

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 December 31, 2024 and year to date from April 1, 2024 to December 31, 2024 (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.
5. The comparative financial information of the Company for the corresponding quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023, included in these unaudited financial results, were reviewed by the predecessor auditor and the financial statement of the Company for the year ended March 31, 2024, were audited by predecessor auditor who expressed an unmodified conclusion and unmodified opinion on those financial information on January 30, 2024 and April 25, 2024, respectively.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004



per Bharath N S  
Partner  
Membership No.: 210934  
UDIN: 25210934BMLCEW3036  
Place: Chennai  
Date: February 5, 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 31 December 2024 and year to date from 01 April 2024 to 31 December 2024

Particulars	(All amounts are in INR in lakhs, unless stated otherwise)					
	Quarter ended			Nine months period ended		Year ended
	31 December 2024	30 September 2024	31 December 2023	31 December 2024	31 December 2023	31 March 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue from operations</b>						
Interest income	38,379.16	36,089.81	28,009.10	1,07,186.86	74,600.90	1,05,706.44
Fee and commission income	926.52	842.06	888.46	2,521.84	2,404.22	3,186.30
Net gain on fair value changes	653.29	714.37	778.63	1,917.92	1,596.04	2,220.54
Sale of services	11.97	10.56	2.15	29.79	2.54	7.07
<b>Total revenue from operations</b>	<b>39,970.94</b>	<b>37,656.80</b>	<b>29,678.34</b>	<b>1,11,656.41</b>	<b>78,603.70</b>	<b>1,11,120.35</b>
Other income	194.29	111.27	117.81	520.12	218.31	628.98
<b>Total income</b>	<b>40,165.23</b>	<b>37,768.07</b>	<b>29,796.15</b>	<b>1,12,176.53</b>	<b>78,822.01</b>	<b>1,11,749.33</b>
<b>Expenses</b>						
Finance costs	12,772.08	11,857.78	8,539.37	35,227.84	21,813.33	31,441.64
Fees and commission expense	48.53	60.77	143.38	134.59	367.81	435.24
Impairment on financial instruments	5,626.83	3,784.53	2,843.55	12,070.08	6,669.69	9,016.56
Employee benefits expenses	10,025.62	10,249.17	7,449.87	29,888.88	21,237.17	29,160.93
Depreciation and amortization	739.88	731.30	635.37	2,160.16	1,718.48	2,356.33
Other expenses	1,887.33	2,082.70	1,829.96	5,909.76	5,195.90	7,042.17
<b>Total expenses</b>	<b>31,100.27</b>	<b>28,766.25</b>	<b>21,441.50</b>	<b>85,391.31</b>	<b>57,002.38</b>	<b>79,452.87</b>
<b>Profit before Tax</b>	<b>9,064.96</b>	<b>9,001.82</b>	<b>8,354.65</b>	<b>26,785.22</b>	<b>21,819.63</b>	<b>32,296.46</b>
<b>Tax expense</b>						
Current tax	2,355.96	2,738.00	1,892.00	8,218.16	6,022.00	8,834.00
Deferred tax (credit)/ charge	(184.00)	(478.00)	125.97	(1,637.00)	(728.80)	(1,042.80)
<b>Total tax expense</b>	<b>2,171.96</b>	<b>2,260.00</b>	<b>2,017.97</b>	<b>6,581.16</b>	<b>5,293.20</b>	<b>7,791.20</b>
<b>Profit for the period / year</b>	<b>6,893.00</b>	<b>6,741.82</b>	<b>6,336.68</b>	<b>20,204.06</b>	<b>16,526.43</b>	<b>24,505.26</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>						
Re-measurements gain/ (loss) of the defined benefit plans	(25.55)	20.42	(63.69)	(242.09)	74.92	58.43
Income tax relating to items that will not be reclassified to profit or loss	6.43	(5.14)	16.03	60.93	(18.86)	(14.71)
<b>Other comprehensive income / (loss) for the period/ year, net of income tax</b>	<b>(19.12)</b>	<b>15.28</b>	<b>(47.66)</b>	<b>(181.16)</b>	<b>56.06</b>	<b>43.72</b>
<b>Total comprehensive income/ (loss) for the period/ year, net of income tax</b>	<b>6,873.88</b>	<b>6,757.10</b>	<b>6,289.02</b>	<b>20,022.90</b>	<b>16,582.49</b>	<b>24,548.98</b>
Paid up equity share capital (face value of INR 10 per share)	13,135.82	13,135.82	12,751.92	13,135.82	12,751.92	12,751.92
Other equity						2,20,203.43
Earnings per equity share of INR 10 each*						
- Basic	5.25	5.13	4.80	15.35	12.95	19.04
- Diluted	5.21	5.09	4.77	15.23	12.82	18.86
	Not annualised*	Not annualised*	Not annualised*	Not annualised*	Not annualised*	Annualised*

The accompanying notes are integral part of the unaudited 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 April 30, 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 31 December 2024 and year to date from 01 April 2024 to 31 December 2024, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 05 February 2025. This statement of unaudited financial results have been subjected to limited review by the statutory auditor of the Company.
- 4 The Board of Directors of the Company at its meeting held on 16 July 2024 has called for money payable on 5,013,262 partly paid equity shares of the Company. Consequently, Company collected INR 379.19 Lakhs towards equity capital and INR 13,754.74 Lakhs towards securities premium aggregating to INR 14,133.93 Lakhs on the partly paid-up equity shares and converted the same to fully paid-up equity shares. Further, 800,000 partly paid-up equity shares were forfeited pursuant to the provision in Articles of Association of the Company and in accordance with the applicable provisions and rules of the Companies Act, 2013 for non-payment of call money.
- 5 The Company had identified Mr. D. Arulmany and Ms. Vidya Arulmany as the promoters of the Company. Pursuant to the resolution passed by the Board of Directors on December 19, 2024 considering the extant regulations of Securities Exchange Board of India, the Company does not have any identifiable promoter in terms of Companies Act, 2013.
- 6 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.
- 7 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.
- 8 Based on the approval of the IPO committee of Board of Directors of the Company in their meeting held on January 18, 2025, the Company has filed the draft red herring prospectus ("DRHP") dated January 18, 2025 with the Securities and Exchange Board of India ("SEBI"), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended in connection with the proposed initial public offering of equity shares of Rs. 10 each of the Company comprising a fresh issue and an offer for sale by the selling shareholders of the Company. The Company is awaiting comments/ approval of the DRHP from SEBI.
- 9 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 1.10 times of the principal and interest amount outstanding as at 31 December 2024.
- 10 The total outstanding employee stock options as at 31 December 2024 stands at 27,56,084 (22,95,917 as at 31 March 2024). 7,35,000 new grants were issued during the year to date from 01 April 2024 to 31 December 2024 (2,10,000 for the year to date from 01 April 2023 to 31 December 2023). 47,000 options of face value of INR 10 were exercised by the employees during the year to date from 01 April 2024 to 31 December 2024 (18,73,000 for the year to date from 01 April 2023 to 31 December 2023).
- 11 Basic and diluted earnings per share disclosed for the quarter ended 31 December 2023 and year to date from 01 April 2023 to 31 December 2023 and the year ended 31 March 2024 is now computed to include ordinary shares that were issued upon conversion of compulsorily convertible preference shares as per the requirements of IndAS 33 – Earnings per share, compared to the earnings per share ratios published earlier by the Company.
- 12 The financial results for the quarter ended 31 December 2024 and year to date from 01 April 2024 to 31 December 2024 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>).
- 13 The comparative financial information of the Company for the corresponding quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023, included in these unaudited financial results, were reviewed by the predecessor auditor and the financial statement of the Company for the year ended March 31, 2024, were audited by predecessor auditor who expressed an unmodified conclusion and unmodified opinion on those financial information on January 30, 2024 and April 25, 2024 respectively.

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 : 05 February 2025



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**Annexure I**

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

Particulars		As at 31 December 2024
(a)	Omitted	-
(b)	Omitted	-
(c)	Debt equity ratio (Debt securities + Borrowings) / Net worth)	1.90 times
(d)	Omitted	-
(e)	Omitted	-
(f)	Debt service coverage ratio	Refer note below.
(g)	Interest service coverage ratio	Refer note below.
(h)	Outstanding redeemable preference shares (quantity & value)	Refer note below.
(i)	Capital redemption reserve / Debenture redemption reserve :	Refer note below.
(j)	Net worth (Equity share capital + Other equity)	INR 2,68,439.83 Lakhs
(k)	Net profit after tax -for the year to date from 01 April 2024 to 31 December 2024	INR 20,204.06 Lakhs
(l)	Earnings per share - for the year to date from 01 April 2024 to 31 December 2024	Basic - INR 15.35 not annualised Diluted -INR 15.23 not annualised
(m)	Current Ratio (current assets/ current liabilities)	Refer note below.
(n)	Long term debt to working capital (%) (Working capital loans/ Long term debt)	Refer note below.
(o)	Bad debts to account receivable ratio (%) (Bad debts / Accounts receivables)	Refer note below.
(p)	Current liability ratio (%) (Current liability/ Total liability)	Refer note below.
(q)	Total debts to Total assets Ratio (%) (Debt Securities+ Borrowings (other than debt securities)+ Subordinated Debts) / Total Assets	64.70%
(r)	Debtors turnover ratio	Refer note below.
(s)	Inventory turnover ratio	Refer note below.
(t)	Operating margin (%)	Refer note below.
(u)	Net Profit Margin(%) (Net profit after tax / Total income) -for the year to date from 01 April 2024 to 31 December 2024	18.01%
(v)	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) Capital adequacy ratio (calculated as per RBI guidelines) (%)	i) 2.12% ii) 1.00% iii) 53.52% iv) 1.10 times v) 39.15%

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.

