

Independent Auditor’s Review Report on the Quarterly and Year to Date Unaudited Financial Results of 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 Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Veritas Finance Private Limited (the “Company”) for the quarter ended June 30, 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 June 30, 2023, included in these unaudited financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on July 27, 2023 and the comparative financial information of the Company for the quarter and year ended March 31, 2024, included in these unaudited financial results, were audited by predecessor auditor who expressed an unmodified opinion on those financial information on April 25, 2024.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Bharath N S**

Partner

Membership No.: 210934

UDIN: 24210934BKFUOH2848

Place: Chennai

Date: August 13, 2024



Veritas Finance Private Limited
CIN: U65923TN2015PTC100328
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 June 2024

Particulars	(All amounts are in INR in lakhs, unless stated otherwise)			
	Quarter ended		Year ended	
	30 June 2024 Unaudited	31 March 2024 (Refer note 10)	30 June 2023 Unaudited	31 March 2024 Audited
Revenue from operations				
Interest income	32,717.89	31,105.54	21,804.36	1,05,706.44
Fee and commission income	753.26	782.08	660.26	3,186.30
Net gain on fair value changes	550.26	624.50	388.05	2,220.54
Sale of services	7.26	4.53	-	7.07
Total revenue from operations	34,028.67	32,516.65	22,852.67	1,11,120.35
Other income	214.56	646.48	86.60	1,259.72
Total income	34,243.23	33,163.13	22,939.27	1,12,380.07
Expenses				
Finance costs	10,597.98	9,665.01	6,362.77	31,561.84
Fees and commission expense	25.29	67.43	85.17	435.24
Impairment on financial instruments	2,658.72	2,580.78	2,059.93	9,643.28
Employee benefits expenses	9,614.09	7,923.77	6,123.71	29,160.93
Depreciation and amortization	688.98	637.86	498.26	2,356.33
Other expenses	1,939.73	1,811.47	1,588.89	6,925.99
Total expenses	25,524.79	22,686.32	16,718.73	80,083.61
Profit before Tax	8,718.44	10,476.81	6,220.54	32,296.46
Tax expense				
Current tax	3,124.20	2,812.00	1,963.00	8,834.00
Deferred tax (benefit) charge	(975.00)	(314.00)	(373.84)	(1,042.80)
	2,149.20	2,498.00	1,589.16	7,791.20
Profit for the period / year	6,569.24	7,978.81	4,631.38	24,505.26
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	(236.96)	(16.49)	(535.61)	58.43
Income tax relating to items that will not be reclassified to profit or loss	59.64	4.16	134.81	(14.71)
Other comprehensive income / (loss) for the period/ year, net of income tax	(177.32)	(12.33)	(400.80)	43.72
Total comprehensive income/ (loss) for the period/ year, net of income tax	6,391.92	7,966.48	4,230.58	24,548.98
Earnings per equity share of INR 10 each*				
- Basic	4.98	6.04	5.72	19.04
- Diluted	4.94	6.01	5.61	18.86
	Not annualised*	Not annualised*	Not annualised*	Annualised*

The accompanying notes are integral part of the unaudited financial results



Veritas Finance Private Limited

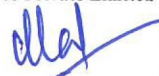
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Notes:

- 1 Veritas Finance Private Limited ("the Company") is a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC-ND-SI") registered with the Reserve Bank of India (the "RBI") and is classified under middle layer as per scale based regulations issued by RBI.
- 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 June 2024, have been reviewed by the Audit Committee on 12 August 2024 and subsequently approved by the Board of Directors at their meeting held on 13 August 2024. This statement of unaudited financial results for the quarter ended 30 June 2024, 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 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 1.08 times of the principal and interest amount outstanding as at 30 June 2024.
- 7 The total outstanding employee stock options as at 30 June 2024 stands at 22,72,917 (22,95,917 as at 31 March 2024). There were no grants during the quarter ended 30 June 2024 (NIL for the quarter ended 30 June 2023). 15,000 options of face value of INR 10 were exercised by the employees during the quarter ended 30 June 2024 (NIL for the quarter ended 30 June 2023).
- 8 Basic and diluted earnings per share disclosed for the period ended 30 June 2023 and 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.
- 9 The financial results for the quarter ended 30 June 2024 are available on the websites of BSE (<https://www.bseindia.com>), NSE (<https://www.nseindia.com>) and the Company website (<https://www.veritasfin.in/announcement-and-results.php>).
- 10 Figures for the quarter ended 31 March 2024, are derived by deducting the reported year to date figures for the period ended 31 December 2023, which were subject to limited review, from audited figures for the year ended 31 March 2024.
- 11 The comparative financial information of the Company for the corresponding quarter ended 30 June 2023, included in these unaudited financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on 27 July 2023 and the comparative financial information of the Company for the quarter and year ended 31 March 2024, included in these unaudited financial results, were audited by predecessor auditor who expressed an unmodified opinion on those financial information on 25 April 2024.

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



D. Arulmany

Managing Director and Chief Executive Officer

Place : Chennai

Date : 13 August 2024



Veritas Finance Private Limited
CIN: U65923TN2015PTC100328

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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 June 2024
(a)	Omitted	-
(b)	Omitted	-
(c)	Debt equity ratio (Debt securities + Borrowings) / Net worth)	1.88 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 2,39,859.62 Lakhs
(k)	Net profit after tax -For the quarter ended 30 June 2024	INR 6,569.24 Lakhs
(l)	Earnings per share - For the quarter ended 30 June 2024	Basic - INR 4.98 not annualised Diluted -INR 4.94 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	64.28%
(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 quarter ended 30 June 2024	19.18%
(v)	Sector specific equivalent ratio	
	i) GNPA (%) (Gross stage 3 loans/ Gross loans)	i) 1.77%
	ii) NNPA (%) (Gross stage 3 loans- Impairment loss allowance on stage 3 loans) / (Gross loans- Impairment loss allowance on stage 3 loans)	ii) 0.85%
	iii) Provision Coverage Ratio ("PCR") (%) (Impairment loss allowance for stage 3 loans/ Gross stage 3 loans)	iii) 52.17%
	iv) Security cover ratio	iv) 1.08 times
	v) Capital adequacy ratio (calculated as per RBI guidelines) (%)	v) 40.79%

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.

