

# More reforms likely under SASCI scheme, says Expenditure Secretary

**THE CRITERIA.** If a State fails to implement necessary reforms, it will not be eligible for the incentive-based funds: Vualnam

bl.interview

Shishir Sinha  
New Delhi

The Special Assistance to States for Capital Investment (SASCI) scheme may see new reform measures to strengthen telecom networks, Expenditure Secretary V Vualnam has said. He expressed the hope that States will be able to provide their share for VB-G RAM G scheme.

Edited excerpts:

**We have 55 Central Ministries and Departments and funds are distributed among them through 102 demands. For some Ministries/ Departments, revised estimate is notably lower than Budget Estimates and yet they get higher funds in the next year's Budget. What is the rationale behind that?**

There may have been some specific reasons for expenditure not going up to the expected levels for some schemes in the current financial year. For instance, the Drinking Water Department has streamlined their functioning and are fully geared up to scale up implementation of their schemes which is why we have provided them ₹67,000 crore in the BE of FY27. If departments underutilise funds, we adjust allocations downward.

However, during detailed reviews in October and November, we evaluate every project and scheme in-



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V VUALNAM  
Expenditure Secretary

dividually. Based on these discussions, we recalibrate funding for the upcoming financial year. It is a collaborative adjustment process, and we remain confident in their ability to meet utilisation targets.

**Is it correct to assume that the Revised Estimates are based on the expenditure trends of the first six months, while the Budget Estimates for the upcoming fiscal year are informed by the nine-month spending data of the current year? Furthermore, has this same principle been applied to the current Budget?**

Yes and no in the sense that it is one criterion we adopt. While the half-year expenditure trend is a vital indicator, our allocation process is far from mechanical.

We look beyond mere numbers to conduct a deeper analysis, evaluating whether a scheme has reached saturation or if specific operational hurdles exist for the coming year. This culminates in pre-Budget meetings where we consult with departmental secretaries, financial advisors, and program heads to rigorously review and finalise the estimates.

**For the current fiscal, ₹1.5 lakh crore was allocated for the Special Assistance to States for Capital Investment (SASCI). What is the progress on that?**

Current disbursements stand at approximately ₹1 lakh crore, with the balance expected to be utilised by the end of the fiscal year. This timing is strategic: 60 per cent of the SASCI fund is reform-linked, and States are given time until December to

achieve specific milestones. Once compliance reports are verified by the respective central line ministries, the remaining funds are released. We remain confident of full utilisation by March 31, mirroring last year's performance.

**With the SASCI allocation increasing to ₹2 lakh crore for FY27, is there any scope to adjust the 60:40 reform-to-untied ratio, given that some States are struggling to accelerate their reform agendas?**

Definitely not for that reason. If a State fails to implement necessary reforms, it will not be eligible for those incentive-based funds. However, we may review whether certain long-standing SASCI reforms have served their purpose or if new sectors require fresh incentives.

A State's inability to execute justified reforms is not an excuse for us to relax standards; States must gear up because these reforms are essential for both the citizenry and the nation. The specific percentage and the list of reforms for the FY27 SASCI scheme will be finalised in the coming weeks.

**Are there any new reform areas planned for the FY27 SASCI allocation, similar to the natural disaster initiatives of FY26?**

In FY26, we expanded SASCI to include the mining sector, identifying five key reform areas in coordination with the Ministry of Mines. For the upcoming year, we are consulting with various cen-

tral line ministries to identify new sectors that require State-level incentives. For instance, we are considering a reform linked to the telecom sector's 'Right of Way' (RoW) regulations.

While some States are highly supportive, others face bottlenecks that delay tower installations. Standardising and streamlining these rules through SASCI will ensure the smooth, nationwide expansion of India's telecom network.

**For FY27, the total funding required for the Viksit**

**Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) exceeds ₹1.52 lakh crore. With the Budget providing ₹95,600 crore, States must contribute over ₹57,000 crore. Given that some States cite a lack of resources, will this funding gap affect the scheme's implementation?**

Cost-sharing is a long-standing principle in centrally sponsored schemes, as it fosters mutual ownership and accountability. We have provided ₹95,600 crore based on precise Central calculations, and we look to the States to provide their matching shares. Beyond funding, we expect States to ensure rigorous ground-level implementation, identifying eligible households, maintaining accurate accounting, and prioritising works that align with the Viksit Bharat vision.

I am confident that States will prioritise these resources to meet the employment needs of their rural citizens.

# New insurance Act allowing 100% FDI comes into force

Shishir Sinha  
New Delhi

The government has set February 5 as the date for implementation of the new insurance Act that allows 100 per cent foreign direct investment (FDI), besides other provisions.

"In exercise of the powers conferred by sub-section (2) of section 1 of the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025, the Central government hereby appoints the 5<sup>th</sup> day of February, 2026, as the date on which the provisions of the said Act, except section 25, shall come into force," a notification by Finance Ministry said.

Section 25 deals with the prohibition of common officers and the requirement for whole-time officers.

**EXISTING ACTS**

The new legislation amends three existing Acts: Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the Insurance Regulatory and Development Authority Act, 1999.

Though the Act hikes FDI in the insurance sector to 100 per cent, the top leadership of the insurance company with an insurance company.

The FDI limit in the insurance sector has been gradually increased — from 26 per cent to 49 per cent in 2015, 74 per cent in 2021 and now to 100 per cent.

"This change is expected to unlock greater foreign capital and global expertise at a time when insurance penetration in India stands at only about 3.7 per cent of



**WHAT'S NEW**

- Insurance Act, 1938, the Life Insurance Corporation Act, 1956, and the Insurance Regulatory and Development Authority Act, 1999, have been amended
- Though the Act hikes FDI in the insurance sector to 100%, the top leadership of the insurance company must be Indian citizens

GDP, well below the worldwide average of 7 per cent. Allowing full ownership can attract stable long-term capital and advanced risk-management practices," said Kapil Garg, Managing Director at Mufin Green Finance.

According to a government statement, 'Ease of Doing business' is being promoted for intermediaries through the introduction of provision of one-time licensing and the provision of suspension of licence rather than straight away cancellation.

For insurers, the limit of seeking prior regulatory approval for transfer of share capital has been raised from 1 per cent to 5 per cent, the net owned fund requirement of foreign reinsurance branches has been reduced from ₹5,000 crore to ₹1,000 crore. LIC has been provided autonomy to open zonal offices in the country and align its foreign offices with the laws and regulations of their respective jurisdiction.

**PROTECTION FUND**  
To protect the interest of

policyholders, a dedicated 'Policyholders' Education and Protection Fund' will be set up to spread awareness about insurance. Policyholders' data would now be required to be collected and protected in alignment with DPDP Act 2023.

Regulatory governance is being strengthened by introducing standard operating procedure for regulation making and mandating the process consultative. IRDAI is being given the power to disgorge wrongful gains from insurers and intermediaries. Penalties are being rationalised and factors for imposition of penalties are being introduced.

"Key measures such as the creation of a dedicated policyholder education fund, alignment with the DPDP Act for data protection, and a more consultative regulatory approach point to a clear shift towards a consumer-centric and trust-based market. As the sector attracts increased global participation, these safeguards will be essential in maintaining credibility," Hanut Mehta, CEO at Bimapy Finsure, said.

# 'FY27 Budget provides ample liquidity for govt procurement'

Our Bureau  
New Delhi

Expenditure Secretary V Vualnam on Wednesday assured that the FY27 Budget has provided sufficient liquidity in the system for government procurement, and bidders do not need to worry about payment issues.

He said the public finance management system has moved almost entirely online, and that all transactions are fast, transparent and trackable.

"The focus is on predictability in government procurement," he said while addressing the Global Procurement Summit organised by All India Management Association (AIMA) in partnership with the Finance Ministry.

The Secretary promised simple procurement documentation to make it easier for bidders, vendors and evaluators. The rigour would be focused on what is required, he said, so that one is not lost in the documentation.

He invited suggestions for improving contract management in

**The Secretary promised simple procurement documentation to make it easier for bidders, vendors and evaluators.**

public procurement to reduce disputes and arbitrations.

During the summit, the Government e-Marketplace (GeM) announced an MoU with AIMA to build management capacity, conduct research and promote innovation in public procurement.

Speaking on the occasion, Mihir Kumar, CEO, GeM, said that price and quality are key challenges in procurement and invited ideas for balancing equity and quality in government procurement.

"Artificial intelligence and machine learning (AI/ML) technologies are being inducted into government procurement, and a new AI-enabled GeM platform would be introduced next year," he said.

In his address, the World Bank's Country Procurement Lead for India, Shankar Lal, highlighted that the bank would mobilise \$10 billion each year for the next five years for Indian projects. He said the World Bank would link its financing to sustainability, inclusion, green energy, and local development, as it is focusing on outcomes rather than just products.

He added that the World Bank is now more open to financing private development projects.

**ADB FOCUS**

Speaking on this occasion, Arti Mehra, Deputy Country Director of the Asian Development Bank (ADB), said that in 2025, ADB lent to 16 projects in India, including those for renewable energy, skills, urban infrastructure and healthcare.

To promote emerging technologies and innovations in government projects, the bank is getting involved at an early stage, she said.

She added that local labour requirements and sustainable procurement are now included in the bank's financing criteria.

# Jaishankar, Rubio discuss co-operation on critical minerals and mining

Amiti Sen  
New Delhi

US Secretary of State Marco Rubio and External Affairs Minister S Jaishankar have welcomed the trade deal reached between US President Donald Trump and Prime Minister Narendra Modi.

The two also discussed formalising bilateral co-operation on critical minerals exploration, mining, and processing in their meeting in Washington DC, according to US Principal Deputy Spokesperson Tommy Pigott.

Jaishankar is on a three-day official visit to the US to participate in the Critical Minerals Ministerial convened by Rubio.

"The Secretary and External Affairs Minister discussed formalising bilateral co-operation on critical minerals exploration,



Marco Rubio, US Secretary of State, with S Jaishankar, External Affairs Minister


mining, and processing," Pigott said. The two welcomed the trade deal reached between Trump and Modi, he added. "The two leaders emphasised the importance of our democracies working together to unlock

new economic opportunities and advance our shared energy security goals," Pigott said.

**QUAD COOPERATION**

They also expressed their commitment to expanding multilateral cooperation through the Quad and acknowledged that a prosperous Indo-Pacific region remains vital to advancing shared interests.

On Monday, Trump spoke to Modi on the phone and then announced that the two countries had reached a trade deal. Trump said US would lower its 50 per cent tariffs on India to 18 per cent adding that New Delhi would, likewise, move forward to reduce tariffs and non tariff barriers against the US, to zero. The details of the deal are still being worked out by the two negotiating teams.



## VERITAS FINANCE LIMITED

(formerly known as Veritas Finance Private Limited)

CIN: U65923TN2015PLC100328, RBI Regn No: N-07.00810

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Statement of Unaudited Financial Results for the quarter ended 31 December 2025 and year to date from 01 April 2025 to 31 December 2025							
(All amounts are in INR lakhs, unless stated otherwise)							
S.No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2025 Unaudited	30.09.2025 Unaudited	31.12.2024 Unaudited	31.12.2025 Unaudited	31.03.2025 Audited	
1	Total Income from Operations for the period / year	46,162.77	43,889.75	39,970.94	1,33,042.69	1,11,656.41	1,55,067.93
2	Net Profit for the period / year (before Tax, Exceptional and/or Extraordinary items)	10,856.54	8,848.46	9,064.96	27,859.88	26,785.22	38,832.32
3	Net Profit for the period / year before tax (after Exceptional and/or Extraordinary items)	10,856.54	8,848.46	9,064.96	27,859.88	26,785.22	38,832.32
4	Net Profit for the period / year after tax (after Exceptional and/or Extraordinary items)	8,175.59	6,765.44	6,893.00	21,106.08	20,204.06	29,511.16
5	Total Comprehensive Income for the period / year	7,901.47	6,765.45	6,873.88	20,697.20	20,022.90	29,219.17
6	Paid up Equity Share Capital	13,136.42	13,136.42	13,135.82	13,136.42	13,135.82	13,136.42
7	Reserves (excluding Revaluation Reserve)	2,87,311.60	2,78,978.52	2,55,304.01	2,87,311.60	2,55,304.01	2,65,181.04
8	Securities Premium Account	1,71,989.46	1,71,989.46	1,71,979.66	1,71,989.46	1,71,979.66	1,71,989.46
9	Net worth (equity and preference share capital + reserve and surplus excluding revaluation reserve)	3,00,448.02	2,92,114.94	2,68,439.83	3,00,448.02	2,68,439.83	2,78,317.46
10	Paid up Debt Capital / Outstanding Debt (debt securities + borrowings)	6,59,604.19	6,13,496.94	5,10,625.66	6,59,604.19	5,10,625.66	5,62,974.20
11	Debt Equity Ratio (Refer note d)	2.20	2.10	1.90	2.20	1.90	2.02
12	Earnings per share (of INR 10 each) (Refer note e)						
	- Basic	6.23	5.15	5.25	16.08	15.35	22.44
	- Diluted	6.18	5.11	5.21	15.95	15.23	22.25
13	Capital Redemption Reserve	-	-	-	-	-	-
14	Debt Redemption Reserve (Refer note f)	-	-	-	-	-	-
15	Debt Service Coverage Ratio (Refer note g)	-	-	-	-	-	-
16	Interest Service Coverage Ratio (Refer note g)	-	-	-	-	-	-

**Notes:**

(a) Veritas Finance Limited ("the Company") is a company limited by shares domiciled in India and incorporated on 30 April 2015 under the provisions of the Companies Act, 2013 registered with Reserve Bank of India ("RBI") and is classified under middle layer as per scale based regulations issued by RBI to carry on the business of NBFC without accepting public deposits. The debt securities of the Company namely non-convertible debentures are listed on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Company is engaged in extending credit to micro and small enterprises, typically self-employed businesses and salaried segment for the purpose of their business expansion, working capital, construction of houses, and purchase of used commercial vehicles. Pursuant to conversion into a public company, the Company had changed its name to Veritas Finance Limited with effect from 23 October 2024.

(b) The financial results for the quarter ended 31 December 2025 and year to date from 01 April 2025 to 31 December 2025 are available on the websites of BSE (<https://www.bseindia.com>), NSE (<https://www.nseindia.com>) and the Company (<https://www.veritasfin.in/announcement-and-results.php>).

(c) These unaudited financial results have been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard (Ind AS) 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India and in terms of Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended). Any application guidance/clarifications/directions issued by the Reserve Bank of India are implemented as and when they are issued/become applicable. The statement of unaudited financial results for the quarter ended 31 December 2025 and year to date from 01 April 2025 to 31 December 2025, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 04 February 2026. This statement of unaudited financial results for the quarter ended 31 December 2025 and year to date from 01 April 2025 to 31 December 2025, have been subjected to limited review by the statutory auditors of the Company.

(d) Debt equity ratio is calculated as ((Debt securities + Borrowings) / Net worth).

(e) Earnings per share disclosed for the quarter and nine months ended 31 December 2025, 31 December 2024 and for the quarter ended 30 September 2025 have not been annualised.

(f) Debt redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

(g) Debt service coverage ratio and Interest service coverage ratio is not applicable for Non-Banking Financial Company (NBFC) and accordingly no disclosure has been made.

for and on behalf of the board of directors of  
Veritas Finance Limited (formerly known as Veritas Finance Private Limited)  
Sd/-  
D. Arulmany  
Managing Director and Chief Executive Officer

Place : Chennai  
Date : 04.02.2026