

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of Veritas Finance Limited (formerly known as Veritas Finance Private Limited) (the "Company") pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Veritas Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Veritas Finance Limited** (the "**Company**") for the quarter ended September 30, 2025 and year to date from April 1, 2025 to September 30, 2025 (the "**Statement**") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Anand Philip Abraham

Partner

ICAI Membership No.: 232912

UDIN: 25232912BMOWLK6618



Place of Signature: Chennai

Date: October 29, 2025

Veritas Finance Limited
(formerly known as Veritas Finance Private Limited)
CIN: U65923TN2015PLC100328

Regd. Office: SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road,
Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032.

Statement of unaudited financial results for the quarter ended 30 September 2025 and year to date from 01 April 2025 to 30 September 2025

Particulars	(All amounts are in INR in lakhs, unless stated otherwise)					
	Quarter ended			Six months ended		Year ended
	30 September 2025 (Unaudited)	30 June 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 March 2025 (Audited)
Revenue from operations						
Interest income	42,368.76	41,499.65	36,089.81	83,868.41	68,807.70	1,47,446.06
Fee and commission income	958.95	833.89	842.06	1,792.84	1,595.32	3,483.42
Net gain on fair value changes	548.79	643.43	714.37	1,192.22	1,264.63	2,508.44
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	1,587.91
Sale of services	13.25	13.20	10.56	26.45	17.82	42.10
Total revenue from operations	43,889.75	42,990.17	37,656.80	86,879.92	71,685.47	1,55,067.93
Other income	93.17	97.29	111.27	190.46	325.83	672.03
Total income	43,982.92	43,087.46	37,768.07	87,070.38	72,011.30	1,55,739.96
Expenses						
Finance costs	13,797.39	14,049.09	11,857.78	27,846.48	22,455.76	48,309.17
Fees and commission expense	67.42	58.15	60.77	125.57	86.06	230.54
Impairment on financial instruments	6,054.99	5,946.06	3,784.53	12,001.05	6,443.25	17,134.20
Employee benefits expenses	11,889.87	12,017.67	10,249.17	23,907.54	19,863.26	40,711.00
Depreciation and amortization	758.29	744.88	731.30	1,503.17	1,420.28	2,889.36
Other expenses	2,566.50	2,116.73	2,082.70	4,683.23	4,022.43	7,633.37
Total expenses	35,134.46	34,932.58	28,766.25	70,067.04	54,291.04	1,16,907.64
Profit before Tax	8,848.46	8,154.88	9,001.82	17,003.34	17,720.26	38,832.32
Tax expense						
Current tax	2,248.67	3,671.33	2,738.00	5,920.00	5,862.20	11,491.16
Deferred tax (credit)/ charge	(165.65)	(1,681.50)	(478.00)	(1,847.15)	(1,453.00)	(2,170.00)
Total tax expense	2,083.02	1,989.83	2,260.00	4,072.85	4,409.20	9,321.16
Profit for the period / year	6,765.44	6,165.05	6,741.82	12,930.49	13,311.06	29,511.16
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurements gain/ (loss) of the defined benefit plans	(0.02)	(180.10)	20.42	(180.12)	(216.54)	(390.19)
Income tax relating to items that will not be reclassified to profit or loss	0.03	45.33	(5.14)	45.36	54.50	98.20
Other comprehensive income / (loss) for the period/ year, net of income tax	0.01	(134.77)	15.28	(134.76)	(162.04)	(291.99)
Total comprehensive income/ (loss) for the period/ year, net of income tax	6,765.45	6,030.28	6,757.10	12,795.73	13,149.02	29,219.17
Paid up equity share capital (face value of INR 10 per share)	13,136.42	13,136.42	13,135.82	13,136.42	13,135.82	13,136.42
Other equity						2,65,181.04
Earnings per equity share of INR 10 each*						
- Basic (in rupees)	5.15	4.70	5.13	9.85	10.10	22.44
- Diluted (in rupees)	5.11	4.66	5.09	9.77	10.02	22.25
	Not annualised*	Not annualised*	Not annualised*	Not annualised*	Not annualised*	Annualised*

The accompanying notes are integral part of the unaudited financial results



Veritas Finance Limited (formerly known as Veritas Finance Private Limited) CIN: U65923TN2015PLC100328 Regd. Office: SKCL Central Square 1, South and North Wing, 7th Floor, Unit # C28 - C35, CIPET Road, Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032. Statement of unaudited assets and liabilities as at 30 September 2025 (All amounts are in INR in lakhs, unless stated otherwise)		
Particulars	As at 30 September 2025 (Unaudited)	As at 31 March 2025 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	89,095.05	53,821.85
Bank balances other than cash and cash equivalents	24,309.54	41,940.97
Receivables		
- Other Receivables	36.05	38.05
Loans	7,69,684.43	7,18,787.81
Investments	13,057.80	17,069.51
Other financial assets	4,872.46	5,758.30
	9,01,055.33	8,37,416.49
Non-financial assets		
Current tax assets (net)	895.48	251.80
Deferred tax assets (net)	8,302.00	6,409.50
Property, plant and equipment (including right of use asset)	3,888.13	4,298.65
Intangible assets under development	131.01	163.70
Other Intangible assets	663.66	731.36
Other non-financial assets	2,885.52	2,291.15
	16,765.80	14,146.16
Total Assets	9,17,821.13	8,51,562.65
LIABILITIES AND EQUITY		
Financial liabilities		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	155.41	144.16
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,228.13	474.36
Debt securities	76,746.31	56,830.92
Borrowings (other than debt securities)	5,36,750.24	5,06,093.28
Other financial liabilities (including lease liabilities)	7,795.41	7,624.98
	6,22,675.50	5,71,167.70
Non-financial liabilities		
Provisions	2,341.51	1,337.58
Other non-financial liabilities	689.18	739.91
	3,030.69	2,077.49
Total liabilities	6,25,706.19	5,73,245.19
Equity		
Equity share capital	13,136.42	13,136.42
Other equity	2,78,978.52	2,65,181.04
	2,92,114.94	2,78,317.46
Total Liabilities and Equity	9,17,821.13	8,51,562.65

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Particulars	Six months ended 30 September 2025 (Unaudited)	Six months ended 30 September 2024 (Unaudited)
Cash flows from operating activities		
Profit before tax	17,003.34	17,720.26
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	1,503.17	1,420.28
Impairment on financial instruments	12,001.05	6,443.25
Share based payment expense	1,001.74	758.56
Net (gain)/ loss on investments in mutual funds	(1,192.22)	(1,264.63)
Interest income on loans	(81,779.77)	(67,310.59)
Interest income on security deposits	(101.02)	(86.71)
(Gain)/ loss on termination of leased assets	(2.43)	(15.93)
Finance costs	27,846.48	22,455.76
(Gain) / loss on sale of property, plant and equipment	8.67	12.01
Interest income on fixed deposits with banks	(1,987.62)	(1,410.40)
Cash used in operations before working capital changes and adjustments	(25,698.61)	(21,278.14)
Changes in working capital		
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
(Increase)/ decrease in loans	(61,866.62)	(83,406.75)
(Increase)/ decrease in other receivables	2.00	39.23
(Increase)/ decrease in other financial assets	921.48	(1,135.18)
(Increase)/ decrease in other non-financial assets	(594.37)	(467.15)
<i>Adjustments for increase/ (decrease) in operating liabilities:</i>		
Increase/ (decrease) in trade payables	765.02	(160.13)
Increase/ (decrease) in other financial liabilities	302.52	86.99
Increase/ (decrease) in provisions	850.53	532.51
Increase/ (decrease) in other non-financial liabilities	(50.74)	(52.68)
Cash used in operations before adjustments	(85,368.79)	(1,05,839.30)
Interest income received on loans and investments	80,818.96	67,714.61
Interest income received on security deposits	45.63	49.99
Finance costs paid	(27,665.70)	(22,909.48)
Income tax paid (net of refunds)	(6,563.68)	(6,883.62)
Net cash from/ (used in) in operating activities (A)	(38,733.58)	(67,867.80)



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(All amounts are in INR in lakhs, unless stated otherwise)		
Particulars	Six months ended 30 September 2025 (Unaudited)	Six months ended 30 September 2024 (Unaudited)
Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets and intangible assets under development	(271.20)	(593.33)
Proceeds from sale of property, plant and equipment	15.97	37.55
Deposits placed with banks (net)	17,481.39	(20,115.86)
Interest received on fixed deposits	1,904.56	1,138.79
Purchase of investments - mutual funds	(3,57,824.45)	(3,11,600.00)
Purchase of investments - Government securities	(1,926.83)	-
Proceeds from sale of investments - mutual funds	3,65,088.79	3,02,857.21
Net cash from / (used in) investing activities (B)	24,468.23	(28,275.64)
Cash flows from financing activities		
Proceeds from issue of equity shares including securities premium	(0.02)	14,202.33
Payment of principal portion of lease liabilities	(852.99)	(739.52)
Payment of interest portion of lease liabilities	(143.92)	(167.97)
Proceeds from debt securities	22,500.00	15,000.00
Proceeds from borrowings (other than debt securities)	1,37,368.00	1,57,000.00
Repayment of debt securities	(2,500.00)	(7,500.00)
Repayment of borrowings (other than debt securities)	(1,06,832.52)	(74,517.25)
Net cash from / (used in) financing activities (C)	49,538.55	1,03,277.59
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	35,273.20	7,134.15
Cash and cash equivalents at the beginning of the period	53,821.85	47,744.92
Cash and cash equivalents at the end of the period	89,095.05	54,879.07
Components of cash and cash equivalents:		
	As at 30 September 2025 (Unaudited)	As at 30 September 2024 (Unaudited)
Particulars		
Cash on hand	330.13	327.52
Balances with banks		
In current accounts	58,249.44	46,978.17
In deposit accounts (Original maturity less than three months)	30,515.48	7,573.38
	89,095.05	54,879.07

The accompanying notes are integral part of the financial results



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Notes:

- 1 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.
- 2 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.
- 3 The statement of unaudited financial results for the quarter ended 30 September 2025 and year to date from 01 April 2025 to 30 September 2025, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 29 October 2025. This statement of unaudited financial results for the quarter ended 30 September 2025 and year to date from 01 April 2025 to 30 September 2025, have been subjected to limited review by the statutory auditors of the Company.
- 4 The Company is primarily in the business of financing and accordingly there are no separate reportable segments in accordance with Ind AS 108 on "Operating Segments" in respect of the Company. The Company operates in a single geographical segment, i.e. India.
- 5 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.
- 6 The Company filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"), in connection with the proposed initial public offering of equity shares including offer for sale by selling shareholders ("IPO") and has received observation letter from SEBI on 29 April 2025 which permits the Company to proceed with the IPO within a period of 12 months from such date. As at 30 September 2025, pending conclusion of the IPO, share issue expenses of INR 1,967.65 Lakhs (31 March 2025 – INR 1,637.83 Lakhs) incurred in connection with the proposed IPO are carried forward as an advance to be adjusted against equity or recovered from the selling shareholders.
- 7 The NCDs issued by the Company are secured by exclusive charge on specific receivables of the Company by way of hypothecation with security cover to the extent of 1.00 times to 1.10 times of both the principal and the interest accrued on the NCDs at any point in time. The average security cover provided for these listed NCDs is at 1.09 times of the principal and interest amount outstanding as at 30 September 2025.
- 8 The total outstanding employee stock options as at 30 September 2025 stands at 33,58,834 (35,82,584 as at 31 March 2025). 1,65,000 new grants were issued during the year to date from 01 April 2025 to 30 September 2025 (7,35,000 during the year to date from 01 April 2024 to 30 September 2024). During the year to date from 01 April 2025 to 30 September 2025, NIL options were exercised by the employees (47,000 options of face value of INR 10 were exercised during the year to date from 01 April 2024 to 30 September 2024).
- 9 The financial results for the quarter ended 30 September 2025 and year to date from 01 April 2025 to 30 September 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>).
- 10 Disclosure as per format prescribed under notification - RBI/2020-21/16 DOR No BP BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/21-22 dated 05 May 2021, for the period from 01 April 2025 to 30 September 2025 (borrowers who has been provided restructuring under RBI Resolution Framework- 2.0):

(INR in lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2025	Of (A) Aggregated debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) Amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September 2025
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	468.30	30.10	33.24	125.34	279.62
Total	468.30	30.10	33.24	125.34	279.62

for and on behalf of the board of directors of
Veritas Finance Limited (formerly known as Veritas Finance Private Limited)


D. Arulmany

Managing Director and Chief Executive Officer

Place : Chennai
Date : 29 October 2025



Veritas Finance Limited
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CIN: U65923TN2015PLC100328

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Annexure 1

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Particulars	As at 30 September 2025
(a) Debt equity ratio (Debt securities + Borrowings) / Net worth)	2.10 times
(b) Debt service coverage ratio	Refer note below.
(c) Interest service coverage ratio	Refer note below.
(d) Outstanding redeemable preference shares (quantity & value)	Refer note below.
(e) Capital redemption reserve / Debenture redemption reserve :	Refer note below.
(f) Net worth (Equity share capital + Other equity)	INR 2,92,114.94 Lakhs
(g) Net profit after tax -for the year to date from 01 April 2025 to 30 September 2025	INR 12,930.49 Lakhs
(h) Earnings per share -for the year to date from 01 April 2025 to 30 September 2025	Basic - INR 9.85 Diluted - INR 9.77
(i) Current Ratio (current assets/ current liabilities)	Refer note below.
(j) Long term debt to working capital (%) (Working capital loans/ Long term debt)	Refer note below.
(k) Bad debts to account receivable ratio (%) (Bad debts / Accounts receivables)	Refer note below.
(l) Current liability ratio (%) (Current liability/ Total liability)	Refer note below.
(m) Total debts to Total assets Ratio (%) (Debt Securities+ Borrowings (other than debt securities)+ Subordinated Debts) / Total Assets	66.84%
(n) Debtors turnover ratio	Refer note below.
(o) Inventory turnover ratio	Refer note below.
(p) Operating margin (%)	Refer note below.
(q) Net Profit Margin(%) (Net profit after tax / Total income) -for the year to date from 01 April 2025 to 30 September 2025	14.85%
(r) Sector specific equivalent ratio i) GNPA (%) (Gross stage 3 loans/ Gross loans) ii) NNPA (%) (Gross stage 3 loans- Impairment loss allowance on stage 3 loans) / (Gross loans- Impairment loss allowance on stage 3 loans) iii) Provision Coverage Ratio ("PCR") (%) (Impairment loss allowance for stage 3 loans/ Gross stage 3 loans) iv) Security cover ratio v) Liquidity coverage ratio ("LCR") - (High- Quality Liquid Assets (HQLAs)/ Total Net cash outflows over the next 30 calendar days) vi) Capital adequacy ratio (calculated as per RBI guidelines) (%)	i) 2.94% ii) 1.61% iii) 45.87% iv) 1.09 times v) 176.14% vi) 36.74%

Note: Ratios/ disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/ debenture redemption reserve, current ratio, long term debt to working capital, bad debts to accounts receivable ratio, current liability ratio, debtors turnover, inventory turnover, and operating margin (%) are not applicable/ relevant to the Company and hence not disclosed.

