These are governed by both IT Strategy and Steering Committee</p>
<b>Conduct &amp; Reputation Risk</b> 	<p>The risk arises from issues such as unethical conduct, regulatory non-compliance, misleading communications, or failure to meet the expectations of consumers, investors, and other key stakeholders</p>	<p>Regular training and awareness programs reinforce the importance of ethical behaviour at all levels of the organization.</p> <p>A policy that addresses customer grievances and has strong redressal mechanisms.</p> <p>Communicate effectively with stakeholders to address their expectations and concerns.</p> <p>Predefined protocols for responding to reputational threats, clear communication channels, and designated teams responsible for managing the situation</p>

## Risk-Based Internal Audit (RBIA): Advancing Assurance, Enhancing Resilience

As we continue to operate in a dynamic and rapidly changing risk landscape, our commitment to strong corporate governance and risk management remains unwavering. With our company’s asset size exceeding ₹ 7500 Crores, we have further strengthened our Risk-Based Internal Audit (RBIA) Framework—an integral part of our governance structure.

The RBIA framework, introduced in line with regulatory expectations, continues to evolve as a strategic enabler, helping us anticipate, assess, and respond to key business risks. It enables the internal audit function to focus its efforts on the areas of highest risk and strategic importance, ensuring alignment with the company’s long-term goals while supporting operational efficiency and resilience.

### Key Enhancements and Highlights of Our RBIA Approach in the Current Year:

- **Matured Strategic Integration:** Internal audit planning and execution are now more deeply embedded into our strategic planning processes. Audit priorities are directly influenced by the company’s risk appetite and business imperatives.
- **Data-Driven Risk Assessment:** The current year saw the integration of data analytics into our risk assessment and audit scoping processes, enhancing our ability to identify emerging risk trends and focus on high-impact areas.
- **Collaborative Risk Culture:** The RBIA framework fosters a strong partnership between the internal audit team, risk

management, and business units, reinforcing a culture of accountability and proactive risk ownership.

- **Capability Building:** Continued investment in upskilling the audit team and enhancing audit tools has improved the depth and coverage of our audits, ensuring timely and actionable insights for management.
- **Enhanced Board Oversight:** The Audit Committee has been regularly apprised of key audit findings, emerging risk themes, and management action plans—strengthening governance and stakeholder confidence.

As we look ahead, the RBIA function will continue to evolve in response to internal and external developments, leveraging technology and best practices to deepen risk insights and deliver assurance with greater agility.

Our RBIA journey reflects our broader objective: to protect and strengthen our organization by embedding risk awareness and resilience into every level of operation. It is not only a pillar of our governance mechanism but a catalyst for sustainable value creation.

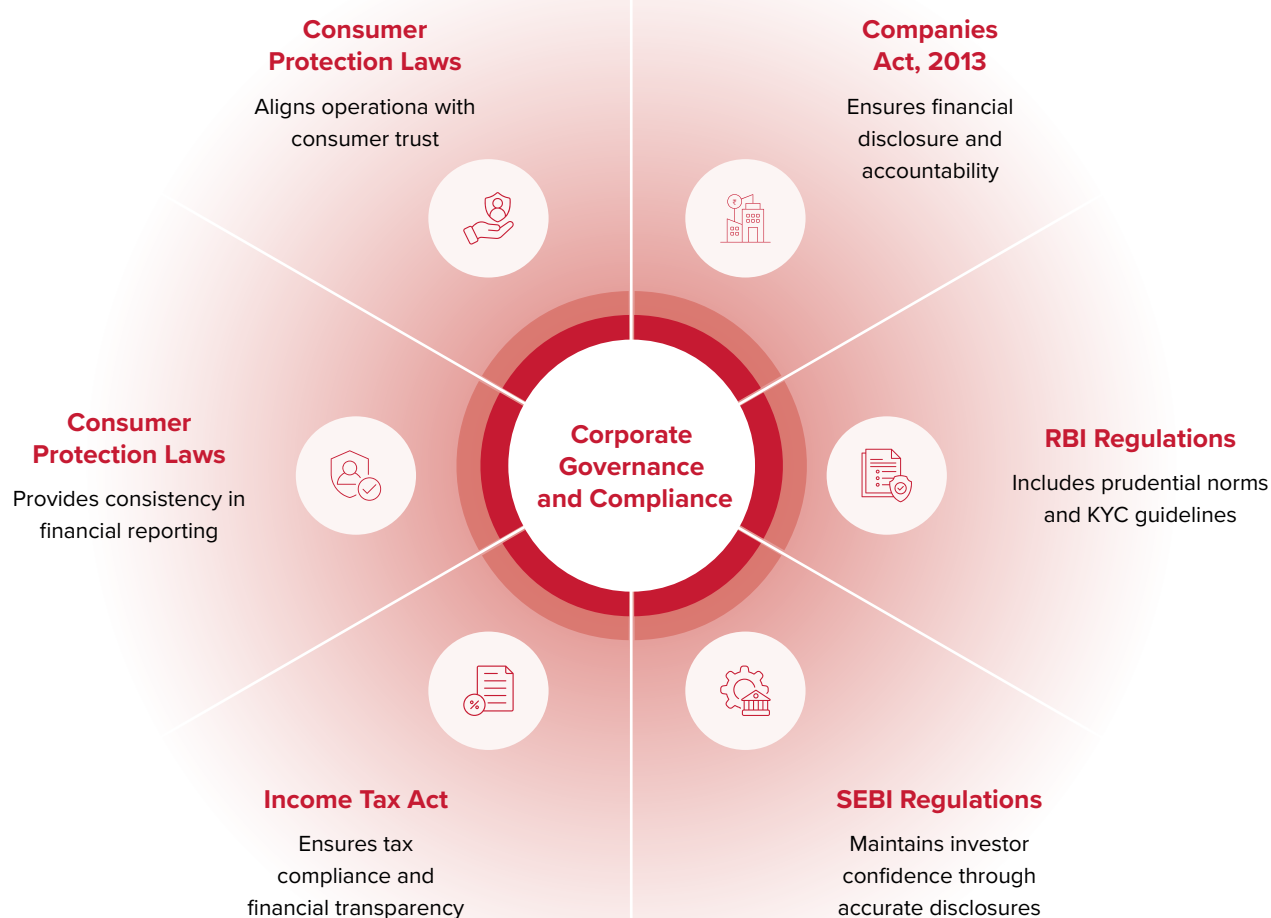
### Compliance Processes and Strategies: Ensuring Transparency and Trust

In today’s dynamic and ever-evolving regulatory landscape, the need for robust compliance processes has never been more critical. We at Veritas remain committed to maintaining the highest standards of corporate governance and transparency.

## A Foundation of Regulatory Adherence

Our compliance framework is built on a clear understanding of the various laws, guidelines, and regulations that govern the operations of NBFCs. As an NBFC, we are regulated by several important legal and regulatory authorities in India, ensuring that we not only meet regulatory requirements but also deliver value and transparency to our stakeholders. The key regulatory frameworks we comply with include:

1. The Companies Act, 2013: The cornerstone of corporate governance in India, ensuring proper financial disclosure and accountability for companies, including NBFCs.
2. Reserve Bank of India (RBI) Regulations for NBFCs: As an NBFC, we strictly adhere to the guidelines and regulations set by the RBI under the Reserve Bank of India Act, 1934. These include Prudential Norms, Asset Classification and Provisioning, Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, Fair Practices Code etc.,
3. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: For our publicly listed financial instruments, we comply with the regulations prescribed by the Securities and Exchange Board of India (SEBI) to ensure accurate disclosures and maintain investor confidence.
4. Income Tax Act: Ensuring that we meet our tax obligations under the Income Tax Act, including income tax, GST, and other applicable taxes, to maintain financial transparency.
5. Indian Accounting Standards (Ind AS): We align our financial reporting with the Indian Accounting Standards (Ind AS), ensuring transparency, consistency, and comparability in our financial statements.
6. Consumer Protection Laws: We ensure our operations, especially related to lending and financing activities, are aligned with consumer protection laws to maintain the trust of our customers and stakeholders.



These regulations provide a structured framework that not only ensures compliance but also fosters transparency and accountability, helping us build and maintain long-term trust with our investors, customers, and other stakeholders.

### Comprehensive Compliance Processes

Our approach to compliance is both structured and diligent. We follow a rigorous set of processes to ensure compliance across our operations and financial disclosures, with a particular emphasis on meeting the requirements set by RBI and other relevant authorities.

### Corporate Governance and Ethical Practices

We adhere to the highest standards of corporate governance and ethical business practices.

**Board Composition and Committees:** Ensuring that our board is composed of qualified and independent members, with clear roles for the audit, risk, and compliance committees.

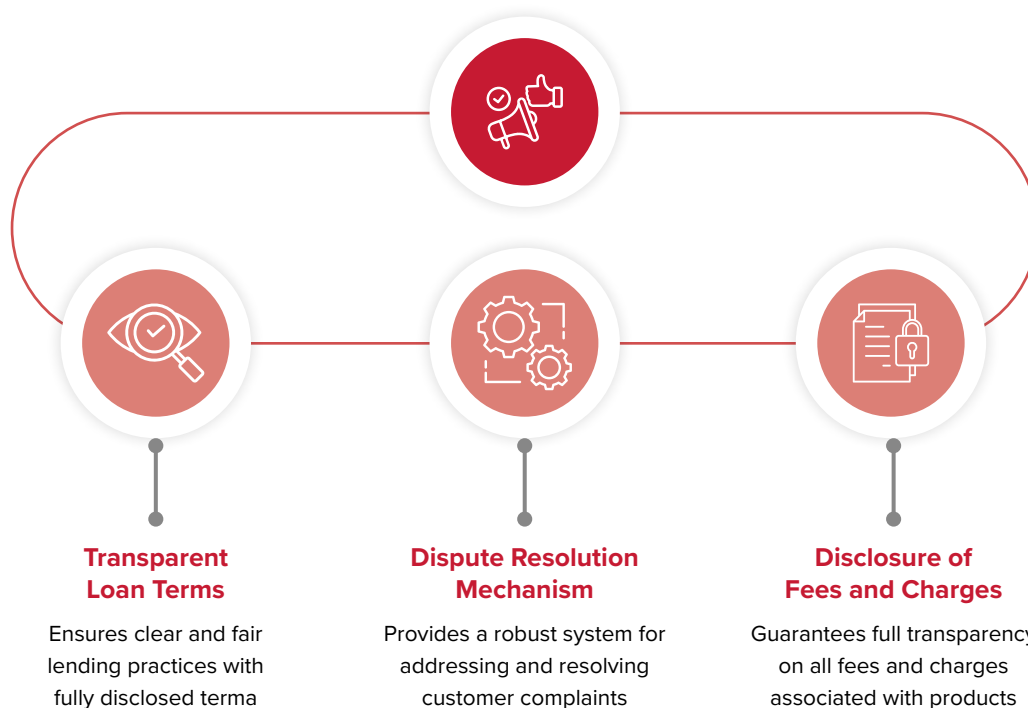
**Taxation and Regulatory Compliance:** We comply fully with the Income Tax Act and GST Regulations, ensuring that our tax filings are accurate and timely.

### Consumer Protection and Fair Practices

We at Veritas deal with a wide range of customers, and their trust is essential. We follow RBI's Fair Practices Code and Consumer Protection Laws to ensure that we offer our products and services fairly. This includes:

- **Transparent Loan Terms:** We ensure that our lending practices are clear, transparent, and fair, with clear terms and conditions that are communicated to the customer at every stage. One of the pioneers in implementing RBI's KFS in vernacular language.
- **Dispute Resolution Mechanism:** A robust mechanism for addressing customer complaints and resolving issues promptly.
- **Disclosure of Fees and Charges:** Full disclosure of all applicable fees, charges, and interest rates associated with our products, ensuring transparency and fairness.

### Veritas Commitment to Consumer Trust

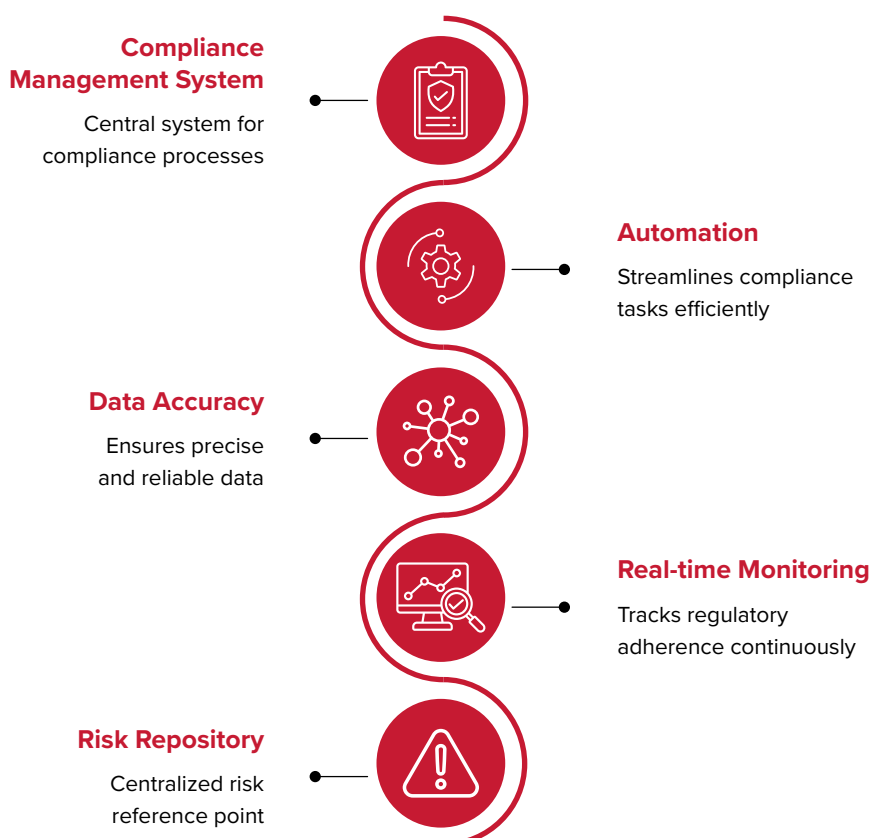




## Leveraging Technology for Compliance Efficiency

In today's digital era, technology plays a pivotal role in ensuring compliance. At Veritas, we have implemented sophisticated Compliance Management Systems to automate compliance processes, improve data accuracy, and monitor regulatory adherence in real-time. One of the most fundamental uses of compliance management software is a repository of the compliance risks faced by Veritas and the supporting details of each risk. It works as a point of reference for the organization whenever a new risk factor emerges.

### Compliance Management at Veritas



## Training and Employee Engagement

To foster a culture of compliance across the organization, we regularly train our employees on the latest regulatory changes, ethical standards, and best practices. Training modules focus on educating employees about RBI's regulatory guidelines, Consumer Rights and Fair Lending Practices, Anti-Money Laundering (AML) and KYC.

## Continuous Improvement in Compliance Practices

Compliance is not a one-time task but a continuous effort. We regularly review our compliance processes to ensure that we stay ahead of regulatory changes. This includes, Regular Risk Assessments, Monitoring & Testing, Feedback Mechanisms, Adapting to Regulatory Changes.

We are dedicated to continuously improving our compliance processes, staying ahead of regulatory changes, and ensuring that our financial operations remain sound, transparent, and secure. By upholding these values, we aim to not only meet the regulatory requirements but also contribute to the sustainable growth of the organization, benefiting all our stakeholders in the long term.

## Annexure- I

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

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

S.No	Particulars	Remarks
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year*	Mr. D. Arulmany – 90.35:1 Mr. Mathew Joseph-5.39:1 Mr. Subramanian Suresh-5.60:1 Mr. Sankarson Banerjee-4.23:1 Mr. Raj Vikash Verma-2.94:1 Ms. Susan Thomas-3.30:1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director and CEO – 24.94% Chief Financial Officer – (-6.41%) Company Secretary and Compliance Officer– 40.55% Other Directors – 38.31%
3.	The percentage increase in the median remuneration of employees in the financial year	1.83%
4.	The number of permanent employees on the rolls of company	7796
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average % increase in employees salary: 9.86% Average % increase in KMP salary: 19.69%
6.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the as per the Policy for Directors, Key Managerial Personnel and other Employees.

\*Mr. Abhijit Sen, Mr. M. Sivaraman and Mr. N. Mohanraj cease to be independent directors effective from 21 May 2024.

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

## Annexure- II

## FORM NO AOC-2

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

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

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

Veritas Finance Limited has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or not at arm's length during FY 2024-25.

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

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

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

Although there are no related party transactions as per Section 188 of the Companies Act, 2013 and the rules made thereunder, as per Rule 4(1) of the Companies (CSR Policy) Rules, 2014. The Company transfers its CSR obligations (part or whole) as per the CSR Annual Action Plan to Veritas Foundation and the details of the transactions are available as part of the CSR report FY 2024-25. Further, during the financial year ended 31 March 2024, the Company established a trust by name "Veritas Employees Gratuity Trust" for the purpose of covering the gratuity payable to employees as per Payment of Gratuity Act, 1972 in association with SBI Life Insurance Company Limited.

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

-sd/-

**Raj Vikash Verma**

Chairman & Independent Director

DIN: 03546341

-sd/-

**D. Arulmany**

Managing Director & CEO

DIN: 00009981

Place: Chennai

Date: April 30, 2025

## Annexure III

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

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	30,00,000
b. Options Granted	30,50,000
c. Options Vested	-
d. Options Exercised	29,61,500
e. The total no. of shares arising as a result of exercise of option	29,61,500
f. Options Lapsed / Surrendered	88,500
g. Variation of terms of option	On January 13, 2025, ESOS B, 2018 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.
h. Total number of options in force	-
i. Options available for grant	38,500
j. Money realized by exercise of options	₹ 3,81,30,000/-
k. (a) Details of options granted to Key Managerial Personnel (KMP)	NIL during the year
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2025	NIL
(c) Identified employees who were granted Options, during the period ended 31.03.2025, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	NA

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

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	10,00,000
b. Options Granted	11,62,500
c. Options Vested	95,250
d. Options Exercised	8,35,350
e. The total no. of shares arising as a result of exercise of option	8,35,350
f. Options Lapsed / Surrendered	1,63,400
g. Variation of terms of option	On January 13, 2025, ESOS B, 2018 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.
h. Total number of options in force	95,250
i. Options available for grant	900
j. Money realized by exercise of options	₹ 3,77,04,000/-
k. (a) Details of options granted to Key Managerial Personnel	NIL during the year
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2025	2,500
(c) Identified employees who were granted Options, during the period ended 31.03.2025, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was ₹ 600 for Options granted on 06.09.2024.

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

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	20,00,000
b. Options Granted	25,75,000
c. Options Vested	6,46,750
d. Options Exercised	10,53,650
e. The total no. of shares arising as a result of exercise of option	10,53,650
f. Options Lapsed / Surrendered	5,75,850
g. Variation of terms of option	On January 13, 2025, ESOS C, 2018 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years
h. Total number of options in force	6,46,750
i. Options available for grant	850
j. Money realized by exercise of options	₹ 14,47,52,500/-
k. (a) Details of options granted to Key Managerial Personnel (KMP)	NIL
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2025	1 employee
(c) Identified employees who were granted Options, during the period ended 31.03.2025, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was ₹ 600 for Options granted on 06.09.2024. Exercise Price was ₹ 625 for Options granted on 09.01.2025.

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

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	10,00,000
b. Options Granted	11,25,000
c. Options Vested	3,01,250
d. Options Exercised	24,500
e. The total no. of shares arising as a result of exercise of option	24,500
f. Options Lapsed / Surrendered	1,80,500
g. Variation of terms of option	On January 13, 2025, ESOS 2021 was amended to comply with SEBI SBEB & SE Regulations and the time period of exercise was extended to five years.
h. Total number of options in force	3,01,250
i. Options available for grant	55,500
j. Money realized by exercise of options	₹ 55,12,500/-
k. (a) Details of options granted to Key Managerial Personnel	NIL during the year
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2025	1 employee
(c) Identified employees who were granted Options, during the period ended 31.03.2025, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was ₹ 600 for Options granted on 16.07.2024 and 06.09.2024. Exercise Price was ₹ 625 for Options granted on 09.01.2025 and 03.03.2025.



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

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	20,00,000
b. Options Granted	17,64,167
c. Options Vested	1,33,334
d. Options Exercised	NIL
e. The total no. of shares arising as a result of exercise of option	NIL
f. Options Lapsed / Surrendered	2,10,833
g. Variation of terms of option	On January 13, 2025, ESOS 2024 was amended to comply with SEBI SBEB & SE Regulations.
h. Total number of options in force	1,33,334
i. Options available for grant	4,46,666
j. Money realized by exercise of options	NIL
k. (a) Details of options granted to Key Managerial Personnel	2,00,000 options granted to KMPs (CFO)
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2025	4 employees
(c) Identified employees who were granted Options, during the period ended 31.03.2025, equal or exceeding 1% of the issued capital of the Company at the time of grant	NIL
l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard – 20	NA
m. The exercise price of Options	Exercise Price was ₹ 600 for Options granted on 16.07.2024 and 06.09.2024. Exercise Price was ₹ 625 for Options granted on 09.01.2025 and 03.03.2025.

**Note:** SEBI SBEB & SE Regulations means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.

## Annexure IV

### Report of Secretarial Auditors

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2025

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

To,  
The Members,

**VERITAS FINANCE LIMITED,**

(Formerly known as VERITAS FINANCE PRIVATE LIMITED)

(CIN: U65923TN2015PLC100328),

SKCL Central Square 1, South and North Wing, 7th Floor, Unit No. C28-C35 CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai - 600 032.

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

Based on our verification of the Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the/extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including amendment/ re-enactment made thereto; (to the extent applicable):-

- (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients and ESOP;
- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR];
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (f) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the Company.

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

- i. The Listing Agreements entered into by the Company with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'); and
- ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by the Institute of Company Secretaries of India.

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the

Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that** during the audit period;

- a. Mr. Abhijit Sen (DIN: 00002593), Mr. Mohanraj Narendranathan Nair (DIN: 00181969) and Mr. Sivaraman Mahadevan, (DIN: 02045100) were ceased as an Independent Directors on the Board of the Company upon completion of their second term of office on May 21, 2024.
- b. Mr. V. G. Suchindran, resigned as Chief Financial Officer of the Company w.e.f. close of business hours of September 13, 2024.
- c. The Registrar of Companies, Central Processing Centre, Gurgaon, has considered and approved the conversion of the Company from Private Limited to Public Limited Company w.e.f. October 23, 2024. Consequently, the name of the Company changed to VERITAS FINANCE LIMITED on the said date.
- d. Ms. S. V. Laxmi, who was appointed as an Interim Chief Financial Officer and KMP of the Company w.e.f. September 16, 2024, resigned from that position w.e.f. March 02, 2025 and she continued as the Deputy Vice President - Finance.
- e. Mr. Ramanathan Naveen Raj was appointed as Chief Financial Officer and KMP of the Company w.e.f. March 03, 2025.

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

- a. considered and approved, at its meeting held on April 25, 2024, the proposal for fund raising by issue of redeemable and non-convertible debentures aggregating up to ₹ 1250,00,00,000/- in one or more series/tranches on private placement basis.
- b. allotted, 10,000 Series 17 secured, rated, listed, redeemable, Transferable, non-convertible debentures bearing face value of ₹ 1,00,000/- each aggregating to ₹ 100,00,00,000/-

through circular resolution passed by Resources and Business Committee of the Board dated June 27, 2024.

- c. approved, vide its circular resolution dated July 26, 2024, the conversion of 42,13,262 partly paid-up equity Shares having face value ₹ 10/- each to fully paid-up equity shares.
- d. approved and took note, at its meeting held on August 13, 2024, forfeiture of 8,00,000 partly paid equity shares for non-payment of call money pursuant to the Articles of Association of the Company.
- e. in supersession to the earlier resolutions passed in this regard, considered and approved, at its meeting held on October 29, 2024, the proposal for fund raising by issue of redeemable and non-convertible debentures, based on amended limits, aggregating up to ₹ 750,00,00,000/- in one or more series/tranches on private placement basis.
- f. allotted, 10,000 Series 18A & 18B secured, rated, listed, redeemable, Transferable, non-convertible debentures bearing face value of ₹ 1,00,000/- each aggregating to ₹ 100,00,00,000/- through circular resolution passed by Resources and Business Committee of the Board dated November 13, 2024.
- g. allotted, 10,000 Series 19A & 19B secured, rated, listed, redeemable, Transferable, non-convertible debentures bearing face value of ₹ 1,00,000/- each aggregating to ₹ 100,00,00,000/- through circular resolution passed by Resources and Business Committee of the Board dated February 21, 2025.
- h. considered and approved, at its meeting held on March 21, 2025, the increase of the borrowing powers of the Board from ₹ 7000,00,00,000/- to ₹ 9500,00,00,000/- subject to approval of shareholders of the Company.
- i. granted 16,70,000 Employees Stock Options pursuant to the respective Veritas Employee Stock Option Schemes on various dates.
- j. allotted 53,000 Equity Shares of ₹ 10/- each under Veritas Employee Stock Option Schemes on various dates.

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

- a. passed an ordinary resolution under sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 20, 2024 for appointment of Mr. Sankarson Banerjee (DIN: 07407346) as an Independent Director of the Company to hold office for a term of five consecutive years with effect from March 27, 2024.

- b. passed a special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 20, 2024 to amend the borrowing powers of the Board of Directors as follows:

Particulars	Old Limits (in ₹ Crores)	Amended Limits (in ₹ Crores)
Private placement of Non-Convertible Debentures (NCDs)	400.00	1250.00
Borrowings from such person or persons including banks, institutions, corporates, etc., including by issue of External Commercial Borrowings (ECBs), availing Standby Letter of Credit (SBLC), and all types of fund and non-fund based facilities.	4000.00	4000.00
Borrowings by way of Commercial Papers	200.00	200.00
<b>Total Direct Borrowings (in ₹ Crores) (outstanding at any point of time)</b>	<b>4600.00</b>	<b>5600.00</b>
Securitization of its loan receivables, and/or to sell / transfer / directly assign substantial assets including receivables / book debt of the Company	600.00	1400.00
<b>Grand Total (in ₹ Crores)</b>	<b>5200.00</b>	<b>7000.00</b>

- c. passed a special resolution under section 42, 71 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 20, 2024 for issue of secured/unsecured/subordinated, rated/unrated, listed/unlisted non-convertible debentures on a private placement basis in one or more tranches/series up to a maximum amount not exceeding ₹ 1250,00,00,000/- during a period of one year.
- d. passed a special resolution under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 20, 2024, to undertake the transaction(s) for Securitization/Selling/Transfer/Direct Assignment of its receivables/book debts up to ₹ 1400,00,00,000/-.
- e. passed an ordinary resolution under sections 139 to 142 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on June 10, 2024 for appointment of M/s. S.R Batliboi & Associates LLP, Chartered Accountants, (Firm's Registration No. 101049WE300004), as statutory auditors of the Company, to hold office for a period of 3 consecutive years from the date of conclusion of 9th Annual General Meeting of the company till the conclusion of the 12th Annual General Meeting of the Company to be held in the year 2027.
- f. passed a special resolution under sections 13, 61, 64 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on June 10, 2024 for re-classification of authorized share capital and consequent alteration of Memorandum of Association of the Company.
- g. passed a special resolution under sections 4, 5, 13, 14, 18 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on June 10, 2024 for conversion of status of the Company from 'Private Limited Company' into 'Public Limited Company'.
- h. passed a special resolution under sections 4, 13, 61 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on June 10, 2024 for alteration of Name Clause (Clause I), Object Clause (Clause III B) and Capital Clause (Clause V) of Memorandum of Association of the Company in reference to the conversion of the Company from a Private Limited Company into Public Limited Company.
- i. passed a special resolution under sections 5, 14 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on June 10, 2024 for alteration of Articles of Association of the Company in order to align the Articles of Association with the requirements of the Companies Act as applicable to Public Limited Company.
- j. passed an ordinary resolution under sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on September 30, 2024 for appointment of Mr. Raj Vikash Verma (DIN: 03546341) as an Independent Director of the Company to hold office for a term of five consecutive years with effect from July 16, 2024.
- k. passed an ordinary resolution under sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on September 30, 2024 for appointment of Ms. Susan Thomas (DIN: 09760548) as an Independent Director of the Company to hold office for a term of five consecutive years with effect from July 16, 2024.

- l. passed a special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on September 30, 2024 to amend the borrowing powers of the Board of Directors as follows:

Particulars	Old Limits (in ₹ Crores)	Amended Limits (in ₹ Crores)
Private placement of Non-Convertible Debentures (NCDs)	1250.00	750.00
Borrowings from such person or persons including banks, institutions, corporates, etc., by way of External Commercial Borrowings (ECBs), availing Standby Letter of Credit (SBLC), and all types of fund and non-fund based facilities.	4000.00	4500.00
Borrowings by way of Commercial Papers	350.00	350.00
<b>Total Direct Borrowings (in ₹ Crores) (outstanding at any point of time)</b>	<b>5600.00</b>	<b>5600.00</b>
Securitization of its loan receivables, and/or to sell / transfer / directly assign substantial assets including receivables /book debt of the Company	1400.00	1400.00
<b>Grand Total (in ₹ Crores)</b>	<b>7000.00</b>	<b>7000.00</b>

- m. passed a special resolution under section 42, 71 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on September 30, 2024 for issue of secured/unsecured/subordinated, rated/unrated, listed/unlisted non-convertible debentures on a private placement basis in one or more tranches/series up to a maximum amount not exceeding ₹ 750,00,00,000/- during a period of one year based on amended limits
- n. passed a special resolution under sections 5, 14 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on January 13, 2025 for adoption of new set of Articles of Association of the Company in total exclusion and substitution of the existing Articles of Association.
- o. passed a special resolution at the Extra-ordinary General Meeting held on January 13, 2025 for approving the Initial Public Offer and the issuance of equity shares in the Initial Public Offer up to an aggregate of ₹ 6,000 million by way of a fresh issue of equity shares and an offer for sale of such number of Equity Shares aggregating up to ₹ 22,000 million by certain existing shareholders.
- p. passed special resolutions under section 62 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on January 13, 2025 for the amendments to Veritas Employee Stock Option Scheme, 2016, Veritas Employee Stock Option Scheme, 2018, Veritas Employee Stock Option Scheme, October 2018, Veritas Employee Stock Option Scheme, 2021 and Veritas Employee Stock Option Scheme, 2024 in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- q. passed special resolutions under section 62 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on January 13, 2025 to extend the applicability and benefits of Veritas Employee Stock Option Scheme, 2016, Veritas Employee Stock Option Scheme, 2018, Veritas Employee Stock Option Scheme, October 2018, Veritas Employee Stock Option Scheme, 2021 and Veritas Employee Stock Option Scheme, 2024 to the employees of the Company's group companies of the Company, including the Company's subsidiary, holding company and associate company(ies) in such manner and on such terms and conditions as the Board may decide.
- r. passed a special resolution under sections 196, 197 198 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on January 13, 2025 to change the terms of remuneration of Mr. Arulmany Duraisamy (DIN: 00009981), Managing Director and CEO of the Company, due to impact of amendment in Car Scheme Policy.

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

**We further report that** during the audit period, the Company had filed draft red herring prospectus with respect to initial public offer with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Ltd on January 19, 2025.

Place: Chennai  
Date: April 30, 2025

**For M DAMODARAN & ASSOCIATES LLP**

**M. DAMODARAN**  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 3847/2023  
ICSI UDIN: F005837G000235044

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



**Annexure 1'**

To,

The Members,

**VERITAS FINANCE LIMITED,**

*(Formerly known as VERITAS FINANCE PRIVATE LIMITED)*

(CIN: U65923TN2015PLC100328), SKCL Central Square 1, South and North Wing, 7th Floor, Unit No. C28 - C35 CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai - 600 032.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on the audit conducted by us.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Date: April 30, 2025

**For M DAMODARAN & ASSOCIATES LLP**

**M. DAMODARAN**

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN:F005837G000235044

## Annexure V

### CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

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

#### 1. Brief outline on CSR Policy of the Company.

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

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

#### 2. Composition of CSR Committee:

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

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

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

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

Impact assessment of CSR projects is not applicable as the company's average CSR obligation in the three immediately preceding financial years does not exceed ten crore rupees or more and there are no CSR projects having outlays of one crore rupees or more, which have been completed not less than one year before undertaking the impact study.

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

Particulars	(in ₹ Lakhs)
Profit/(Loss) - 2023-24	35,686.56
Profit/(Loss) - 2022-23	23,743.84
Profit/(Loss) - 2021-22	11,921.53
<b>Average PROFIT for CSR purpose</b>	<b>23,783.98</b>

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

Particulars	(in ₹ Lakhs)
2% of average Profit/Loss for last three years *	475.70

\*Prescribed CSR Expenditure

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

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

#### (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. - ₹ 475.70 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) – ₹ 118.00 Lakhs
- (b) Amount spent in Administrative Overheads- NIL
- (c) Amount spent on Impact Assessment, if applicable - Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]- ₹ 118.00 Lakhs
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹ Lakhs)	Date of transfer	Name of the Fund	Amount (in ₹ Lakhs)	Date of transfer
118.00	357.70	April 17, 2025	NA	NA	NA

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

Sl. No.	Name of Director	Amount (in Lakhs ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 475.70 Lakhs
ii.	Total amount spent for the Financial Year	₹ 118.00 Lakhs
iii.	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹ Lakhs)	Amount spent in the reporting Financial Year (in ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of transfer		
1.	FY 2021-22	NA	NA	89.10	37.50	April 21, 2022	NIL	NIL
2.	FY 2022-23	NA	NA	NA	NA	NA	NA	NA
3.	FY 2023-24	151.30	28.06	123.24	NA	NA	28.06	NA

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

If Yes, enter the number of Capital assets created/ acquired – NA

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

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

The Company transferred an amount of ₹ 475.70 Lakhs from the CSR budget of FY 2024-25 to Veritas Foundation towards various CSR activities, of which ₹ 118.00 Lakhs has been spent by Veritas Foundation in FY 2024-25.

The unspent CSR amount of ₹ 357.70 Lakhs, towards 'ongoing projects' as identified and approved by the Board, has duly been transferred to a designated separate bank account namely 'Unspent CSR Account FY 2024-25' on April 17, 2025, upon receipt of the amount from Veritas Foundation.

Date: April 30, 2025  
Place: Chennai

Sd/-  
**D. Arulmany**  
(Managing Director & CEO)  
DIN: 00009981

Sd/-  
**Susan Thomas**  
(Independent Director, Chairperson - CSR Committee)  
DIN: 09760548